

**MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY  
MONDAY, OCTOBER 18, 2010  
AT 4:00 P.M.**

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

Member Absent: Krste Biljanoski and Nicholas Brindak

Ex Officio Not Present: Vijay Mital

Staff Present: William Lupien and Vicky Murphy

Staff Absent: Mark Palesh, Christina Selvek, Andy Fusco, Tony DeCaro and Bruce Ross

Chairperson Dennis Zach called the meeting to order on Monday, October 18, 2010 at 4:05 p.m.

Mr. Zach: Andy is not here today. Hope everyone got a chance to go over the minutes better than I did. Do I hear to approve the minutes of the last meeting? Motion made by John Montone and seconded by Mike Luksa. Minutes approved. All in favor carried and so ordered.

First item on the agenda is the hydro update and we had a meeting with NYPA, Vicky you want to talk about that or do you want me to do it.

Ms. Murphy: You go ahead.

Mr. Zach: Dave Laney came down and we had a meeting a week or so ago and they are very interested in financing the hydro and that looks good. We didn't come to any kind of conclusion other the fact that we have decided to try to draw it down and do an internal inspection on the plant. That is hopefully scheduled for November 2<sup>nd</sup> and 3<sup>rd</sup>.

Ms. Murphy: Wait a minute that got changed to November 3<sup>rd</sup> and 4<sup>th</sup>, but I will verify that.

Mr. Zach: Ok, well first week in November was the plan I thought Dave said the 2<sup>nd</sup> and 3<sup>rd</sup>, basically NYPA is going to send somebody down and do an inspection on their own at no cost to the City at this point and I am also going to inform the other bidders, C. J. Collins and Serge Bouchard if they would like to get in there and look at it also. We had NYPA scheduled for one day and then the bidders for the other. The other thing that has come up since we last meet there is an outfit called Chant that would like to be in on the inspection and they would also like to make a proposal of their own. This is a construction and engineering group they have done several hydros in the United States and Canada they have office in the states now supposedly have investors and they would like to sit down and try a combined meeting they would like to have as much as Council there as possible but can't do that until I talk to Andy about that. He said there is no problem entertaining a different proposer at this point if it is something that we consider he will have to rewrite another RFP and put it out there again, we will give all interested parties a chance to do the inspection while it is down.

I would like to get some volunteers to work on a committee I called Nancy and asked her to look into our land access up and down the outlet. Have you had a chance to look into that?

Ms. Hussey: I pulled the tax maps, Barb was out and I did call engineering but I know they are very short handed but in any event I pulled the tax maps and I will give them to you Denny but in a nut shell looks the City has access from Mill Street but then as we get into the more populated area it is not City land on the banks and as a general rule private property owners own half way unless there is some other deed reservation and I don't know the answer to that. I suspect that we are going to have some easement issues.

Mr. Zach: Is there private property between Mill Street and the lower pump station?

Ms. Hussey: Yes.

Mr. Luksa: What about that walk way.

Mr. Lupien: That was part of the Owasco Interceptor.

Mr. Luksa: Is that ours?

Mr. Lupien: We have an easement but individually property owned.

Ms. Hussey: Each property bordering on that will have to be approached for easements you have that information (to Bill Lupien) in engineering?

Mr. Lupien: We have sewer easements.

Mr. Luksa: But the contacts haven't changed.

Mr. Lupien: They may have.

Mr. Montone: How far up do the property owners own?

Ms. Hussey: Half way on the river the low water mark. Just get an indication and we can look into that.

Mr. Zach: Is there an existing easement now with these properties or would it have to be done from scratch?

Mr. Lupien; Depends where you are talking about the State Dam is not a problem, Mill Street Dam is not a problem, N. Division Street we have one side of the property and Creative Electric on the other when we start getting down to the Shoe Form Dam that is where we start to get into a lot of problems owned by individual homeowners.

Mr. Zach: I think the priority at this point is would be Mill Street to lower pump station or Mill Street to City Hall.

Ms. Hussey: The City owns the majority of that property in that area on the banks that is all City property. I suppose you could run something up Grover.

Mr. Zach: Krste called me and said he couldn't make the meeting. Are you willing to keep investigating this (to Nancy Hussey)?

Ms. Hussey: Yes.

Mr. Zach: Ok, I would like to appoint a committee and Krste said he would do it Nancy would stay onto it. I think we what we want to look into all the hydro process but I think the biggest problem we have for the hydro to move forward is to figure out a way to use the power because putting it back into the grid I don't think is going to make the project fly. I don't think there is a good pay back at least not the way the utility rates are right now. I think in order for that project even if NYPA funds us or if one of the private entities come in I think we are going to have to come up with a way to get them enough power to make it worth doing. I don't think going into the grid right now is going to make the project feasible. If Nancy would spearhead that Krste said he would help I will help you too I am familiar with that plant because I worked on it years ago. The name of the game is to look and see what the possibilities are or what it would take to run power line up the outlet to the pump station.

Ms. Hussey: Mill Street to City Hall?

Mr. Zach: Yes Mill Street to City Hall and Mill Street to the lower pump station. I think those are the two closest accesses and see what we have to do.

Mayor Quill: Is there any way our subway system could be used (to Bill Lupien)?

Mr. Lupien: Most of the subway is in the downtown area along Genesee and it goes up to Owasco Street. Underneath the ground are conduits system the City owns the conduit system so we actually have from manhole to manhole some service which are cables in our conduits that we have a line going up Owasco Street to the City line.

Mr. Montone: What is it conduit?

Mr. Lupien: Yes.

Mr. Montone: Electrical conduit?

Mr. Lupien: Yes they are clay pipes the original were set up with 2 banks one for low voltage and the other side was for the high voltage

for Gas & Electric but now Gas & Electric isn't in there but we might be able to go into the high voltage side.

Mayor Quill: My only point is that it might be something worth looking into might save some construction cost, there would still be a cost.

Ms. Hussey: I will make an appointment to see you.

Mr. Lupien: Fine.

Mr. Zach: Very good. That committee Nancy will spearhead it please and looks like you are going to be dealing with engineering some and give Krste a call or I can call him and set up a meeting. He has done a lot of hydros so he is pretty knowledgeable about that and if he gets into the plant stuff give me call and I will meet you there. That is a big thing have to find a way to sell it.

Anything else any one wants to talk about in regard to the hydro?

Mr. Lupien: The net metering how does that figure in? Is that something we generate power where it can actually be paper work shuffle that we get a credit.

Mr. Zach: That would be one of the resource possibilities too and basically that is a matter of paying the delivery charge. If we look at the cost and whether we are funded by NYPA and do it ourselves look at what it is going to cost to generate and then you can add the net metering at this time that might be a feasibility net metering to some of the City facilities first and maybe looking at running our line later that is all part of the study to see what it would take and hopefully Nancy and Krste and I could come up with some ideas on what is the best way to go.

Mr. Luksa: Down below we had a problem about a year and a half ago now with a piece of the wall coming out and Krste and I talked and I am sure you probably have still I don't believe anything has done to protect that cage in the wall or whatever and we talked about that some time ago. This is different but still we talking about new stuff if we lose another piece with are going to be out again at least we are getting something out of that.

Mr. Lupien: N. Division Street?

Mr. Luksa: Yes N. Division Street we talked about some sort of protection either pointed up or some kind of cage or something and that was some time ago. I am all for doing Mill Street but we should protect what we have also.

Mr. Graney: On that note the site has been down for two weeks.

Mr. Zach: No. Why?

Ms. Murphy: They did repairs to the generator and then the software did not work. I was hoping it would be up and running last week. It is still down?

Mr. Graney: Yes.

Mr. Montone: Who is doing the repairs?

Mr. Graney: We are.

Ms. Murphy: Auburn Armature is running the program for the software and the card didn't work. We have to get another card and that was last week and I thought it would be up and running by now.

Mr. Graney: It started out that the cables were bad.

Mr. Zach: Is that because they are flopping around in the turbine house?

Mr. Graney: Yes they had a cage fabricated for that a steel cage that bolts on they bolted it on and set it back in and they couldn't get it up and running. This protects the cable that runs down into the generator they built a steel structure that clamps onto the top of the generator and goes up to help protect it.

Mr. Zach: Is it in place now?

Mr. Graney: That is in place.

Mr. Zach: Still not running?

Mr. Graney: No.

Mr. Zach: So it has been down for two weeks?

Ms. Murphy: I think so.

Mr. Montone: \$1,900 a week.

Mr. Zach: Back to Mike's question they did inspect the walls when they were down but probably in the long run that turbine because it is laid stone probably ought to have a coating on it to keep it, I think it has been down twice, once for the rock and the one before that was a piece of wire rope came through the channel and wrapped around the cable on the top and the prop caught it and yanked it off the cable and it cut through the jacket on the cable and shut it down and that was the one that Auburn Armature had to do and repot the whole thing and that was a pretty expensive deal. I went back in and within 4 months or something like that a rock came out of the side wall or out of the pen stock coming into it and shut it down again. I think we have a hydro committee I will work on that with you too Nancy I can look into that one with Tony but I will get back to you on that. That is probably a maintenance project that should be planned on down there. Anything else on hydro?

Let's go to the landfill update.

Ms. Murphy: I talked to B&L today they think that 2 to 3 wells this year or next year said next year would probably be better getting to winter right now. They are about \$100 a foot you can get a good well you can get a lousy well. You can get anywhere from 20 to 50 cfm out of them, they are 60 to 70 feet deep and that \$100 a foot is just for the well and then you have to price out the piping to get to the interconnect to get us into the line. So if it is 60 feet it is \$6,000 per well and to pipe it in probably maybe \$10,000 per well. Get 3 of them and it is \$30,000.

Mr. Montone: How much cfm?

Ms. Murphy: They are saying 20 to 50, they said don't tell everybody you are getting 50 because that is a good well.

Mr. Montone: But each well 20 to 50?

Ms. Murphy: Yes.

Mr. Zach: Well we need 100 cubic feet, have to get 33 out of 3 wells.

Ms. Murphy: And the horizontal lines didn't feel at this time because of the waste that you would be putting in hasn't been there long enough probably wouldn't generate anything but if you have the money put it in eventually then we will get some more out of that. The leachate he didn't think the price of it that you would get benefit would over the long run but it is kind of difficult to operate all automated and expensive. But the wells he thought the cost benefit really better for those.

Mr. Zach: What is the process for the cap?

Ms. Murphy: The cap isn't ready we are not ready for the cap.

Mr. Zach: What do we have to do?

Ms. Murphy: We have 6 to 7 years.

Mr. Zach: To fill that 10 feet in?

Ms. Murphy: We are not putting waste up there right now we are putting waste in cell #4. We thought we would be up there in 6 to 7 years and then we would have the cap on. You can talk to Mike he knows more about it, I asked him but he didn't get back to me.

Mr. Montone: The majority of the methane comes out of cell #3?

Ms. Murphy: Yes cell #3.

Mr. Graney: Only like 10 foot to fill.

Ms. Murphy: It is 5 to 10 more feet but it has to settle then we would put the cap on you don't put it on before it settles. That is what he told me.



Mr. Zach: All right, I will get back to him. I thought that I know they have to do some surveying work that is part of the lay out but I will get a hold of Mike myself. Maybe you and I can get together with him. I was under the understanding that you were starting to fill up there start filling up on the top and close it in because the sooner we get that cap on

Ms. Murphy: The way Brusa was talking it will be 6 to 7 years before we do the cap.

Mr. Zach: We would be better off putting the well in ahead of time.

Ms. Murphy: Yes he thought go ahead and put the wells in.

Mr. Montone: Again where does the methane come from cell #3?

Ms. Murphy: Yes cell #3.

Mr. Luksa: How does the water affect that?

Ms. Murphy: The water helps to generate more gas.

Mr. Graney: To a point.

Ms. Murphy: Yes then it would be saturated.

Mr. Graney: Then you kill the well.

Mr. Zach: That is one of the concerns that I had because I looked at the leachate figures and boy the day we had that 4 day rain there was a lot of water coming out of there

Ms. Murphy: We had a broken well.

Mr. Zach: Right we weren't down on oxygen right that is because we had to pipe it off we did get the water out but if we had enough water like that I would think we would have to start worrying about watering out some of the wells that are there. I should have brought that with me but boy from what the normal average leachate compared to what it was during that 4 day rain that we had there was a lot of water.

Ms. Murphy: It would be interesting to see what our methane levels were at that time.

Mr. Zach: Might be a good one to look up to see how it affected the methane. Did Mike have any suggestions on how soon we should try to put the wells in? Barton & Loguidice said start looking at this year or the first part of next year?

Ms. Murphy: Mike told me in the spring.

Mr. Zach: Go in the spring.

Ms. Murphy: We are not done with the work that is going on out there right now.

Mr. Zach: The horizontal line that Barton & Loguidice recommended I think Mike told me they just as soon wait that the lift went a little higher before they dug it in any way just to protect it so there isn't any

Ms. Murphy: Not only that but Brusa was telling me was the waste that you would be putting in there now is only 1 ½ years old you wouldn't get a lot for the price of putting that line in you wouldn't get a lot of gas, but eventually you will.

Mr. Zach: Get it in when you can. Lets get together with Mike and see when the optimum time would be.

Mr. Montone: Is this Brusa from Barton & Loguidice?

Ms. Murphy: Yes John Brusa.

Mr. Zach: Lets meet with Mike and see where it is at and we will bring it back to the next meeting. I was hoping that was something we move on right away.

Ms. Murphy: I think you can put them in right now he was going to wait until spring probably easier to work it is pretty wet now.

Mr. Luksa: Any cost savings for doing the work?

Ms. Murphy: I don't know.

Mr. Montone: Just drilling a hole and putting the well material in.

Mr. Zach: I think that is one of the things we have to ask Mike too about a plan for finishing off the top. I can't believe it will take all that long to fill that last 10 feet up there but we will find that out too.

Ms. Murphy: I didn't talk to Mike he didn't get back to my email but from what I understood from talking to John was that we aren't filling up there right now we are filling in cell #4 and they were going to come back when it settled then you put another 5 to 10 feet on there, he said we were looking at 6 to 7 years, maybe I misunderstood him. I talked to him on the phone today.

Mr. Montone: That is based on the amount of garbage that you are getting in there.

Ms. Murphy: We are not filling in up there right now.

Mr. Montone: Right. But if you got more garbage in

Ms. Murphy: We need more garbage he did tell me that.

Mr. Zach: That is one of the things that hurt the original estimate.

Ms. Murphy: I think Casella is taking all the garbage, municipal.

Mr. Zach: Any other questions on landfill? Move onto the generator project. The unfinished contract work with O'Connell which is basically the old transformer to be removed. I guess according to Andy what he told me the transformer would be considered surplus there weren't be a problem of advertising it or putting it out for sale

Ms. Murphy: He gave the information to Maria DelloStritto here at the City to put it on some auction sites.

Mr. Zach: What was that figure I saw like \$20,000.

Ms. Murphy: Someone told me to put a minimum bid on for \$20,000, was it you?

Mr. Zach: No it wasn't me it will never happen.

Mr. Montone: You are not going to get that.

Ms. Murphy: That is probably what she put.

Mr. Zach: John knows some brokers I have one or two get the name plate data off of them and send it

Ms. Murphy: I gave you the name plate.

Mr. Zach: Yes you did thank you. We will see what offers they can pretty well tell by the another question is there a record of an oil sample test on that transformer down there? Can you find out because you can't sell it without a oil test.

Ms. Hussey: Isn't there a City policy on selling surplus equipment?

Ms. Murphy: Yes that is why I sent it to Maria.

Mr. Montone: They declared it surplus.

Mr. Zach: I asked Andy about that and said declared surplus that you can advertise on Craig's List or E-bay or whatever.

Mayor Quill: Maria is the Purchasing agent for the City that is the chain of events.

Mr. Montone: Someone told me it was declared already.

Mayor Quill: That will make it easier to sell.

Ms. Hussey: I don't think we can do it individually.

Mayor Quill: No you can notify individuals that it is available they have to negotiate with Maria.

Mr. Montone: You can request a sealed bid and like he said you are looking up to a certain amount if you get 10 sealed bids and none of them reach that amount you can throw them out or you take the highest. You could advertise in the paper wouldn't give a price.

Mr. Zach: It is still in O'Connell's contract to pull that transformer.

Mr. Montone: They are still under contract to get out of there we are just waiting to see what decision we make.

Ms. Murphy: We aren't ready.

Mr. Zach: Do you think we should pull it and set it down at the plant some place until we get a buyer?

Ms. Murphy: No if someone buys it let them put it on the truck and good bye!

Mr. Zach: The pole frame is in the way

Mr. Montone: It is not in the way it is part of their job to clean that up too.

Mr. Zach: They have to remove that – that is in their contract?

Mr. Montone: Not the pole but all the apparatus on it.

Mr. Zach: Well it is pretty well clear NYSEG has their lines off. I had the idea that we had a shut down there because of the fiber optic box which O'Connell mounted on the pole fell off and shut us down. I haven't dealt with him but I was wondering maybe if we have pole work that we have to pay for maybe it would be worth swapping the shut down.

Mr. Montone: Their contract they have \$22,000 retainage right now because we haven't closed out the contract. So basically we can't close it out until they complete their work. Part of their work is to clean up that A frame structure and remove the transformer off that pad.

Mr. Zach: Well if it is all in their contract

Mr. Montone: They are obligated to do that.

Mr. Zach: Should we approach them about that one shut and the fiber optic box?

Mr. Montone: We can I don't know what it has cost us at this point.

Mr. Zach: We can figure out what the shut down Vicky has records on that at least it is a good negotiating point if nothing else. If they couldn't get a card to replace it took the card out when it when it went down it was down like 12 hours

Ms. Murphy: They had to overnight the card from California.

Mr. Zach: Ok why don't we put those figures together and then we can use that to negotiate with them more work or maybe

Mr. Montone: That goes down to your #H on the agenda. Once you close the contract out you have to re-bid it right now you can work that into a Change Order.

Mr. Zach: What would be the best thing to do figure out what the shut down cost and

Mr. Montone: I am talking about the line going to Casey Park what the committee has to report on. O'Connell gave us an engineer estimate of what it would cost.

Mr. Zach: Well I guess the next move is to see what kind of bid we can get on selling we will let it sit until we do. Vicky if most up to date on the carbon credits and REC's sale do you want to speak to that?

Ms. Murphy: We don't get carbon credits they are VSC if they can even market them. We filled out the paperwork sent back to Cantor I couldn't fill it all out they are suppose to help us because that is what we hired them for and I have not heard back from him. The REC's they had a bid of \$2 per megawatt but he thought we either sell for \$2 for 3 years I

think and it is 15,000 I think each year that is what they estimated. We can sell for \$2 they have bidder who offered \$2 but he said we could hold out and see if they will go for \$3. I can't make those decisions so I need to know if you want to take the \$2 and run I had an email from him today and sounds like – did you get that email?

Mr. Montone:                   Where did he get the 15,000 kilowatts hours?

Ms. Murphy:                   15,000 REC's per year something like that.

Mr. Montone:                   REC is a kilowatt-hour.

Ms. Murphy:                   You are right.

Mr. Montone:                   Where did he get that figure? 2 cents a kilowatt-hour or \$2 a megawatt.

Ms. Murphy:                   \$2 a megawatt.

Mr. Montone:                   So it is what they are producing on a yearly basis so if they produce 2.2 million kilowatt hours we would get 2 cents per kilowatt hour. So we need to know the things that you get from Greenfield that is how you would figure it.

Ms. Murphy:                   I get it every month \$2 for megawatt 2 cent for kilowatt.

Mr. Montone:                   That is the best they have offered.

Ms. Murphy:                   That is what they have offered so far. I got an email from him today and he said sales were slow. I don't know if he lost that if he did I don't know if that window of opportunity is gone now or we need to make a decision if we want to sell them for \$2 or hold out for \$3 or see if we can get more than \$2. It is up to you we don't have any money right now. Anything we can get is better than nothing.

Mr. Montone:                   Does that go back to the time we started generating?

Ms. Murphy:                   I believe so.

Mr. Montone: Did he tell you who it was, Google or somebody like that?

Ms. Murphy: I can ask, I don't know.

Mr. Montone: You should ask we need to know.

Ms. Murphy: Need to know if that is something we want to do.

Mr. Zach: We all know the market is depressed and \$2 I don't think

Mr. Montone: We need to know what NYSERDA is paying.

Ms. Murphy: We have to go to Council

Mr. Montone: We need to find out what NYSERDA pays, NYSSERDA is paying 1.5 a kilowatt-hour

Ms. Murphy: Then it is a good price.

Mr. Montone: It is. You can get that off the NYSERDA site.

Mr. Zach: At the last auction I think they paid 1.5. What is your pleasure do you want to have Vicky send it back and see if we can ask for more?

Ms. Hussey: We need to be informed before we say either way so I think we should get an email.

Ms. Murphy: They took all our back history they wanted to know what day it was put on.

Ms. Hussey: Was that February 2009?

Ms. Murphy: February this year.

Mr. Zach: How much of the certification work was involved in that did he say?



Ms. Murphy: I didn't ask.

Mr. Zach: Take the figures off the metering and stuff from CH Auburn? And that is all acceptable?

Ms. Murphy: Yes, these are REC's they are easier than carbon credits.

Mr. Zach: What is your pleasure do you want to go back and have Vicky

Ms. Murphy: Let's see what NYSERDA is offering and then I can email everybody and let you know.

Mr. Zach: All right. Let's leave it at that then. Check to see what NYSERDA's last offer was and make a comparison and if we have to we will email everybody and make a recommendation to Council.

Next one is the Pellet Factory. We had a meeting with Kamyar in the Manager's Office and he agreed to put out a schedule of what it would take to get his project going. I think I am quite sure he sent it to Mark I know he didn't get it done the first week but Mark asked for a construction schedule and I am sure he sent that in.

Mr. Montone: He did.

Mr. Zach: But from talking with him too one of his concerns is I think we are going to have to come with some kind of letter of intent not necessarily a contract but he was concerned because John brought up the fact that we were undecided on whether we can sell power or not yet. He is not going to jump on the investors until we know for sure where we are at and that is kind of putting us

Ms. Murphy: He would get the heat.

Mr. Zach: Yes. The heat sales that price did go through the \$3 that we recommended Council passed for a base rate. I don't know you tell me I am just wondering if

Mr. Montone: If he doesn't get the energy cost that we have been offering the point was to sell low cost energy power and the heat he won't come here. That is the bottom line because he does not want to pay the NYSEG rate or National Grid rate. The idea there is to look for an area where you can get low cost power which is about half of what NYSEG would charge the rates that we have developed.

Mr. Zach: Our base rate is set up the heat and electric both the extra electric will probably cost him closer to 8 by the time you figure all these adjustments. Question is can we send out a letter of intent yes we intend to sell you this so you can start moving ahead or do we have to get this legal question answered about whether we have a problem first.

Ms. Murphy: Legal first.

Mr. Zach: We started in February we are still in the same boat that we are in right now.

Mayor Quill: Kamyar hasn't been forth coming with all his information either so it is a two-sided coin.

Mr. Zach: Yes but I think at this point I think he has made an effort but he is not going to do a purchase order until he knows for sure that he has some I don't think it has to be a contract at this point but a letter of intent to satisfy his investors yes they are going to sell us this power and sell us heat

Ms. Murphy: We don't know that we can do that.

Mr. Montone: I have an opinion that we can sell.

Mayor Quill: May have an opinion but we don't know if that is the one we are going to go by until we finalize I was at the meeting Denny was until we get

Ms. Murphy: I wasn't there but John told me

Mayor Quill: Until we have that we are not going anywhere.

Mr. Zach: I wish Christina was here because the concern that I have is we are losing money every month and what is the deadline on

keeping that grant. We have a \$1.9 million dollar grant. I don't think he is going to make a purchase offer on the property unless he knows he can get both and I don't blame him. The biggest problem is solving the legal question.

Mayor Quill: At the same time when the offer was proposed Mr. Ginzer wants to give us that proposal and he is willing to defend the City at no cost, I am sure we can come to some agreement.

Mr. Montone: Why would he do it at no cost?

Mayor Quill: He is not our attorney of record. Our attorney of record is working on that. You were the one that said we had an opinion that we are able to do this.

Mr. Montone: Not only his opinion but opinions of others.

Mayor Quill: We told Kamyar at the meeting we were at this is the way we are going and that is the way we are going. We can't do anything until that is concluded.

Mr. Montone: John Rossi and Andy will tell us where they are getting that opinion?

Mayor Quill: I did not ask that question John.

Mr. Zach: John said he sent in and asked for an opinion out of the PSC but I don't think they will make that ruling. They sent letters to NYSEG too asking them if they were going to contest this project or this customer and I personally feel that Ginzer and Tyson are right, I don't think on a small generation plant how do we expedite we are caught in a hard place. We lose that grant it is going to cost money if we got sued.

Ms. Hussey: We can self use that energy we are not in jeopardy of losing that grant.

Mr. Montone: Yes you are a portion of it.

Mr. Zach: Is there a deadline on it I don't know I will have to get back to Christina on that one.

Ms. Murphy: We could use the heat at the Wastewater Treatment Plant.

Ms. Hussey: From my understanding it is not in jeopardy we can go to Plan B on that. Has Kamyar negotiated with NYSEG on a favorable rate?

Mr. Zach: I don't believe so.

Ms. Murphy: Still has some backup by NYSEG.

Mr. Montone: On site generation.

Ms. Murphy: I don't know the answer but maybe Andy can tell us the opinion when it comes from the PSC.

Mr. Zach: Well I think that set Kamyar a little back in that meeting I wasn't expecting that myself. I know darn well that he is not going to make purchase offer on the property until he knows for sure what we are going to do with the energy. That is the name of the game. Get back to John and Andy and find out how soon they can come up with answer because until that time we are just on hold and it has been that way for a while. We have to figure out a way to expedite that answer or he is going to move on or postpone it another year and that is just another loss of power until that happens.

Mr. Montone: Keep in mind everybody that we are selling power right now. Not only at N. Division Street but we are also selling at the generating plant to CH Auburn and other selling it to another private company.

Ms. Murphy: Who is that?

Mr. Montone: NYSEG and CH Auburn.

Ms. Hussey: Is that behind the meter?

Mr. Zach: Yes off of our distribution it is a new customer. Like John said we already have 3 retail customers one is CH Auburn and the other two are both to NYSEG.

Mr. Graney: NYSEG is a public company.

Mr. Montone: So is CH Auburn.

Mr. Zach: We have been selling them power from N. Division Street for years. Let's move on.

The training session at the generator plant I had talked with Chris down from Greenfield and he came back and made an offer his boss told him for \$500 a month they would take care of all the re-closures, the paperwork, having it retested and everything but what is involved pushing a button a few times ourselves I think we stay with the training. I don't think for that kind of money that and basically what we are talking about is when we had the shut down have to go back and close our re-closures because that is actually our equipment. Vicky did it the last time herself when we had a work shut down but we wanted to get some training from O'Connell for ourselves, the City and also Ryan that is down there.

Ms. Murphy: Not O'Connell the people that made the re-closures but a Purchase Order is in to get that training we just haven't got a date as yet, we are not yet scheduled to get the training.

Mr. Zach: Well it is a little scary but once you know what it is doing everything is pretty well safety wise is basically pushing a button or checking for faults and pushing a button to close it back in when the faults are clear. Due to the fact that it is high voltage everything thinks it is pretty scary but it is no big deal it happens every day all over the world. The offer from Greenfield I will put that out for discussion he tried to make it sound like there is a lot of paperwork and maintenance and everything involved but my suggestion is for \$500 a month what is involved and maybe having an inspection once a year or something we can do it cheaper than \$500 a month.

Ms. Murphy: Not only that I think the amount of time we are going off we are learning how to run it better.

Mr. Zach: Is that because

Ms. Murphy: They are learning how to run it better.

Ms. Hussey: Do you want a motion to decline Greenfield offer?

Mr. Zach: Yes.

Ms. Hussey: I make a motion that we make a recommendation to decline Greenfield offer to subcontract the re-closure operations.

Mayor Quill: I will second that.

Mr. Zach: All in favor? Motion carried.

I would like Ryan to know and feel comfortable with that. I think Greenfield is looking at another way to pick up some revenue and we will leave it at that.

Mr. Luksa: Wasn't that the question of the time it took them to get there or something like that? We have someone that can respond?

Ms. Murphy: O'Connell because the time it took them they didn't get there until the next day I called them that night but they didn't get there until the next day. They sent a guy out that is unfamiliar with the equipment he was on the phone the whole time it took twice as long that was one of the other times; we already had some discussion we are going to train ourselves.

Mr. Luksa: We will have someone?

Ms. Murphy: It will be Mark and I probably.

Mr. Zach: We have a couple items on the update of the punch list with CH Auburn. One is this fiber optic expense that John will explain quickly.

Mr. Montone: We have one of the final Change Orders goes to O'Connell for \$38,000 the majority of that will pay for all the fiber optics. The fiber optics is used for the transfer trip, which was mandated by NYSEG to be put in. We do not consider it part of the interconnect. The

interconnect is the part where our lines connect to the NYSEG line. This is to monitor the generation so if NYSEG lines see a fault or have a fault this will call into the generation plant and shut it down. O'Connell installed the fiber optics all that equipment including the box that came off the pole but has been put back on and the work in turn so we billed \$38,000 a portion of that should be with Central Hudson. Now we draw a line in the sand and that goes on with the so-called discussion with Mike Voltz on who should be paying that. If the City pays it then we still should go after Central Hudson to reimburse us. So that is where we are at with that. If NYSEG didn't require it we wouldn't have had it done. So we will have a discussion with Central Hudson at some point.

Ms. Murphy: We owe \$54,000 one to O'Connell and two CEG bills.

Mr. Montone: That is not part of the situation the CEG a consulting engineering group's bill was supposedly split 3 ways, Greenfield has paid their portion, still waiting for the City's portion and Central Hudson's portion.

Ms. Murphy: So we owe a little over \$6,000. Christina couldn't be here so she was wondering since anything over \$5,000 we are not allowed to spend without going to Council this has already been spent. So do we need to do a resolution or something to pay that out of either \$30,000 that AMPA has?

Mr. Zach: I would assume it would probably come out of what left in the budget of the original \$30,000 for this year.

Ms. Murphy: That is the \$6,000 now the \$38,000 you want to get Central Auburn to pay?

Mr. Montone: That is the discussion depending on O'Connell's contract, we have to look into that.

Ms. Hussey: Is O'Connell's contract with the City?

Ms. Murphy: The contract is for the project

Mr. Montone: Total project

Ms. Murphy: But this is over and above it a field call or something this wasn't in the contract. Something else for the transfer or whatever you want to call it.

Mr. Montone: Had to be done for us to get on line.

Ms. Murphy: Right they did it and we didn't go to Council I don't know what happened.

Mr. Montone: There was a total lump sum bid and then there were line items in there and some other things that pertained to us we need to go through the invoice on an individual line by line item. I think the City should pay it and we go after Central Hudson.

Ms. Hussey: Does the Power Agency enter into these contracts and negotiate things with these people or does the City as an entity negotiate

Mr. Montone: City Council approved the contract.

Ms. Murphy: They did not approve this. This \$38,000 is over and beyond the contract work it was not in the original scope. I don't know who authorized it I wasn't here probably happened when I first started January or February. I think I have a copy of the bill somewhere.

Mr. Montone: First of all the \$38,000 we are paying them they aren't saying they are only going to do \$38,000 worth of work, NYSEG came along with all the engineering and everybody and the engineers that were there said the fiber optics have to be put in, no estimate.

Mr. Hussey: I understand that is a necessity but

Ms. Murphy: Should have gone before Council it didn't and I am just here to tell you

Mr. Montone: That was a 3 way discussion with the City Manager, I think John Rossi was there and Mike Voltz and I don't know who else and at that time Mike Voltz agreed to pay a portion of it and we negotiated with you so called punch list and that is when that came up. That had already been approved by the City to pay through the CEG contract the



original contract. We are the ones that questioned the amount, this doesn't just all pertain to the City work it was part of Central Hudson work's and Greenfield otherwise we would have had to pay the whole amount.

Mayor Quill: You are saying it is not a cost run

Mr. Montone: Right we are just trying to get the money out of Central Hudson.

Ms. Murphy: I misunderstood Christina she said none of this had been approved.

Mr. Montone: All I know is that we had an original contract scope of work with CEG this was part of that. What we did was go after Central Hudson saying wait a minutes you guys should be paying a portion of this.

Ms. Murphy: That is why we didn't pay ours?

Mr. Montone: Right.

Ms. Murphy: I will look into that.

Mr. Zach: Did everybody get a copy of that did it get passed around.

Ms. Hussey: I don't know who should be negotiating things as an agency without the City's involvement.

Ms. Murphy: The work is done.

Mr. Zach: I think we should the two bills on the bottom the \$5,000 and \$700 I think we can recommend that they go ahead and pay that. Obviously the \$38,000 is still we have to negotiate that is going to have to be banged out with Central Hudson and see what kind of agreement we can come to there.

Mr. Montone: The \$5,458 is 1/3 of what the bill was.

Mayor Quill: And the \$702?

Ms. Murphy: Something they added on.

Mr. Montone: Greenfield paid their portion already.

Mr. Rybarczyk: Did theirs include the \$702 also?

Mr. Montone: I don't know I will have to find out.

Mr. Zach: Could be work on the line to Casey Park.

Mr. Montone: Could be.

Mayor Quill: One is \$2107.46 so 1/3 of that is approximately \$700 a little high.

Mr. Zach: That is the one that was split 3 ways?

Mayor Quill: That is one of them.

Mr. Zach: On both of those bills we are the only ones remaining that hasn't paid their share.

Ms. Murphy: And CH Auburn

Mayor Quill: The point being we don't know about these things and we can't allow these to happen without approve to pay these. In the grand scheme of things \$45,000 isn't a lot of money but it is expensive and someone has to atone for it – it is policy, who gave the authorization and for what. That is important to Council.

Mr. Zach: I will get together with the Manager and the Comptroller

Mr. Montone: Change Order was in the City quite some time ago, we going back to March.

Mayor Quill: No question but someone in the field may have authorized it and it is their responsibility if they had the authority to authorize to follow through.

Mr. Montone: Person over seeing the project.

Ms. Hussey: This is something we really need to look into, contact O'Connell and get the information from them.

Mr. Montone: At the time that we were doing that based on their contract that they had and the scope of work a line item.

Mr. Lupien: You have a contract with O'Connell if you have him do extra work they expect to get paid for it the should the City be billing and getting a Council resolution for full amount with thought that we are going to bill the responsibilities parties to get our reimbursement from them we are staking it out right now because we have CEG and O'Connell that have actually done these services and they are expecting to get paid. When they were hired they said ok you are going to get a 1/3 of the money from here, here and here that is ok the City paid for the 1/3. But if the City told O'Connell and CEG to go ahead and do this really the Council resolution should be for the City to pay O'Connell for the full amount with the thought that we are going to get reimbursed our portion at a later date because you really don't want to stick it to your consultants or contractors if they have done their job. You have to do research who did they expect to get paid from.

Mr. Montone: Both of these contractors if you will are working for the City somewhere in here is a portion of this for that item that you have on the agenda about the Casey Park Committee did some work there and I don't know who authorized that to give an idea what it would cost to get the line down to Casey Park.

Mr. Zach: That may be included in that.

Mr. Montone: I think it is.

Mr. Rybarczyk: It does say here they did work to extend 1800 feet to Falcon Park and they have the cost involved with what it would cost. There is nothing here as to any authorization.

Ms. Hussey: Someone asked for an estimate. Who could look into O'Connell?

Ms. Murphy: We can ask Christina to do that.

Mr. Hussey: Ask her for a break down?

Mr. Rybarczyk: Christina is working on that.

Mayor Quill: It doesn't help our credit either some of these going back to February we are not paying our bills.

Mr. Zach: Exactly. I would entertain a resolution that we recommend Vicky and Christina will look into it, I will help too and make sure it is justified and recommend to Council that they go ahead and pay these bills.

Ms. Murphy: Where would the money come out of?

Mr. Montone: Come out of the budget here and part of next year's budget.

Mr. Zach: Come out of any remaining moneys we have in the budget.

Ms. Hussey: We are in the negative.

Mayor Quill: I will make that motion but would like to make an amendment that anyone in the field with no disrespect anyone to get back to Vicky or Christina we authorized this so that we get it on record that it is authorized and the reason for it so we have the background so that we can pay our bills. That is very important that we pay our bills.

Mr. Zach: Amend the motion that Vicky and Christina justify it.

Mayor Quill: Yes.

Mr. Zach: Do I have a second?

Mr. Rybarczyk: I will second that.

Mr. Zach: Motion on the floor that we have Vicky and Christina look into this and justify both of these figures and that it comes out of the present budget which is not going to be enough.

Ms. Murphy: I think we are going to do the resolution for next week. We need to pay them.

Mr. Zach: The name of the game is let them know that it is on the agenda just basically that we are recommending that it gets paid and it comes out of the remaining part of our \$30,000 budget. All in favor.

Mr. Luksa: Can you mention thought looking into trying to recover some of it possibly from CH? We were talking in the beginning about recovery.

Mr. Zach: Basically we are talking about the \$5,000 and \$700 at this point we are the only one that haven't paid their share.

Mr. Luksa: I am in agreement with the \$5,000 and \$700 with the \$38,000 somebody brought up the possibility

Mr. Montone: I did, like we said the contract is with the City pay it and then we will have an open discussion with Central Hudson as it is with other things besides this.

Mr. Luksa: I understand I just want to make sure

Mr. Rybarczyk: Say in the motion that we will go back to Central Hudson

Mayor Quill: Second resolution to go back after them.

Ms. Hussey: Just so we don't forget it.

Mr. Zach: I thought the original motion was on the \$5,000 and \$700.

Mr. Rybarczyk: I thought the original motion was for all of it. I think our discussion now is that we go with a new motion saying we back to CH Auburn for the \$38,000.

Mr. Zach: We have a second motion. First motion we recommend that they look into it, justify it and pay the bills. All in favor. Carried.

Second motion. Somebody want to put that on the floor?

Mr. Luksa: I would like to make a motion that once this is paid that staff investigate if there is any recovery from CH or not because it doesn't pertain to the interconnection.

Mr. Montone: I second that.

Mr. Zach: Motion on the floor that we negotiate with CH Auburn because we do not consider that as part of the interconnection agreement to see if we can recover funds out of that amount. Any discussion? All in favor. Carried.

We can bundle that with some other punch list things that we haven't totally dealt with. Do you think we should look at some of the shut downs that we have had that we don't consider our responsibility?

Ms. Murphy: Don't know what proof you have.

Mr. Zach: I know.

Mr. Montone: Do you have a cost that you could put on it?

Ms. Murphy: We can look at it we don't have any proof.

Mr. Zach: Only proof we have in most cases is the fact that when it goes down it goes down on the weekend when no one is there. There have been a couple I think we should approach O'Connell because when the box fell off the pole there was an expensive involved in that.

Ms. Murphy: But that is not CH Auburn.

Mr. Zach: Not CH Auburn but I think we should go after that one and at least if we bring it up with Mike Voltz we combine this bill just

past and we combine it with some of the other existing things we still have on the punch list including the regulator. Do a phone conversation?

Ms. Murphy: I say we do a letter and say we feel they are responsible for this and send it.

Mr. Zach: I entertain that motion.

Mr. Montone: The ESA is an area for dispute where we would bring these things up and negotiate them whatever you have to do tells you how where you would go why you would get a settlement on it and all that.

Mayor Quill: Like a grievance procedure.

Mr. Montone: Yes.

Ms. Hussey: I will make the motion that as an agency committee we work with City legal and see if these items can be worked out.

Mayor Quill: I second that.

Mr. Zach: Motion on the floor we send a letter from City to CH Auburn requesting a discussion on the existing punch list and also the \$38,000 bill that we don't consider an interconnect send a letter and request negotiations.

Ms. Hussey: That letter will come from City legal.

Mr. Zach: Yes, City legal. Any further discussion? All in favor. Carried.

We had a meeting, which incorporated City legal and the Manager about going ahead and redoing the figures on the cost of a buy out for the City on the project. John Rossi said he had somebody he could recommend and I heard from the Manager that the new Comptroller that is in place now had a lot of utility experience they thought there was something they could do, she could redo the figures without putting us into another consultant expense at this time. If she is willing to look into that most all of the data is there and everything has been looked into cost wise and everything. The only thing that has changed is the utility cost and I think we can sit down with the

Comptroller and give her the information on the studies that were done originally and then look at making the adjustments in the projections that were made. Back when these projections were made the utilities were higher than they are right now and a couple unknowns that we didn't have which were projected in the carbon credits the incinerator knocked that down that was an oversight. I think at least in the beginning we can sit down with the Comptroller and take all the projections and look at them and make comparisons as to what was projected then and what is done now and if it looks like we need to go to a hire somebody to look at it further then we could do that but I think we ought to give the new Comptroller a chance to look at the project over with the projections and see what she can come up with for an estimate.

Another concern I have is the fact we are trying to negotiate with Central Hudson on a regulator and a couple of other things I just as soon they not see us working at trying to buy it out before we talk with them a little bit more so I think that is a concern. But the way things are going the project still has a pay back but things aren't the way the original projections were.

Ms. Hussey:                               Just keep it internal for now.

Mr. Zach:                                 I think so at this point. I have not met the new Comptroller at this point.

Mayor Quill:                             I have, she is from Lyons, New York area. John you may know her are they a muni up there?

Mr. Montone:                             There are some that are fairly close.

Mayor Quill:                             And I understand that she may be works for the board of one of the utilities I am only saying this from my limited knowledge she may familiar. She said during her interview that she would be glad to take a look at it and see if she could come up with something that is part of her training.

Mr. Montone:                             We can sit down and talk with her.

Mayor Quill:                             At the same time being a new employee don't want to box her in the corner what she will be doing is overwhelming anyway but I agree with the concept of giving her a shot.



Mr. Zach: I think she can come up with projections in the real world and the way it was projected and see what the differences are before we go into hiring a consultant or go any farther. I think John is going to have to be involved in this.

Mr. Montone: I will set up a time.

Mayor Quill: Keep in mind she doesn't start until the first of next month.

Mr. Montone: In the meantime we can get a lot of preliminary figures together we have those, we know what the plant cost to build, we know what we are paying Central Hudson for the power, those are the main things.

Mayor Quill: John did you say you do know her?

Mr. Montone: No, I said I will meet with her.

Mayor Quill: Ok.

Mr. Zach: Next item we have covered a little. Luke what more do you need to come up with the figures.

Mr. Rybarczyk: We just have to go over it. We just got them tonight when the meeting started.

Mr. Zach: They have stuff on paper other than just physical projection they probably had something on how many poles crossing the street and all that.

Mr. Rybarczyk: Don't have the prints but have the number of poles and number of feet.

Mr. Zach: Can you put that together for the next meeting?

Mr. Rybarczyk: Yes.

Ms. Hussey: Sixteen poles?

Mr. Montone: That is about right.

Mr. Rybarczyk: To the tune of \$20,000.

Mr. Zach: Ok put that together for the next meeting that would go along with doing a study also.

Next is a discussion on legal representation for the Power Agency. We had a meeting with John Rossi and Andy Fusco, John, the Manager and myself about the situation where we are. My concern is the fact that back in February I think it was March the latest we basically decided that our legal needs were done as far as the ESA and everything was concerned and our legal counsel looked into Kevin Brock as a cheaper alternative although I don't think it turned out to be that much different. My concern is this has been going on now for at least 6 months and I don't feel we are a whole lot further ahead answer wise than we were back then. Basically I think the project has been on hold. It was my understanding that a year ago Kamyar said he had his financing in shape and I am blaming myself that I maybe should have been a little more aggressive to get some of these answers but the best scenario we have right now for that factory to move forward would be break ground in the spring. My concern at this point is how to expedite this and come up with an answer and how soon does it look like we can. The amount of money that we have spent in the interim plus the loss from not selling power my concern is whose opinion are we going to go with. At this point I would like to have a conference call in executive session with the agency and the counsels listen to both sides of the story. If we don't come up with an answer that John isn't able to come up with an answer or at least some kind of deadline in the near future about when they are going to resole this because nothing is going to move ahead until we do.

Mr. Rybarczyk: Can I ask a question? Mr. Ginzer was the one that represented this agency from the beginning. They said it was all right to go ahead. Now all of a sudden we changed legal people and now all of a sudden it is not legal to do it the way we were told we could do it? What if we had done this 6 months ago at the end of last year. What makes that different then than it would be now?

Ms. Hussey: What happened was when we got the opinion from Mr. Ginzer the City then sought a second opinion.

Mr. Montone: We haven't seen it, how come the agency hasn't seen it?

Ms. Hussey: He hasn't rendered it yet but they saw one. We are an advisory committee. We don't make those decisions we try to inform Council as best we can that is my understanding and the ultimate is up to Council and the ultimate whatever legal opinion they take is up to them.

Mr. Montone: So is it a coincidence

Ms. Hussey: I don't know

Mr. Montone: I just want to state one thing Jeff Ginzer has been involved from the very beginning here, he helped create the Local Law which came from General Municipal Law 360 which specifically states that any municipality can sell power. He also represented the County so if another attorney is going to give us an opinion which by the way represents a lot of other municipalities he certainly isn't going to say the City of Auburn can't sell power because he is advocate of public power. We are dealing with somebody that wants economic development in the City here and we can't give them an answer because we want another opinion.

Mayor Quill: How you get an answer to a question depends on how you ask the question. I am going to throw that out and leave it there. As I said earlier in the meeting the gentleman that wants to develop in our community hasn't been forthcoming with all his information. I have been to a couple of meetings where he has been asked for this information and he has not produced it.

Mr. Montone: Such as what?

Mayor Quill: John, I don't know it has something to do with the AIDA application so forth and so on so those things were not forthcoming. So that does not show good faith to the City if he is really interested in being here. Why would the City jump through a lot of hoops?

Mr. Montone: He is also leasing property at Tech Park.

Mr. Rybarczyk: Let's take Kamyar right out of this equation

Ms. Hussey: That is what I am saying

Mr. Rybarczyk: Take him out of the equation and let's say that ok fine and dandy Ginzer told us that we could sell power. I don't care who goes in there, why the hell can't we sell power?

Mr. Montone: You have a Local Law in place why did we vote for that Local Law?

Ms. Hussey: I am merely pointing out the fact every body has viable questions we don't make the final decision it is not up to us to say yes or no, we have no money in our budget why are we even talking about hiring an attorney?

Mr. Zach: I am not talking about hiring an attorney I will pay for the conference call out of my own nickel if I have to, I am trying to figure out a way to come up with an answer. Regardless of the Pellet Factory or not we are still in the same boat we are being questioned at this point by our legal representation we can't worry about us getting sued if we try to sell power by NYSEG. This has been going on for like 6 months everything is on hold. The Mayor is right about Kamyar I think he has done all the AIDA stuff all the Empire Zone stuff but the problem is he is not going to invest any more money until some body can tell him yes we are willing to sell him power and heat and what the price is. I can't blame him for that cost a lot of money to do all that work up and stuff he has already worked that plan up twice to match what we have.

Mr. Rybarczyk: Kamyar goes by the way side we are no farther ahead.

Mr. Montone: Right no farther ahead. Mike how long have you been on this agency 7 years?

Mr. Luksa: When it started 5 ½ years ago?

Mr. Montone: We had legal opinions back then we started with Jeff Ginzer.

Ms. Hussey: We shouldn't be discussing it; it is out of our hands. We gave the information to Council they are going to do what they want to do.

Mr. Zach: How do we expedite it? Nothing is going to happen until we come up with some kind of an answer.

Mr. Montone: We have a guy who wants to do economic development here we discourage him he is going to go away.

Mr. Luksa: We are not discouraging him.

Mr. Rybarczyk: He can go his merry way and we still can't sell the power.

Ms. Hussey: Our work is done.

Mr. Zach: So what do we do hang it up?

Ms. Hussey: No

Mr. Montone: I wish somebody would read the Local Law a couple times.

Ms. Hussey: We are the advisory committee we need to act with Council. We gave them the information, we went out we got Kamyar, we have the base rate, we have done what we can up to this point.

Mr. Zach: I agreed. Regardless of the Pellet Factory we are dead in the water if we can't sell power. We still have to come up with a use for it. I agree but at the same time there are a lot of things that have transpired that didn't come to the agency. When John went to Kevin Brock we had a meeting he was going to bring him to the agency they went ahead and did it any way. I am a little disappointed in the fact that actions have taken place all the time and money we have put in ourselves volunteer time I think we should be approached for our advice because we are the people that have been looking into it people on Council can't keep up with everything that is happened here. They are expecting us to give some good advice. My question now is what I am saying we talked with John what can we do to expedite this answer because if it is not something that is done very shortly I

am concerned about the grant if there is a deadline on that I will check with Christina and see because the money we have spent could have turn into how much a law suit would have cost if NYSEG sued us for selling power.

Mr. Montone: The concern is what will NYSEG do we thought about that since day one when we created the Public Power Agency didn't we. We had Bob Pass sitting in this very room at many many meetings, coming to Council meetings, coming and talking at Council meetings, we investigated all of this long before this.

Ms. Hussey: We can go to Council we can circulate draft of a letter circulate a petition to submit to Council those are alternatives. Maybe we could do something to that effect. Draft a position and bring it before the board, call a special meeting if too much time has transpired we can call a meeting and we can discuss it there as a board to present to Council and go from there.

Mr. Zach: I just feel that all the time and I tell you the Manager is worried too.

Ms. Hussey: His job is to sell Council.

Mr. Zach: Exactly.

Mr. Rybarczyk: You have a good idea Nancy we should do something like that.

Mr. Zach: What I am thinking is you know we more or less put some kind of serious request time frame wise on coming up with an answer on this I still think it is going to come down to the point of listening to both sides of the story and that is why I would pay for the conference call myself because this has been keeping me awake at night. I think this is not going to move ahead until we come up we are going to decide are we going to risk NYSEG pulling against us or just doing scare tactics on us right now. I don't know what started it in the first place. It didn't come from the agency who started to question this?

Mr. Montone: Why wasn't it discussed a year or two years ago?

Mr. Zach: This question never popped up until we started generating electricity none of that really matters how do we go from here?

Mr. Rybarczyk: There is your answer the answer just came up. We issue a position letter to City Council we say we need to have a decision by the new law firm versus Ginzer and we would appreciate it post haste before we lose again the grant before we lose the potential business that is interested in doing this. Again are we going to lose the grant yes we put that in our position letter.

Ms. Hussey: We can look into that we need to a letter stating our position that is all I can say and then bring it in front of the agency have the agency discuss it and whenever we will present the petition to Council.

Mr. Rybarczyk: But I think we should do that post haste.

Ms. Hussey: Yep.

Mr. Montone: I make a motion that we do that.

Mr. Rybarczyk: I second that.

Mr. Zach: A motion has been made by John Montone and seconded by Luke Rybarczyk that draw up a position letter from the agency to submit to Council indicating our concerns

Ms. Hussey: How about we present a position to council regarding the sale of heat and electricity from the landfill.

Mr. Zach: And the legal representation.

Ms. Hussey: Keep it just a position paper and we as an agency can vote on it.

Mr. Luksa: Not much more we can do.

Mr. Rybarczyk: No there isn't at least we can make our presence known as an agency.

Mr. Zach: My concern is when we do this the time frame we are running out of time I am really worried about the grant. The heat is no problem that is a done deal. This question on the electric that we have been going through as far as I am concerned if we can't come up with a response from Corporation Counsel in fairly soon time frame then it would be my suggestion that we do a conference call and have an executive session of this agency and the Council and listen to both sides of the picture so that we can make a decision.

Mr. Rybarczyk: We can't make a decision until Council says who they are going with because apparently they have hired a new law firm.

Mr. Zach: They have.

Mr. Rybarczyk: So now you have the old law firm versus the new law firm, the old decision versus the new decision, if they come up with one totally different do we go for a third opinion?

Mr. Zach: No.

Mr. Rybarczyk: So ok, so then you are going to have to go with

Ms. Hussey: Yea and I do want to say that according to Christina the grant is not in jeopardy.

Mr. Montone: \$250,000

Ms. Hussey: Correct, it is not because she said the heat can go to the Waste Treatment.

Mr. Montone: There is no need for it that is the whole point.

Ms. Hussey: It doesn't matter we don't want to give Council false facts

Mr. Montone: We are not going to run the heat to the Wastewater Treatment Plant that was the original plan and the study showed that it wasn't needed no sense doing it so that is a false fact.



Mr. Zach: I will check with Christina but I think the money to do the heat run some how is tied to that \$1.9 million. That money has been out there but she can make a draw on that – that would pay for the heat run, I don't know, I will have to get back to Christina. There is a motion on the floor that we draw up a position paper to Council about our concerns and the time frame

Ms. Hussey: Position on heat and electricity sale status at the landfill.

Mr. Zach: Any further discussion? All in favor, carried. I will get together with Christina we have to put some more facts on that and find out what the ties are on that money because I have it in my head that she told me that the money was there she could apply it for we figured the \$225,000 to make the heat run but it was the reimbursement to come back out of that grant, I don't know how that works for sure but I will find out. We may have to have a special meeting on it.

Our budget which we pretty much already been over and obviously we have a budget for \$30,000 as of this point we are broke and in debt as far as the agency budget is concerned.

Mr. Luksa: That \$38,000 that really is not part of our budget

Mr. Montone: No you are right.

Mr. Luksa: No it is not it is part of the construction costs but again I don't know I don't want to cloud the water but technically not part of our budget. We may luck out and get it from CH should be attached to CH moneys.

Ms. Hussey: That is what they are going to look into.

Mr. Luksa: Not reimbursed attached to the package if you can, I don't know if you can the total package of CH's commitment part of construction and I don't know about the other the CEG. It is not our budget it is a construction package where you got the financing CH got the financing so whether you add it to that however that is all I am saying you know what I am trying to say?

Mr. Zach: Yes but where I think we are coming from at this point they are going to have to tap out what we have left in budget to come up with the money to pay, I don't know. I will go over that with Christina also.

Mr. Luksa: Earth Energy got paid we authorized that.

Mr. Montone: That has gone through already.

Mr. Zach: I will get together with Christina and see where we are at and if we have to have a special meeting we will do it. We will draft this letter and send it to everybody to read before it goes Council will that be a good idea?

Ms. Hussey: We are going to have to have a meeting for that.

Mr. Zach: We will call a special meeting to approve it, ok we will do that.

Mr. Rybarczyk: And that will be the only item on the agenda.

Mr. Zach: Yes. I have a point here to make we have a sister agency called CCPUSA in the County, two of our members are on that County committee also John Montone and Bill Graney. Maybe John could speak a little bit it is a agency that is to our benefit as well and something we are going to have to start looking at working with on a little closer basis as things move along with the County. John you want to explain what is going on and where we are?

Mr. Montone: CCPUSA was put in place the following year that the Auburn Public Power Agency was created. The reason was so that we could work together to eventually we were going to do a study and Mike remembers this looking at a feasible study and taking over the distribution lines throughout the area and we couldn't just stop within City boundaries but continue out into the County. The County was also in the process of doing alternative energy projects the digesters many farmers and also the one itself. Since then again the Local Laws not to get on Jeff Ginzer but again Jeff Ginzer helped create that too his firm all at the same time with a highly overwhelming vote of approval of both these agencies to do those things. CCPUSA meets probably 6 or 7 times a year we got slowed down

because there wasn't anything going on at one point but now we are meeting the first Monday of every month in the morning and we are working on this major project of 40 mile pipeline where we are taking methane gas from the farms all the farms tied into this pipeline we are taking it down to the behind OCM BOCES the Tech Park if you will of the County IDA site. There we are going to generate power and sell power to industrial customers down there and possibly to the City it is enough power to take care of the whole City. That is where CCPUSA is headed right now in this direction and I think we should work with them, Billy is on the agency, the County Power Agency and myself, Ron Colella, fellow from Cato, NY and Paul Pinckney I believe is on there now and again our project is the pipeline and we are going to be putting out a study we have \$30,000 from Central New York Regional Development Authority and the County Legislature also approved a certain amount to get this feasible study done and work with the farmers on the project. The County Public Power digester will be up and running probably by March producing power to the County facilities there, the Jail, the Nursing Home and the County Water and Soil excess power will go into the grid and also have the ability to take it across the street and sell it to the company out there. That is in the works possibly too so that is what the County agency is doing. As far as working together all these members are welcome to come to attend all those meetings and so forth and as I mentioned Mike years ago we attempted to do a study we actually interviewed a bunch of companies, J. W. Wilson was one to do that particular study, CEG was another one a study to see what the cost was to take over the distribution. At that point we decided because we did get a grant to pay for study we decided to go in phases which Phase 1 is alternative energy projects which we did and which we are doing and phase 2 is what I just talked about and the County is still very much on board with the projects.

Mr. Zach: They have all the money and the steps to go ahead and do the feasibility study?

Mr. Montone: For the pipeline, yes the RFP will be coming out shortly well it is actually a Request For Qualifications first and than an RFP.

Mr. Zach: All done the feasibility study.

Mr. Montone: Yes.

Mr. Zach: Any other questions?

Mr. Lupien: Other business here we have a new Comptroller coming on board November 1<sup>st</sup> we have variable electric rates that we can lock in for certain periods of time I was just wondering between John and Denny one of you could make a point to talk to the new Comptroller and basically tell her what we have done and helping on all matters

Mr. Montone: I have all the gas accounts.

Mr. Lupien: Now the gas we have fixed locked into a fixed rate.

Mr. Montone: Except for these accounts, 17 accounts here that are not they are expiring I should say. I will show them to you.

Mr. Lupien: The electric one we locked the variable rate in, we don't follow the market every day you guys do that for a living I just wondered if you could take some time and when that new person comes on board just tell her about the electric rates, it is one of those transitional things you are going from one Comptroller to another and it could be something that could be overlooked.

Mr. Zach: I will try to get a hold of Mark tomorrow I am the one that instigated the email to the Manager about ESCO called me last week and said you better look at extending your thing as the price of gas may come back down again. What I do is I put it on a trigger I sign the contract and I put a trigger onto it that if it drops down another 50 cents or whatever then lock me in for the rest of it.

Mr. Montone: \$5.49 a decatherm.

Mr. Lupien: So you have 17 accounts that aren't locked in what we need to do is lock down when the gas is low and also take advantage of the electric.

Mr. Zach: The other thing that you can do too even if you are locked in 1 year you are locked into now?

Mr. Lupien:                    Actually they have a summer and winter season so we only lock it for part of the year and then there are a couple months that have any loads but I don't think we have locked into any load yet. I would hate to see the City get caught with a new person coming on and not knowing that we have something over there that she is suppose to be looking at.

Mr. Zach:                    Even though you have a contract and still going for 6 months you call the people up and say I want to extend at the market rate for the futures and the price for the futures looks like it is better than what you have been paying you go ahead and lock in another year. I will get a hold of Mark on that one. I worked with him a little bit before on that.

Mr. Lupien:                    But with that new person coming on November 1<sup>st</sup>.

Mr. Zach:                    All right.

Mr. Montone:                The gas I think we are going to have to do pretty quick here just a matter of questionable one is the Wastewater Treatment Plant because obviously the incinerator is not there any longer so much gas are they really using. Again locking in at \$5.49 to April a decatherm that is a pretty good rate if we wanted to produce more electricity we would take that \$5.49 a decatherm and you would be able to produce electricity at \$54 a megawatt not too bad. So that is a thought hopefully we will be getting a better price than that.

Mr. Zach:                    I will touch base with you on that. What to say something about the LED lighting?

Mr. Lupien:                    We are going to have a meeting coming up this coming week we are going to talk about street lighting. The grant is now fully endorsed we are now eligible to start spending money and get reimbursed we just got that about a week ago. If before that time we spent money we would never be able to get reimbursed for it even though the grant is a 2 year grant, we have 2 years to spend the money it was dated in April we really didn't get the official go ahead until the first week of October. Now we will proceed put out a competitive contract, will do 2 separate contracts because we have a million dollars of repairs coming up on the parking garage we don't want to put fixtures up and then have them destroyed so we will wait until the end of new year to do the parking garage

and that will also give us time to find out how much money we spend on the first 2 contracts because what we are trying to do is maximize that money. We don't know what the first 2 are going to cost.

Mr. Luksa: Can you get it all done in 18 months?

Mr. Lupien: If you have money to spend we can spend it.

Mr. Montone: So the proposal will be for installation? Will the City do the installation?

Mr. Lupien: We will have a contract do it. Have licensed electricians come in we will make sure they have the required electrical program and then we will do the cobra heads.

Mr. Zach: Old business?

Mr. Montone: Some body has to do negotiations with NYSEG for the Purchase Power Agreement that has to be in place by December 1<sup>st</sup>, that is 30 days notice and if it expires and we won't get paid for power going out to the meter. I did it the last time with nobody from the City and used our attorney who is no longer with us. I don't know what this agency wants to do that some of the situations that we got into you know what I am saying. Advisory shouldn't be negotiating so I have mentioned this to our City attorney so somebody has got to get to him.

Mr. Zach: What is the deadline?

Mr. Montone: December 1<sup>st</sup> it has to be in place.

Mr. Zach: Deadline to negotiate or agreed upon by the 1<sup>st</sup> of December?

Mr. Montone: Agreed upon by the 1<sup>st</sup>. I did talk with someone from NYSEG I think we can do a little better remember the discussion why we are only getting 80% because we got retroactive money all the way back to the beginning of the generation so now the year is coming to an end and we should be able to get maybe 100% and also the scheduling fees and things like that may have changed and will change a little bit but we don't have the same attorney in place. When we did talk with Rossi and Andy I

mentioned using both attorneys depending on what situation is. If we get sued I would say we should use Jeff Ginzer. If you want to use Kevin Brock for bake sales so we can make money that is fine too, I know Kevin very well don't get me wrong, I work with Kevin, I golf with Kevin there is a difference between what he does and what Jeff Ginzer does. Figure out who wants to negotiate this or help suggest ideas I am willing to help out but I am not doing this on my own again.

Mr. Rybarczyk:                    There again we are an advisory board.

Mr. Zach:                         I will talk with Corporation Counsel that is something that has to happen before the end of this month, the plan has to be in place.

Mr. Lupien:                        Would it be appropriate to talk about back up power? During times of brown out or black outs we could turn on the 3<sup>rd</sup> generator would that be part of the Purchase Power Agreement?

Mr. Montone:                      It could be you are talking about the stand by generation, I think we should negotiate with a company that will come in and pay us for that power instead of NYSEG.

Mr. Lupien:                        Right now we have no existing contracts with any body other than ourselves.

Mr. Montone:                      Demand Response Program there are a bunch of companies out there.

Mr. Lupien:                        Seeing we have only 1 megawatt.

Mr. Montone:                      You brought up a good point about the stand by there is no stand by really needed especially at the Wastewater Treatment Plant we are not obligated and they don't have any Rules and Regulations that says we have to have it because once we have the generating plant from Central Hudson and the Wastewater Plant kicks on we have our own back up generation and we don't need to be paying a stand by charge at the Wastewater Treatment Plant we should resolve that, get rid of it. If and when we do sell power to the Pellet Factory it is up to them to negotiate their own stand by if they want to they are going to have their own generation too. Selling our stand by power back to them I don't know, could you, I suppose.

Mr. Zach: NYSEG does have a Demand Response Program too.

Mr. Lupien: I was thinking about the times when power is worth a lot more money you would have the right to turn on and sell it at that rate. You turn on that 3<sup>rd</sup> megawatt the value of electricity is a lot more

Mr. Montone: To the grid though Bill because the breakers open up, works in reverse, if we lose power then they come on.

Mr. Lupien: Aren't we selling our surplus

Mr. Montone: From the generating plant that Central Hudson

Mr. Lupien: Isn't that what you are talking about?

Mr. Zach: Two things we could do talk to Central Hudson about the possibility and I should add that to Mike Voltz discussion when they have those demand calls for curtailment the price of electricity goes to 40 cents per kilowatt or whatever we can start the other generator on natural gas and sell it and make a profit on it right. The other thing like you said that we probably could do too is if an agreement was set up with NYSEG if they do a curtailment we could start up the generators at the Wastewater Treatment Plant and all the rest of the power would go into the grid and get paid demand response for the remainder of that. The other question is there was year credit on demand response that we got for the Wastewater Plant did we get credit for that?

Mr. Lupien: We put in for the remainder of the 1-year. There might have been 9 months or 10 months for the full amount of the Wastewater Treatment Plant even though they are no longer on there.

Mr. Zach: For every one's information the Demand Response is a program set up by NYSEG and several private entities that also sells electricity when they call an event if there is too much load on the grid they including the City businesses like Hammond, Nucor and what ever they pay them so much a kilowatt hour to shut down to take the load off the grid. That is what that Demand Response is and that is what he is talking about that we could possibly do it at the plant too.



Any new business? Motion to adjourn?

Ms. Hussey: I make a motion that we adjourn.

Mr. Luksa: I second that.

Mr. Zach: All in favor, carried.

Meeting adjourned at 6:15 pm.