Village of Tupper Lake
Board of Trustees
Minutes

Date: Wednesday, August 27, 2014
Time: 6:30 PM
Location: Board Room
Meeting: Public Hearing

6:30-7:10 PM

At the Public Hearing of the Board of Trustees held this date, the following were present: Mayor Paul A. Maroun, Trustees Rick Donah, Leon LeBlanc, Thomas Snyder, David Maroun and Village Clerk/Treasurer Mary A. Casagrain.

Also present were Electric Superintendent John T. Bouck, Town of Tupper Lake Supervisor Patricia S. Littlefield and New Reporters Matthew Turner and Daniel McClelland.

Call the Public Hearing To Order

Mayor Maroun called the Public Hearing to order for the purpose of hearing comments from the public concerning proposed revisions to the Village of Tupper Lake's Electric Rates and read aloud the legal notice published in the *Tupper Lake Free Press* on August 20th and August 27th of 2014. The notice was also posted in the Village Hall Lobby on August 13, 2014.

John T. Bouck

Electric Superintendent John T. Bouck stated that back in November of 2013 the board started talks with the New York Power Authority about our concerns of the lack of cash reserve and cash flow to complete necessary capital improvements to the utility and the much needed cash to operate the day to day operations. After the initial review it was suggested we do a more comprehensive financial review and analysis which required we submit historical data for each year since our last rate increase approved in December of 2009.

The New York Power Authority completed that review in March of 2014 and further required a full scale comprehensive review of our rates and financials. Thus requiring we submit a more comprehensive capital improvement plan for the next two (2) years as well as a planned future debt for our requested betterments as part of our NYS Route 3 & 30 reconstruction project and needed upgrades to Municipal Electric Utility.

Superintendent Bouck presented our proposed rates in detail for each rate class outlining that the total revenue generated as a result of the proposed rate increase would generate 5.6% in revenues to the utility. For the residential customer there would be a 22.6% rate increase for the first 1,500 kWh and about .5% increase for the other two tiers. The other rate classes will see an increase ranging between 8% and 12%.

Daniel McClelland

News Reporter Mr. Daniel McClelland asked if we need this rate increase.

John T. Bouck

Electric Superintendent John T. Bouck advised that it was necessary. He explained that some of the issues may have been part of the last rate review completed in 2010 were not immediately apparent since the board at that time agreed to implement that rate increase over three years beginning with 8% the first year, followed by 5% each for the next two years.

Further he outlined a few of reasons for the proposed rate increase including the loss of sales of over nine million kilowatt hours per year in the industrial and residential classes, increased initiatives to help conserve power through the IEEP program including the appliance rebate program, commercial lighting program, attic insulation program, pv solar program, compact bulb program etc. not to mention several increases for electricity purchased.

Unfortunately without the sales revenue many improvements haven't been completed, noting that only three of the ten things planned for the 2010 rate review have been completed.

Patricia S. Littlefield — Town of Tupper Lake Supervisor Patricia S. Littlefield asked about the electric department's current debt.

Mary A. Casagrain — Village Clerk/Treasurer Mary A. Casagrain advised that there were two 1994 public improvement bonds outstanding and a USDA bond.

John T. Bouck — Electric Superintendent John T. Bouck added that due to the loss of sales his biggest challenge his department faces is the lack of cash flow in the summer months when electric bills are low for our customers.

Patricia S. Littlefield — Town of Tupper Lake Supervisor Patricia S. Littlefield asked if the the Village should consider lifting the electric heat moratorium to increase sales?

John T. Bouck — Electric Superintendent John T. Bouck advised that the current moratorium end in November and the board may want to consider lifting it at that time.

Paul A. Maroun — Mayor Paul A. Maroun advised that he had last years electric usage calculated using the new proposed rate structure and the net increase assuming the same usage would be approximately $115.41 more for the year. He further added that this rate increase would allow us the cash flow we need to operate year round.

Thomas Snyder — Trustee Thomas Snyder stated that in the past rate reviews we tried hard to not increase rates by keeping our base rates so low that we can barely make it through the summer. He stated that the new rate spreads the increase evenly through all rate classes.

John T. Bouck — Electric Superintendent John T. Bouck noted that the village also asked NYPA to permit a reserve fund to give the village the ability to apply those reserves to future PPA to account for anomalies during the heating season but were denied that request advising that the PPA is intended just for those purposes.

He further explained that if the board so chooses to accept the rates as proposed tonight, the New York Power Authority will need to advertise the proposed rate increase in the NYS Register and after 45 days it may then be reviewed by the NYPA Trustees at their scheduled December meeting. He speculated that the new proposed rates if approved would take effect February of 2015.

Paul A. Maroun — Mayor Paul A. Maroun advised that he would like to table a decision this evening to give the community time to submit written comments through next Thursday, September 4, 2014 at which time a formal decision will be made on the proposed rates.

Close Public Hearing
7:10 PM

Motion by Trustee LeBlanc to close the Public Hearing at 7:10 PM after there were no other comments, seconded by Trustee Snyder. (Carried 5-0)

Mary A. Casagrain, Village Clerk/Treasurer