

**AUBURN MUNICIPAL POWER AGENCY MINUTES  
MONDAY, MAY 10, 2010 AT 4:00 P.M.**

Members Present: Dennis Zach Chairperson, John Montone, Mayor Michael Quill, Nancy Hussey, William Graney, Luke Rybarczyk, Mike Luksa, Vijay Mital and Krste Biljanoski

Member Absent: Nicholas Brindak

Staff Present: Andy Fusco, Vicky Murphy, Tony DeCaro and William Lupien

Staff Absent: Mark Palesh, Bruce Ross

Chairperson Dennis Zach called the meeting to order at 4:05 pm on Monday, May 10, 2010. Luke Rybarczyk made a motion to have the minutes approved from the last meeting, seconded by Krste Biljanoski, all in favor. Minutes approved.

Mr. Thurston will be here shortly.

Mr. Fusco: Had a flat tire coming down from Cato, he will be here. There has been some movement on the Canadian Turbine issue I don't know what it is.

Mr. Zach: Move on to the thing that is going to be the most discussion and that is trying to figure out setting a base rate. Vicky and I have crunched some numbers. John has done a lot of work on it also and gave us a sheet as an example on how they charge electric in Solvay.

Mr. Montone: Actually the sheet that I handed to you is the actual bill the amount of the invoice that we got from Central Hudson of \$89,667.11. It shows if we were to, everybody have that sheet that is typed up and also hand written in some of it? (Everyone has the information). It say Purchase Power Cost per Kwh Calculation – the invoice that we received on May 7<sup>th</sup> from Central Hudson was for \$89,667.11 total so to divide to the purchase power adjustment to establish a rate we know we are paying .0599 almost 6 cents. If you look at the second line there were it says surcharges those are miscellaneous charges that were in the bill for example we have to pay them for production tax credits reimbursement and for gas

charges and so forth. So the total bill gets up to \$89,667.11 it started out at \$87,000 something. The delivered kilowatt-hours was 1460 megawatts or 14,600 kilowatt hours times the 12 our agreement with Central Hudson is 17,520 megawatt hours and these are not really producing 2 megawatts a day they are only obligated to produce 1.460. So our actual cost for this invoice here including all those miscellaneous charges was 6.14 cents \$61 a megawatt. Now if you go down below where I wrote in by hand the present purchase power cost we know it cost us 6.14 cents basically how you get that figure divide that amount into that total bill of \$89,667.11. Our base purchase power cost is 5.99 cents the difference is 0.15 we have an adjustment for the distribution cost in there, in other words this is something we would come up with what we are establish in base rate so we know we are going to capture our cost of 1.5 and the purchase power per kilowatt hour is line 3 there and 4 which comes to 1.65 that customer it could be anybody an industrial customer it would cost him that much for this month we would charge them 7.79 cents a kilowatt hour based on how many kilowatts they are using. We know that we need to come up with a base rate above 5.99 any other cost is just adjusted through that purchase power adjustment amount. Pretty straight forward there and we based that on our invoices that we will be getting and any additional costs.

Mr. Fusco: On line iv how do we come with the 1.46 megawatts being produced?

Mr. Montone: That is actually what they are charged us on the invoice for that month.

Mr. Fusco: I thought they were charging us as if they produced 2.0.

Mr. Montone: Nope. 1460 times 12 months is 17,520. So they have actually produced a total 3,923 megawatt hours is what we owe them for. For this particular bill I just used this invoice to know how much we would charge for this month if we were establishing a rate. We know what we pay 6.14 so we have to charge more.

Mr. Fusco: On the bottom half item #4 adjustments for distribution cost that is arbitrarily picked profit figure for us?

Mr. Montone: Yes that cost could be we can move that around whatever we decide. You come up with that in some respects with the difference per the kilowatt hour in order words from the 6.14 and the 5.99 is 1.5 cents and then you add whatever that figure we decide there that is how you come up with a total rate per kilowatt-hour. That is not the base rate that is after the purchase power adjustment. So this particular bill I am saying the base rate is actually 6.14.

Mr. Graney: So you are just giving us an example?

Mr. Montone: Yes based on a real bill. That amount of money there using some figures that Denny and them came up with it ends up being a revenue of over \$300,000 per year not exact figure, wasn't it Denny?

Mr. Zach: Yes gross.

Mr. Montone: This figure is actually a little more. So you actually have a gross revenue of about \$300,000 if we only had a rate of 7.75 that is gross for the year.

Ms. Hussey: Could you just run by what these adjustments for distribution costs are? And how you came up with them?

Mr. Montone: Could be a lot of different things but you could have administration costs built in there and that is also covered under our customer service charge. Say we have to go out and by a new switch we want to make sure that we are capturing money there to build up revenue for that. We need to figure that factor adjustment amount what is in there.

Ms. Hussey: So any of the adjustments these are fixed costs like our cost of power, the cost of methane, the cost of employees, six employees cost is that what that is?

Mr. Montone: Yes.

Ms. Hussey: And how did you come up with the 1.5 cents?

Mr. Montone: Just an example.

Ms. Hussey: Ok.

Mr. Montone: Vicky and Denny have been working on our actual costs are and we had some figures there for the oil, we have to quantify that we are not exactly sure what they all are. It just gives you an example how setting a base rate the adjusted amounts again are something that usually an unknown every month because the cost are variable so the base rate the figure that you work with and once you know your base rate you are going to base it on the power your purchased the kilowatts hours and your sales of kilowatt hours. That is how you come up with that factor of adjustment. So if we are purchasing 17,520 megawatts and we sold 13,000 you use those figures to come up with a factor of adjustment, which is in that sheet that I gave you last week. I know it is complicated if you don't do it very day. But this is just an example how we will come up with our base rate; we know we have to be above 5.99 cents.

Mr. Zach: Vicky and I crunched some numbers too and these are basically figured on full production the 2 megawatts and what we would be required to purchase off Central Hudson every year. We added in looking to do the base rate a little different, we added in some costs on the high side to be on the safe side we figured \$4,000 a month for oil changes which doesn't happen every month come to find out that might be more like \$2,000 and our NYSEG charges, our power sales charge they do for scheduling the power that we do put into the grid we are estimating around \$1,500 and trip cost which possibly may get stuck onto Central Hudson it looks like that may be a cost they are suppose to pick up. Then \$40 a month meter bill. We had I think I sent everyone an email on that we had an EPO agreement on the meter at the Wastewater Treatment Plant so we could read the meter and take the data off and I had that roll over to this meter because we have no way of reading the meter if it goes into NYSEG or back out of NYSEG. At least for balancing purposes for this year I think we need that pretty much to keep that I didn't even realize that until Timmy Wendell called me one day and said what are you going to do with that thing so I called Lisa Green and basically decided to roll it over that was an existing cost we already had at the Wastewater Plant and that is still basically going to meter the Wastewater Plant so we can tell exactly what we have a meter at the plant now that has to be fixed but this one here is actually going to meter so we can what is going into the NYSEG grid or what we actually used out of it ourselves that bilateral meter that measures both ways. That total came out to about \$6,000 a month which we added to the electric bill cost but there is a pretty good chance that about half of that is going to go away and

we calculated that out adding that to the \$6,000 came out to 6.4 cents a kilowatt hour and we were looking at trying to solve some of the adds figures on a base rate and just be able to add in the purchase power annual purchase of natural gas on top of it as an adder. If we set a base rate of 7 cents then we have an excess after counting that \$6,000 which could be half of that about \$103,000 that would give us a little room for shut down time if we had to shut down the skid for a couple 3 days figured roughly a down time of 4 days down and we have to either electric or generate with natural gas that would still cover that sort of thing. I think eventually we should look at this and decide which way we want to try to set a base rate. If we do it John's way basically the 599 cents and then put all the adders on top of it

Mr. Montone: If you look at the other page that I handed out it is an example of Massena, New York's tariff for small generation service without a demand meter. Now they customer charges of \$5 and the rate is 0.04409. The 4<sup>th</sup> paragraph down kind of tells you the charges set forth herein shall be subject to a PPA per kwh billed hereunder when changes in the base cost of power occur as described in General Information Rule 7. The General Information is basically it tells you what those costs are. So they have their base rate at .04409 just to give you an example. If a customer ended up over 2,000 then they start being billed on demand, which I think most of you understand how the demand works it is on 30-minute cycles and there is a set rate for it like \$2, \$3 or \$4 for kilowatt-hour. So this is just an example for the purchase power adjustment amount is the way that you capture any cost that you get in that particular month and it is usually one month ahead so if we had a cost of \$10,000 then our purchase power adjustment amount adjusts into that rate just to give you an example. But you have to work off of that base rate. Energy charge rate for a commercial customer we have to establish and it can be all-different but we know what the power alone is costing us. Any questions?

Ms. Hussey: Is this an exercise to establish the policy on how we are going to present, we are going to set the rates

Mr. Montone: We want to make sure that everybody understands because we just could say well we need to establish a rate of 6.5 cents. If we were using 6.1 cents you can see what on average we would be charging the customer 7.79 cents all in price. If establish a rate higher again I got the 6.1 cents just like dividing the amounts into what we actually paid. We are saying we are only paying 599 but we are not but those additional costs are

there so my purchase power adjustment is done almost twice. See what I am saying capturing both ways. These are just ideas how you come up with rates. All different municipalities and utility companies have different formulas and so forth but mine and Massena's are fairly similar that is why I wanted to show you, Skaneateles might be a little different because they don't have big industrial customers like we do. We know that we need to establish just an industrial rate t this time and 5 months down the road if things change we will have a residential rate. This is what we have got to do and this is just showing you the formula. We need to break down the figures exactly we have only one know figure 599 ok. We want to make money and not lose money have to be above it and we know what are costs are.

Ms. Hussey: Know what the costs are not set something arbitrarily we are already looking at we almost set it at 7.75 or 7.25 or whatever I am a little nervous about that. I think what we need to do is establish the procedures the formula and just go with that.

Mr. Montone: Our invoice from Central Hudson for power will never be more than \$87,585

Ms. Hussey: But that is only component in establishing the cost.

Mr. Montone: That is know the others are unknown, that is why you have that formula there that we just showed you.

Mr. Zack: Shall we table this discussion and let Mr. Thurston bring us up to date?

Mr. Fusco: When do you think we will be prepared to come up a rate to recommend to City Council?

Mr. Zach: We will go back on this I was going to let him do his thing but it would be nice if we could come up basically on how we are do the formula either set one higher to exclude some of our prices and do it on the high side or we start right with the 599 cents and just go from there with all the variables. It would be nice if we had a fairly good idea what is the best way to do it and do it right here today if we can and if not we will probably end up doing a special meeting so that we can present it to the City Council.

Mr. Montone: We should do it as soon as possible we will put in a special provision in the actual tariff that we send to them so that would cover if we needed to make changes because if all of a sudden we missed something.

Mr. Zach: Some base figure for anybody so they can do planning to start at this point. With that, Mr. Thurston would you like to address the agency?

Mr. Thurston: Thank you very much. I am here on behalf of Richard Kuiper and Canadian Turbine and the meeting scheduled today I guess it was changed from the date we had been given previously. I spoke with Mr. Kuiper this morning he has been in Europe chasing down I think some suppliers he is not able to make it today and I had contacted him when I talked to Andy about the change in date and I am not sure he got the message I faxed some information to him. He is an email guy and while traveling he may not have gotten the message about the changed meeting. In any event he is not available today, he got back yesterday and is not available. He did indicate that as far as they were concerned still very anxious to proceed. He is aware of the documentation requested at the last meeting. He did talk to Mike Wild at Potsdam and I think Andy may have talked to him as well. Before he left had confirmation from him that they were satisfied or confirming that the issue of whether they were talking about the same piece of equipment or not is not the case totally separate products not related whatsoever which was a concern at time whether there was a problem in Potsdam that would carry over here. I don't know if Andy has talked with Mike Wild recently or not.

Mr. Fusco: Not since Friday.

Mr. Thurston: That is my understanding on that issue he said within a week now that he is back he would have the information confirming work that has been done that is where he has been in these meetings. The Potsdam litigation issue there is no actual litigation in effect as far as I know, he sent me documents where there had been a filing concerning a request for information kind of a unique procedure kind of like a pre-litigation filling like a Notice of Claim type of thing where they were asking for copies of the records pertaining to the project. I don't think any formal litigation has been started, Kuiper tells me that he is fully confident that issue will be resolved. He did acknowledge I think at the last meeting that there have been some

financial issues with the suppliers the economy in general he mentioned favorably some lawyers being involved and slowing the process down. Also the Canadian government there is some backup on some of the financing for some for these types of projects. He is not able to be here he was unaware of the change because I didn't contact him by email. Said within a week now that he is back you can have the documentation requested and wishes to let the board know that he is still very anxious and comfortable and confident that this can proceed.

Mr. Zach: Is there a time frame do you think that you are going to satisfy the problem with Potsdam?

Mr. Thurston: Well I asked him and he is comfortable that it is going to be satisfied. I don't have a specific time frame. I talked with him before when we went through this at the last meeting one of the concerns of the board is finding out sooner rather than later whether there is a problem. That is what we are going to provide as documentation. I am aware there have been some economic issues general economic issues with that project getting the materials out of Europe, Euro issues and those types of things. I guess I don't have the specific answer to your question and I didn't have a great length of time to talk to him today as he just got back.

Mr. Zach: In the process of talking with him do you have some idea how late in the year he think that he can still make an attempt to try and do the Auburn project?

Mr. Thurston: Well I can find that out I think the priority at the moment is satisfying this board in the context of the Potsdam problem that is not going to interfere that is what he has been working on on our end. As far as he has indicated to me the engineering work prior to ordering has been under way. When I first got involved in this he wanted to get moving. We were supposed to have gotten contract drafts of the agreement that he signed from Washington. If you have a copy Andy, he has not received them there is a hold up on that these are the contracts my initial involvement get into the contract signing get the thing moving there has been some tentative project approval from this end it goes to City Council and they have to approve any contracts so my plan has been to start working on these contracts parallel to Canadian providing the backup data wanted here. We have not received the contracts that ideally would be the end result of this process. Andy if that is available?



Mr. Fusco: I don't mind sharing the draft that we have with Earl for informational purposes it is just a draft. To let everyone know where we are headed I would advice against execution of it on our end and yours for that matter. Lot easier to get divorced if you didn't get married in the first place.

Mr. Thurston: I am not talking about signing anything at this point, it was the issue that came up there was there is a change in the general format license format as opposed to lease contract.

Mr. Fusco: I don't have a problem in sharing documents with Earl so that he and his client understand the concept I don't know if I necessarily like anybody to sign it until the problems have been resolved.

Mr. Montone: In regards to Potsdam we have information that the parts are not paid for and we had an agreement when you left here about a month ago that we would like to move forward but we wanted to see Potsdam situation cleared up and so we can go to City Council and make this recommendation. If the parts have not been paid for Potsdam I guess they know where they are at but probably haven't been paid for, how is he going to purchase the stuff for here?

Mr. Thurston: Well that is a good question and basic legal problem that is on the table is not wanting to worry thru June, July and August whether that is going to spill over here that is the part that we are talking about.

Mr. Montone: He has a court date in June right?

Mr. Thurston: A court date for documents request, not a court date for litigation purposes. To answer your question my understanding the financing for this particular project is separate and apart and that is what Andy has been concerned about that material from Potsdam here would be taken. It is my understanding that it is completely separate. On our end of it we would have independent separate financing for this project and that is where the license easement lease thing change. As soon as I heard that we had to notify his lenders who are in the wings kind of because they have to approve that format that is why I wanted to get that to them and say listen because licenses is not an uncommon way maybe a preferable way for the

municipality to go. We will get independent financing for this project separate and apart.

Mr. Montone: Ok, comes to the next question. At our last meeting we requested and you agreed and he agreed to send financials so that we could take a look at them.

Mr. Thurston: We wanted the engineering plans and the financials and I had asked him in that context they are going to want to see maybe a Letter of Credit or Intent from a lender and that is why I need to get that to him. At some point there is a drop dead date here of how long you want to wait and us getting this information. We are obviously asking for more time before that happens. From our side I would say the switch to a licensing format is an important change.

Mr. Montone: Is that something you put together and he is agreeable with that?

Mr. Thurston: Well he was a little surprised by that, this comes out of Washington because he has exemptions that you can't run the risk of losing so it is a different format than had been talked about all along. I am not saying it is a wrong format again this has to go to the lender because you have a lot more control and obviously the lenders want to make sure they have security interest to allow the funding.

Mr. Fusco: We go straight lease as we discussed our FERC exemption we would lose.

Ms. Hussey: What time frame would be best for FERC?

Mr. Fusco: Bruce would be the better person to answer that question than I maybe Tony?

Mr. DeCaro: What we need to provide FERC with is short of giving them a schedule of development and that is what they are waiting to here from us on that. It is not a question of a deadline from them but what they want to hear from us is scheduled development. We told them that it is pending and they are waiting to hear from us a concrete schedule. Now that haven't given us a deadline for that but I am not going to say that they are

instantly going to be pushing time back away for it either. Ok, but as of right now we don't have a deadline date to meet.

Ms. Hussey: In your best opinion how long do you think we can go out on this?

Mr. DeCaro: We have a while to go with it because generally when they send us a notice they generally give us 30 days to response to the letter requesting a schedule and they haven't sent us a new letter requesting a new schedule yet but they have asked us for a schedule originally for the repair of the equipment and we had sent them a schedule when the board's pleasure was to repair the equipment that is there and we provided that in 2008 and now that is not what we are doing. Now we have indicated to them that we are going to replace the equipment and they have yet to request a concrete schedule for that but I am anticipating that they are going to be doing that and at a point when we get a letter from them requesting specifically that schedule they will set dates.

Mr. Thurston: I think it ties into the question what is the time frame.

Mr. Zach: If Andy shares the draft of the contract alright one thing that I am curious about it I know that Richard said that he already started some of the engineering and that sort of thing and obviously he has some investment in the project already but I think every body here would like to know #1 some kind of time frame when he thinks he would get started, when is the equipment going to be delivered and get a time frame to start work on the project. There has to be a cut off time some time this summer or it will be too late in the year they are not going to want to do it in the winter and schedule for next spring or whatever.

Mr. Thurston: It is a fair question for us to give you what we think is a feasible schedule.

Mr. Montone: Tony wasn't there something that it would be operational by 2011 at some point for that license to be put in place?

Ms. Murphy: I think there was something in the funding.

Mr. DeCaro: The funding that we had in place by 2011 had to do with the funding for the Sate Dam.

Mr. Zach: It was my understanding that we had made some sort of progress schedule this year.

Mr. DeCaro: They are going to be requesting a progress schedule from us at some point this year and they haven't made that request yet.

Mr. Rybarczyk: Supposedly at one of our meetings it was covered that they were scheduled to be here for some other thing in June?

Mr. DeCaro: They are going to be coming in May in the next 2 or 3 weeks or in June for annual inspection.

Mr. Rybarczyk: Ok.

Mr. DeCaro: They will probably ask questions then and that will probably trigger the question.

Mr. Rybarczyk: Not a lot of time.

Mr. Fusco: How much advance notice do we get when they are going to be here for an annual inspection?

Mr. DeCaro: The first time around they notified us of the annual inspection within the last 30 days it depends on when they set up other inspections in the area. They have about 30 to 60 dams depends on when they coordinate it with the other dams.

Mr. Fusco: When do we find out if they are going to be here on say Thursday at 7:00 a.m.

Mr. DeCaro: They sent us a letter about 3 weeks ago; they changed it once already they moved it back.

Mr. Rybarczyk: The scenario is that ok if it triggers it then they send us a letter and we get 30 days

Mr. DeCaro: If they ask the question we will by all accounts answer it but if they don't ask we certainly are not going to bring it up.

Mr. Rybarczyk: I know that but worst case scenario if it does trigger so we are looking at the beginning of July that we would have to have a response

Mr. DeCaro: We would want to be able to have some kind of a schedule ok.

Mr. Fusco: Would it be helpful if they were able to meet with Earle or his client?

Mr. DeCaro: No it depends if we have said it is possible for them to have a discussion with them that would certainly be helpful.

Mr. Fusco: How can Earle find out when they are going to be here?

Mr. DeCaro: I don't have the date in my head but I do have it somewhere.

Mr. Thurston: Well I am going to talk to Richard now that he is back and my intention is to have some kind of schedule perimeters to you within a week to 10 days before they get here at least. I would like you people to see it before they show up. But I think that is a fair question and we should be answering it at this stage.

Mr. Fusco: If we were able to introduce our proposed operator I think that would probably satisfy at least to a certain extent the fact that we are not making this up.

Mr. DeCaro: For a number of reasons it would be worth for us to notify them once we have the information.

Mr. Rybarczyk: Be proactive.

Mr. DeCaro: Right, because there are a number of things that they will be requiring and requesting of us for the lessee or licensee to be provided as part of the license. There are a number of things that we are

telling you that are a responsibility of the site and for the dam itself but there are a number of things that the licensee will be obligated to do in development of the site as well. So the sooner that they can in communication together the more lead time they will have to plan for that.

Mr. Zack: No is your basic understanding at this point that it will probably inside 2 weeks he is going to have the deal in Potsdam settled?

Mr. Fusco: I can honestly say that the Potsdam situation will be settled within 2 weeks. I think we can probably conclude from the fact that Richard got back on this continent yesterday from Europe that he has now a better idea of when Potsdam's turbine is in fact going to be delivered to Potsdam. I am sure he will be telling them that soon and my relationship and Vicky's relationship with the Village of Potsdam is good enough that they will let us know and I have indicated to Potsdam that our Mayor concerned about not wanting to further the relationship with this company when one of our fellow municipalities is having a problem. So we have to take care of Potsdam before we will enter into an agreement with you. I related that to Potsdam and they appreciate that. I think they will be forthcoming with information as a result of that. Richard can tell us all day long I expect something to be done by "x" or "y" but until the turbine comes chugging down the St. Lawrence Seaway I think we are making some presumptions that can't be one.

Mr. Zack: I would assume after a trip to Europe that he ought to be able to give a report in the near future on this is when it is expected to be delivered and possibly on our own and Potsdam is satisfied and we say go what is the lead time on our equipment and that sort of thing for starting date for this project if we are still going to consider it. Unfortunately he had the best offer on the table and everybody was happy with it but I am sure there are other people out there that would be interested.

Mr. Thurston: King of a snowball effect he needs to be paid by some people on prior jobs and that is where the economic part comes in. Might be helpful on this end if we did have a Mayor that was clairvoyant. (Everyone laughs)

Mr. Zach: I don't think it would be unreasonable to ask Richard to some sort of assessment together in the next couple of weeks

Mr. Thurston: He had intended to do that.

Ms. Murphy: And the financing.

Ms. Hussey: Doesn't seem real responsive.

Mr. Thurston: Well it is not just here the message I sent you are not coming here until you take care of Potsdam.

Ms. Hussey: We have questions regarding performance.

Mr. Zach: We are going to meet the second Monday of next month and I think everybody here would like to be able to make a decision of some kind in that period of time. That is my opinion doesn't know if anyone feels any different. Getting awful late in the year, looks like next spring as the best scenario anyway.

Mr. Thurston: I will have within 10 days to Andy the documentation that has been requested to the extent that we can so that you will have it in advance of the next meeting.

Mr. Zach: You need that draft?

Mr. Fusco: Absent some objection I will give it to him.

Mr. Thurston: It is the format that I need to give to the financing people if that is not doable for them that is significant.

Mr. Zach: You want that in a motion form?

Mr. Fusco: No, a nod of you heads is good for me, I will get to him.

Mr. Zach: We would like to know the lead-time on the equipment and that sort of thing.

Mr. Fusco: I think it is fair to say summarize you may want to wait to hear by the second Monday in June. We don't have answers, we don't have any other choice but to go to the other two semi-finalists or re-bid the project in its entirety. But I don't necessarily know that I would advise

that. We do have very capable proposers who are second and third in line and it is a small world everybody knows everybody any how so if we were to totally start the RFP over again we will be dealing with the same folks that we are dealing with now. The sad reality is the first day we make a phone call to Richard's competitors, whether it is the second or third proposal the word will be out like that throughout the industry. His creditability would be even more damaged than it is now by the Bancroft and Potsdam situation and it is a step that I think is a last resort.

Mayor Quill: Far reaching than us saying no to him the repercussions from that.

Mr. Fusco: Hesitate to go that step but we have to do something.

Mr. Thurston: I appreciate your time and I will meet the deadline with Andy and any information we find will be conveyed and will be at the next meeting. Thank you for your time.

Mr. Zach: Back to our discussion on how we are going to determine the base rate.

Ms. Hussey: Before we do that what are we doing on the REC's and carbon credits?

Mr. Montone: Christina has that answer.

Mr. Zach: Christina has that I asked her the other day about I don't think the contractor has gone in yet to Cantor for the REC's and stuff yet. We agreed to do it because the REC's we might be able to do an auction in July.

Mayor Quill: Do we have everything in place so we know what the REC's are any metering or anything that is necessary?

Ms. Murphy: There will be a kickoff meeting and they will let us know everything we need to do.

Mr. Montone: Everything is put through the meter. As I said earlier 17,520 at the end of the year it is going to be more by the way but if it



was that figure and if we could get 1.5 cents have to figure that out per kilowatt hour \$15 a megawatt hour. Cantor said they would be willing to purchase them and they came up with a figure like a half a penny about a month ago, doesn't mean we can't do better.

Mr. Fusco: Can we get back to the base rate discussion. I am still not clear when we decide a number a base rate when we sell to industrial customers will there be adjustments over and above what we set as our base rate and what are those adjustments?

Mr. Montone: Those are purchase power adjustment rate, every month you have a present purchase power adjustment rate whatever those costs are built in there, we know what our base rate is, all those costs for that month the formula that we use similar to what I gave you there. There are other ways to do it but if you obviously want to capture all your costs and make some revenue there.

Mr. Fusco: In the Massena situation that he provided us with if I had an industry that wanted a site in Massena I would go to the General Information Rule 7 to find out exactly what the add ons are.

Mr. Montone: Did I not give you a copy of the general information?

Mr. Fusco: I didn't see it; it is not in my packet. (A copy passed to Andy).

Mr. Montone: Rates for electric service under all service classifications shall be subject each month to addition or deduction of the amount per kilowatt hour that the purchase power cost to Massena is above or below the base purchase power cost multiplied by the factor of adjustment. Base purchase power cost for Massena is .0164. The present purchase power cost is determined monthly by calculating the average cost per kilowatt hour purchased power by applying the current wholesale there is transmission costs, we know what our cost is, but wheeling rates and so forth or whatever bills from NYSEG and so forth, in the event the actual rates are not available by the time PPA statement is prepared estimated rates will be used and reconciled in the month. Their factor of adjustment for this recent system efficiency is .12108 they derived at that figure by the sales and purchase of the power. In other words how efficient you are buying this

much power but you are selling it for this rate. That is how you come up with that.

Mr. Fusco: Will we not have to possibly be our on functional equivalent in General Information 7 and be able to hand that to Council at the same time.

Mr. Montone: Yes.

Mr. Fusco: Someone here obviously has spoken to Kamyar already to give them the impression that we are going to have some type of rate around 7.5 cents. If we were to establish a base rate of 7.9 cents we are losing 21 hundredths of a cent based on your bottom line #6 here, do we make enough money that is built into line #4 to still be profitable.

Mr. Montone: Making 1.65 cents per kilowatt-hour there.

Mr. Fusco: Well actually 15 cents of it is

Mr. Montone: Additional costs

Mr. Fusco: Making a profit theoretically is the 1.5-cent item #4.

Mr. Montone: Correct. 7.79 this particular amount deducted from the 6.14 is your difference there. There is a profit amount built into this.

Mr. Fusco: The reason I say this is because if someone has made indication to Kamyar that we are able to provide a base rate of 7.5 and now we hit him with almost 7.8 I am hesitant to scare him off.

Mr. Montone: There are 2 different things there, base rate and the purchase power adjustment.

Mr. Fusco: We know that is going to be somewhere higher

Mr. Montone: All in price that we were looking at proposed by Kamyar was like 7.75 proposed by him all in price.

Mr. Fusco: We are not even close to that.

Mr. Montone: We could be higher we could be lower depends on where we set our base rate. All the figures are based on a particular base rate. These ones here are based on 6.14 the actual bill. We keep saying we pay 5.99 this month we did not pay 5.99 we paid 6.14 so we have to set a base rate, it could be lower we can set a base rate at whatever then we need to capture all those costs by adjusting that factor of adjustment. This is a very simplistic way to do it here basically.

Mr. Fusco: Do you have a recommendation for Council? A number that you can think of?

Mr. Montone: Base rate, yes 6 ½ cents.

Mr. Fusco: 6 ½ cents.

Mr. Montone: If there were no other costs at all not at all you would be making ½ penny per kilowatt hour. We know there obviously are going to be other costs so you need that General Information sheet to do your factor adjustment and capture any additional costs. One month you can pay 9 cents but the following month there are not costs so he is only paying the base rate plus the energy charge that we establish for every month. So it fluctuates but if you take an average probably going to average 7 ½ or 8 cents or something like that. See what I am saying you need one figure to work with and we know what are costs are we don't know what our future costs are that is why we have that purchase power adjustment and it fluctuates every single month.

Mr. Zach: When Vicky and I crunched some numbers this morning figured 2 megawatts that we buy 24/7 if we set a base rate of 065 our surplus over what we paid would have been about \$15,000 to \$20,000 in excess of what it is but if we burn natural gas or whatever we have to add that on top of that.

Mr. Fusco: How long are these base rates generally good for?

Mr. Montone: Based on period of time maybe 5 or 10 years whatever and again have special permissions in there if he is providing some

equipment that keeps his power factor way up 100% not losing nothing he would get something for that.

Mr. Graney: We know we are going to have an adjustment in 5 years with CH Auburn.

Mr. Montone: We know what are set costs are right now but if you have a Capital Improvement Project then you have to re-establish the rate, the base rate. You have to go back and say this project is going to cost us \$2 million dollars so are we making enough money do we have a cash flow here to pay for it or did the City bond for it would the rates that we are selling this power for need to be raised or is it enough money. If there is enough money you don't do anything. Not enough money you raise the base rate. See what I am saying that is how you establish base rate.

Mr. Fusco: Now that the weather has gotten warmer are able to provide the methane that we committed to?

Mr. Montone: Using 100%

Ms. Murphy: 900 and then dropped to 800 because the methane went under 40%.

Mr. Fusco: What do you think is the primary reason that the factor on iv. is really 1.46 as opposed to 2.0.

Mr. Montone: These figures came right off the invoice. They are charging us if you take 1,460 megawatts x 12 months they are meeting their 17,520 obligation. We know that we need to have enough methane to at least at 1.460 megawatts not 2 but they are only make 1800 now they are down to 1600 so if we had to buy natural gas the natural gas cost are in that purchase power adjustment. This particular month there weren't any natural gas charges there but again they are based on the production tax credit. We are paying them so much when they don't make all the power with methane they get production tax credit but if they make it with natural gas they don't get paid that production tax credit so we have to reimburse them.

Ms. Murphy: Are we paying for the natural gas?

Mr. Montone: We are.

Mayor Quill: John #v. that ppa per kwh that is the adjustment that is what you are talking about the natural gas prices?

Mr. Montone: This worksheet does not because they didn't use natural gas but that is where it would go.

Mayor Quill: Where is our intent are we trying to make money also on natural gas or do we sell it at our cost?

Mr. Montone: We should make some.

Mayor Quill: I agree with that but I didn't know what the intent of the committee was.

Mr. Montone: We do the figures and formula right it should come out in the plus column every month and the only time it is ever in the minus is if there was no cost to us for some reason except for the base cost. Every month we would make revenue have some cash flow.

Mayor Quill: So all that has to be programmed out beside the base rate everything

Mr. Montone: Once you have the formula ok we have this base rate this one is costing this much so now today our customer we had to charge him 10 cents a kilowatt hour we don't want to lose money we want to make a profit. How much profit we want to make is something else we have to toss around.

Ms. Hussey: According to Lisa the last 3 months to NYSEG we paid \$44,200 for gas and \$157,000 for electric.

Mr. Montone: \$157,000 for electric for what?

Ms. Hussey: Wastewater Treatment Facility operation.

Mr. Montone: We don't pay any power to NYSEG for the Wastewater Treatment Plant.

Ms. Hussey: I have \$157,000 for 2 months for electrical.

Mr. Montone: May have been back in the beginning. Those are good questions those amounts, I think those are older figures before we connected to them. The gas figure is an important amount that is why we came to an agreement with Central Hudson that they would no longer use natural gas only methane to produce the power even though we still wind up paying them for the total amount.

Ms. Hussey: Right and then there is the cost of methane, which I guess it was estimated at like \$20,000 or something.

Mr. Montone: That is the inter-department budgeting.

Ms. Hussey: It is still a cost though.

Ms. Murphy: The Wastewater Treatment Plant pays them for that.

Mr. Montone: Right. Trying to establish a Utility Account so the money we take in and money they are saying is about \$16,000 a month there is a difference so the money that they are saving will go to the budget for the landfill to pay for the methane gas, there is an adjustment in the budget.

Mr. Zach: Have to work on how they are going to adjust that out and it is going to be partly on the monthly bill too because whatever rate we set to charge is what we are suppose to charge the Wastewater Treatment Plant they just have to work the budgets out so they are actually billing us at 6 cents.

Mr. Montone: We start charging the Wastewater Treatment Plant I will give you a figure, we set a base rate of 6 ½ cents and every month it fluctuates the purchase power adjustment so on average we will say it is 8 cents so we start charging the Wastewater Treatment Plant 8 cents a kilowatt hour then the Wastewater Treatment Plant's amount in reality that they would owe us would be whatever that figure comes out to that money is transferred to pay for the methane a portion of it.

Mr. Fusco: Who proposes to draft the purchase power adjustment document? Is that some thing you can do?

Mr. Montone: Yes.

Mr. Fusco: And let's say NYSEG increased its stand right there because we now have a Pellet Factory that we are serving in addition to our Wastewater Treatment Plant would that additional cost that we are adding incur and passed onto the customer?

Mr. Montone: Any additional costs, any additional costs above the base rate will be in that purchase power adjustment and if you are losing money that means you didn't do the purchase power adjustment correctly.

Mr. Fusco: So the purchase power adjustment that you will be drafting will specifically spell out the standby charges charged by NYSEG are included as part of the add on.

Mr. Montone: You can put all the verbiage in there that you want but basically keep it simple, as you can see the elements are fairly simple, Massena's Solvay's.

Mr. Fusco: I don't have Rule 7 in front of me how simple it is or not, it just strikes me that as soon as we start hooking up baseball stadiums and Pellet Factories NYSEG will want to increase their standby tariff.

Mr. Montone: Can't increase it they are governed by the Public Service Commission there is a specific rule 111 I believe it is that they have to go by. We tell them the figure so it is going to be 1.14 megawatts and all of a sudden they use 1.5 we have to go NYSEG and buy 1.5 if our generator plant is down so our calculation of 1.5

Mr. Fusco: I am not talking about that I am talking about our system never breaks we continue to provide power uninterrupted NYSEG as I understand it gets fee just for standing by.

Mr. Montone: We are paying a fee for the Wastewater Treatment Plant for 800 kw it is a set amount if we don't use it, if we have to because generation plant goes down or maintenance and we want that power to keep going to the Wastewater Treatment Plant then we will pay whatever that amount is what we set with them, the figure is there the document has already been signed and sent to NYSEG.

Ms. Hussey: Do you know what that figure is?

Mr. Montone: 800 kw based on the demand.

Mr. Zach: Our daily demand right now is about 520 kwh.

Mr. Montone: To use this for 2 hours down at the Wastewater Treatment Plant ok the basic rate whatever that rate is.

Mr. Fusco: That is not what I am talking about.

Mr. Montone: That is it that is how it works.

Mr. Fusco: So you are telling me if our system never goes down from here to perpetuity we owe no extra standby tariff to NYSEG?

Mr. Montone: We pay a set standby tariff based on what rate we tell them.

Mr. Fusco: Don't you believe that standby number that we are already paying to have them on standby to the Wastewater Treatment Plant will increase when they are also on standby for a factory.

Mr. Montone: Yes.

Mr. Fusco: Will increase further when they are on standby for baseball stadium, hockey rink.

Mr. Montone: If we need to use NYSEG.

Mr. Rybarczyk: Doesn't that become an adjustment in our rate

Mr. Montone: Yes.

Mr. Rybarczyk: So therefore not matter what they do we are still covering ourselves by the adjustment in the rate above our base rate.

Mr. Montone: There is a surcharge we have to build a distribution line to someone else whoever is using that line would pay a certain amount and if somebody else jumps in on that line they are going to pay that portion



too pay a percentage. But all the costs are in this factor of adjustment. Even if they are already owned they are still in there. Any future costs are still in there but the base rate is the bottom line the figure we work off we know what we re paying for it. I don't know how else to explain it I do it all the time and you don't.

Mr. Fusco: You explained it well I think there are some people that didn't understand it me for one. It seems to me the laws are written so technique to the existing utility companies with all of these added on charges that some one like us really won't be able to compete by the time you make these various adjustments go with NYSEG for 6 cents which you can do right now.

Mr. Montone: Right now. Talk to me two years ago it didn't happen.

Mr. Lupien: If we had excess power that we generated and we sell it back to NYSEG and they were just getting whatever they paid for it, what are they paying us?

Ms. Murphy: Not much.

Mr. Montone: Marginally base rate.

Mr. Lupien: What is it right now?

Mr. Montone: 3.7 - \$35 a megawatt, I just bought it a while ago for \$37 I am losing money every day but 3 months from now

Mr. Lupien: You could have bought it before at \$62 and you are buying it at \$35 you are still doing right

Mr. Montone: I know it is going to turn around but that saves on the congestion the marginal loses all those different things are built into that. We talked with Mr. Rossi about purchasing more power for other customers and we would have a separate tariff knowing what we are paying right now but it is an adjustable rate, see what I am saying.

Mr. Lupien: So really our biggest exposure we have a buy a minimal from CH Auburn guaranteed minimum if we are not using it

ourselves or selling it to somebody else and we are left selling that excess to NYSEG we are losing money on that but only on that portion but anything that we sell either to ourselves or other customers we are guaranteed to make money so the biggest thing is we have to make sure that we sell as much power as that minimum to CH.

Mr. Montone: Which is why we are here and which is why the Auburn Public Power Agency was established lower cost rates. We didn't know where NYSEG rates were going to go or whatever happens it is not going to say they are steady they are not steady but 7 ½ or 8 even 10 cents all in price is still a very good rate for an industrial customer. You are 100% right. If we can find somebody else to buy the power instead of selling to NYSEG into the grid we might be making money.

Mr. Lupien: Like we were selling it to Mack Studios or McQuay if they took our power at a higher rate then we would be much better off.

Mr. Montone: Right. Higher than what would be on the market.

Mr. Lupien: We have added advantage if find anybody close than we could put up a wire and the two parts to the electric bill is the energy supply and transmission and distribution and the transmission and distribution right now is a monopoly by NYSEG in our area and if we compete against that part we own the wires then we can guarantee that we are going to sell it for less than the two parts together.

Mr. Zach: This pertains to the sales behind the meter and what we product at the landfill if for some reason we ended up buying power than that would be an entirely different figure.

Mr. Montone: Entirely different tariff based on the power we are purchasing from Central Hudson. This base rate that we are trying to establish that way we can capture those costs and make some revenue. We continue the way we are, we are going to lose.

Mr. Biljanoski: How they go with the demand with our customers?

Mr. Montone: As you see the tariff there from Massena this is for a customer there is a criteria there if they go over 2000 2 megawatts they do a kick in demand charge in that.

Mr. Biljanoski: We can do this too?

Mr. Montone: Yes we can. Demand created is a whole different portion of the bill.

Mr. DeCaro: Now when we take on a customer then do we have to supply 100% of their needs?

Mr. Montone: Yes, if we establish that rate. We are only limited to what we can supply.

Mr. Graney: What is the excess power right now John?

Mr. Montone: About 1.4 pretty close to that. Again every day more power is produced from the landfill.

Mr. Zach: When Vicky and I crunched the numbers not including the \$6,000 which is high, I put \$4,000 a month down for the oil, figured on the 2 megawatts that we are required to buy our cost at \$6,000 the NYSEG charges and oil come out to 6.41 per kilowatt hour so 6.5 is a little above that when we computed that was in excess of about \$15,000 considering the \$6,000 is obviously high. I thought they changed the oil every month.

Ms. Murphy: You can put that in your adjustments.

Mr. Zach: But the 6.5 is on the high side already but it is a good place to start with all the adjustment prices, I think John is right on with that.

Mr. Rybarczyk: Then you still can put the oil in the adjustment figure.

Mr. Montone: If you look at sheet I gave you that says total #iii total line I plus or in parenthesis minus line ii so in other words if the miscellaneous charges weren't there then that cost would be different. Ok.

We know that those charges for gas, natural gas whatever would go in that surcharge area or standby charges in that surcharge area, oil not matter what it is but it changes every month. So all of a sudden we get whacked with a standby charge for the month of January we include it in that month's purchase power adjustment and that covers your cost for it.

Ms. Murphy:                    Would we also include administrative costs?

Mr. Montone:                 That would be in service charge that you would charge every month \$5 or \$2 of whatever it pays for those fees.

Mr. Graney:                  Can you bring Lisa into this and work on all of this and that would satisfy everybody's concerns here.

Mr. Montone:                 Sure. We can get the true costs. Still have to have some place to start, which is the base rate. The base rate could be 10 cents but then your purchase power adjustment might be adjusted down because it really didn't cost you 10 cents for all those additional costs. See what I am saying?

Mr. Zach:                    The base rate is only good for the period of time that we have it locked at 599.

Mr. Montone:                 The present purchase power changes every time you do a bill.

Ms. Hussey:                 John, you said you have composed a proposed rate structure written down the language written down?

Mr. Montone:                 The tariffs you mean?

Ms. Hussey:                 Yes.

Mr. Montone:                 I gave you how Solvay does it last month.

Ms. Hussey:                 But we are not developing it for Solvay.

Mr. Montone:                 We have these rules and regulations here we generic we are going to add Auburn this Auburn that and Council will adopt it after we make a recommendation. This tells the charge, tells just about

every thing you need to do. In other words the customer refuses to pay the bill what can you do, they put a deposit down or it is 1.5 interest all those things are right in here we will review it and then have Council approve it. This has your tariff in there and all rules and regulations, use this as a guideline.

Mr. Biljanoski: What is the different if NYSEG sells the power what is their cost, do we pass their rates?

Mr. Montone: Transmission charges do you mean?

Mr. Biljanoski: Did you compare our bill and NYSEG bill to the customer? The main thing you don't want to pass NYSEG why buy from you guys if NYSEG cheaper.

Mr. Montone: We are not charging tax on it too. Look at your NYSEG bill, they have surcharges, assistant benefit charge all those things add all together and see what your rate is it isn't 7.5 cents.

Mr. Biljanoski: No maybe the power is 6 cents but the transmission fee

Mr. Montone: NYSEG has a rate of 4 cents but add all the other components.

Mr. Biljanoski: Producing power is cheaper than transmission but we need to be close to them.

Mr. Montone: All I can say is we need to set a goal and do it fairly quick. Want to make this and get it in place and again that is not curing the problem if the Pellet Factory doesn't come or if it does it is going to take time to build it and we still have to sell this power some place.

Mr. Lupien: Has anybody approached Mack Studios or McQuay or the ones that are adjacent that have the shortest wire distribution cost?

Mr. Graney: We can't tell them a price because we can't establish a price yet.

Mr. Montone: They may want the water.

Ms. Hussey: But the price that we are establishing here is the back meter price correct? It is to people who aren't at this point set up because if we establish other rates to other customers that is when we have to go to PERPA or the PSC to have them set the rate so

Mr. Fusco: This rate will have to be approved by the PSC.

Mr. Montone: The advice from the attorneys that now I heard we want to change because we don't want to take the recommendation and those people are experts if we have to file in front of the Public Service Commission that opens the door for NYSEG to cause problems and they might just do it any way. But if we don't file it and we don't have to file it according to what our attorneys told us then that may not happen. PERPA is a whole different situation they are not the generators. I don't understand here either we are together with this working together trying to make this City some revenue and stop this bleeding on this generation thing now or do we have a roadblock here and we just don't want to establish a rate. I don't understand it.

Mr. Fusco: I am all for setting the rate I just happen to professionally disagree with the advice you have been given that the rate City Council establishes will not have to be approved by the Public Service Commission. I have talked to a number of people all who say that the Jeff was incorrect in that position.

Mr. Montone: He does it every day Andy that is where I don't understand where your argument is coming from.

Mr. Fusco: I know people who do this every day including attorneys for the Public Service Commission and they all do say it is fairly easy to do because the PSC doesn't want to regulate municipalities.

Mr. Montone: That is correct.

Mr. Fusco: They do agree that it is not particularly that difficult. The problem is that it opens up the door for NYSEG to cause trouble.

Mr. Montone: Is that what you are afraid of?

Mr. Fusco: I am not afraid of anything. I am just saying that in my opinion from what I have been told by people who do this every day that whatever rate Council sets whatever we recommend we will eventually have to be approved by PSC. Now would NYSEG have that as an opportunity to make problems or not I don't know.

Mr. Montone: Why would we have to file a rate with the Public Service Commission when they are not regulating us?

Mr. Fusco: Because we are not a muni in the sense that Solvay is.

Mr. Montone: And you said that before and if you look at the law it says Auburn Municipal Power Agency. You show me the advice in the law where it says you are not a muni and maybe I will agree with you and John. But no one seems to have that document.

Mr. Fusco: Under the rules that are promulgated by the PSC not in the Statute one of the difficulties about this area of practice is that you can't go to a Statute book

Mr. Montone: 360 Municipal Law.

Mr. Fusco: Right you can go to the Statute and if you read that Statute you would begin to think that any municipality who sells power is a muni. But the regulations are different. In order to be what you consider a muni what Solvay is, what Skaneateles is, selling power is only one increment one element another element is controlling exclusively within your service area the distribution lines.

Mr. Montone: NYSEG doesn't have that right and you know that.

Mr. Fusco: I know nothing about this

Mr. Montone: It is in the Municipal Law it says they don't have and they can't have that right there is a precedence on that already. That is in there.

Mr. Fusco: Another example that the rule that whoever we eventually sell to has to be approximately within 1 mile of this generation.

Mr. Montone: Show me that rule.

Mr. Fusco: That is not something you can go and look in any book. The reason the Public Service Commission attorneys know that to be the rule as a rule of thumb is in what applications have been approved and applications have been denied. You cannot go to a Statute book and look it up. Here is the best analogy that I can give. Up until relatively recent in New York State Law the Law of Zoning Variances is not something you can ever go look up in a book and know the law. You have to divide the various rules for variances from various cases. That is the reason very few lawyers do that kind of work and very few lawyers were experienced in that kind of work. In 1997 the State Legislature went through all the cases and did come up with a Statute in General City Law 81A Town Law 267, etc., etc., that did finally state and codify all of these rules that had been promulgated by agencies or handed down by courts.

This area of practice this difficult area of practice for public power seems to be to me much like Zoning variances use to be where you simply cannot pick up a book and get the answer. If you pick up the Statute book and look at 360 you will think because Auburn is a municipality and because Auburn is or about to sell electricity we are a muni. We are the functional equivalent of Solvay. You believe that Jeff put it in an opinion letter but the attorney who represents the munis says that is not true.

Mr. Montone: No, that is wrong. Kevin Brock (not sure if name is correct – hard to hear) represents the Municipal Utilities Association, Jeff Ginzer represents a lot of munis that is not all of the munis

Mr. Fusco: I heard it from the Public Service Commissioner himself told me that no that is not true. The mere fact that we a municipality that does or is about to sell electricity doesn't make us a muni.

Mr. Montone: Ok, Andy, then you tell me what the people voted in 2004. The Local Law that they voted on was it null and void the day they voted on it?

Mr. Fusco: No



Mr. Montone: How come no body questioned it back then? The intent was the same then as it is now. That is the part I don't understand. Why are waiting to this last situation here and now we are throwing

Mr. Fusco: We are about to enter into a contract to

Mr. Montone: Wouldn't it have been smarter on our part to search this out a long long time ago which is what Jeff Ginzer did

Mr. Fusco: I wasn't City Attorney then

Mr. Montone: I understand that but the point is we put this out to a vote did we do it with anticipation that we couldn't do it?

Mr. Fusco: I think who ever did it back in those days their heart was in the right place.

Mr. Montone: Jeff Ginzer was the attorney that helped Massena become a municipality.

Mr. Fusco: Right and all the steps that Massena had to go

Mr. Montone: They did it through you know what they did it through

Mr. Fusco: We can do it too

Mr. Montone: Not this agency.

Mr. Fusco: The City can do that and the City would have to do that so that we could control distribution within our boarders and be able to supply to every body within boarders not only the capacity that we produce but the ability to transmit it which are elements of what makes Solvay what it is and where Auburn is different.

Mr. Montone: We control the distribution in part of the City right now we are going to provide it in that park. If we want to expand we build more distribution and we control that or we purchase NYSEG lines from them or condemn them. That is how you are established as a muni. You

and I can argue about this all day but I do have the facts and I know it and I have been doing it for 40 years.

Mr. Fusco: I don't doubt that Solvay qualifies I know that Solvay qualifies. I know that Massena qualifies.

Mayor Quill: Motion to adjourn.

Mr. Biljanoski: What is happening with Mill Street we can do the base power calculation too when we have the hydro going on we can do the same thing?

Mr. Montone: I don't know we have to get this air cleared out here.

Mayor Quill: Motion to adjourn.

Mr. Zach: Do I hear a second?

Ms. Hussey: Second. All in favor.

Meeting adjourned at 5:30 p.m.