

**MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, NOVEMBER 8, 2010
AT 4:00 P.M.**

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

Member Absent: Mayor Michael Quill, Krste Biljanoski and Nicholas Brindak

Ex Officio Present: Vijay Mital

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

Staff Absent: Mark Palesh, Christina Selvek, Vicky Murphy and Bruce Ross

Chairperson Dennis Zach called the meeting to order on Monday, November 8, 2010 at 4:00 p.m.

Mr. Zach: Hope everyone got a chance to go over the minutes and received the corrected version. Do I hear a motion to approve the minutes? Motion made by Bill Graney and seconded by Luke Rybarczyk. All in favor minutes approved.

First item on the agenda is the hydro update and if Nancy would talk about the access work that she has done.

Ms. Hussey: I would be happy to. I met with Bill Lupien and Bruce Ross this morning and we looked at where the subway system goes, we looked at the land where the Pump Station was, we looked at the Mill Street Dam, we looked at the viability of hooking different facilities the Water Treatment, City Hall, the garage. One consideration we were looking at was the street lighting using the power for that. Bill did the break down of electric accounts what we determined the first thing try to over lay the maps and figure out where put it all together in one comprehensive map, determine what our electric liabilities are, see what Dave Laney comes up with to see what options are there. Take a look at the Chant and the other proposals and also explore what it the benefit versus net metering and versus

transmission so we have quite a bit to things to look into. Can any body else thing of anything that we might need to consider further?

Mr. Zach: Eventually our N. Division Street contract is going to run out that is under 2 years now isn't it?

Mr. Montone: Yes.

Mr. Zach: Maybe in the process of looking at being able to utilize our power maybe we ought to be looking at trying to market from that generation plant also because after this contract runs out the price right now is at 8 cents is very good. That is not going to happen down the road.

Ms. Hussey: Hopefully what we will be able to do is have enough information to be able to make an analysis of each hydro plant because we also have the State Dam too.

Mr. Zach: Do we own enough land along the edge of the outlet to your knowledge at this point that we could actually run a distribution line towards the Pump Station?

Mr. DeCaro: All that we have from Mill Street to the lower Pump Station is a right of way that we have for sewer lines going through and that goes directly from one point to the other. That is a right of way that is not clear title. We have a right of way for the purpose of the sewer line and what I understand in order to get a right of way to run a power line we have to go through the same process to get a right of way for the other purpose but it is an established right of way so it wouldn't be starting from ground zero but we would still have to approach to the owners and talk to them about getting permission for the second purpose.

Ms. Hussey: We were unsure this morning whether it was a utility easement or sanitary sewer that is another thing we have to look into.

Mr. DeCaro: If it was a utility easement we are already there.

Mr. Montone: How wide is it?

Mr. DeCaro: Any where from 10 to 15 feet I can find out it is relief sewer line.

Mr. Lupien: Any where from 15 to 27 inches.

Mr. Montone: Those are utility.

Mr. Lupien: We also own all the streets we can always go up and down the streets.

Mr. DeCaro: That actually passes the Mill Street Dam and heads in this direction so we do have a shot. It starts right at the lower Pump Station passes Mill Street and goes on a ways towards City Hall and comes across and is adjacent to the property across Canal Street and this side of the river parallel to Osborne so it comes that close to City Hall.

Mr. Zach: That right of way with the sewer is that limited to sewer only?

Ms. Hussey: That is what we have to determine.

Mr. DeCaro: If it is a utility easement we are already there, if it is a sewer easement we would have to make application to change it.

Mr. Montone: Just encroachment?

Ms. Hussey: I have no clue. I will have to look further.

Mr. Montone: Different properties

Ms. Hussey: That is the next layer of the mapping.

Mr. DeCaro: No one has done any investigating behind all those properties when we did the sewer upgrade and the release lines reconstruction and release line installation we went through that entire right of way and a new line was built on it from that point to the Lower Pumping Station all the way down Mill Street.

Mr. Montone: So it is feasible.

Mr. DeCaro: Absolutely.

Mr. Fusco: Looking from Mill Street which side of the river are we on?

Mr. DeCaro: West and south side of the river.

Mr. Fusco: What is the pathway on the east side of the river?

Mr. DeCaro: There is an improved pathway but most of that is street and the path that is just there it is not anything that we have really anything

Mr. Fusco: You can walk from the Mill Street Dam to Hunter's Diner pretty much. It has been excavated large items of stone it is obviously very recent why is it there?

Mr. Lupien: Don't know. City has a grant to look a pathway along the river I forgot the amount which we are going to be looking into with a feasibility study also be used for a pathway

Mr. Fusco: The easement you are talking about is higher on the hill?

Mr. DeCaro: No necessarily high up on the hill it is along the river bank but I guess you could call it higher up on the hill if you drain the pond just above pond level.

Mr. Fusco: It goes north from Mill Street.

Mr. DeCaro: It follows the it is over the pond level under the Lake Avenue Bridge follows the course of the river bed behind what was the area where the Lizzette Street bridge was and it goes all the way through where the Mill Street Dam is and then it follows along Canal Street.

Mr. Fusco: Where is Canal Street.

Mr. Lupien: Canal Street is behind the furniture place there is a little roadway that goes down there.

Mr. Zach: There was a penstock that came down that street right?

Mr. DeCaro: Right if you follow on the east side of the river where he is talking about there is actually some you look at the course of the river you can see where our powerhouse is and where our tail gate puts water back into the river and then there are stone walls along side of the river bank there and there are a couple caves they are call caves but they are actually the old pen stock from what was the International Harvester buildings and the old factories that are gone now they were power generation facilities that were either electrical or mechanical energy that they use to use in the old factories that are gone now they were on the east side of the river and some of the old pen stock remnants are still there.

Mr. Zach: Is there any of that penstock still open enough to be used

Mr. DeCaro: I have not looked to see how much of the penstock is there but I imagine you can find out if you want to take a look.

Mr. Fusco: You described Lake Avenue Bridge north, what about Lake Avenue Bridge south?

Mr. DeCaro: Lake Avenue Bridge south there really isn't anything south of the Pump Station talking about if we went all the way back to Emerson Park and White Bridge the County maintains the right of way along the river up to the High School property, maintain a driveway on the west side of the river along there to the High School property and then there really isn't anything on the High School property and then it is all residential areas right to the river from there the City line at the High School right were the marina is to the State Dam nothing other than the homeowners there.

Mr. Fusco: North of the State Dam.

Mr. DeCaro: All of that property between the State Dam and the lower Pump Station is all City owned. Part of that property is where the sewer easement starts and goes all the way back to Mill Street.

Mr. Fusco: From the Pump Station nearest the State Dam to the Lake Avenue Bridge that is part of that easement?

Mr. Montone: Generate from the State Dam and go south.

Mr. DeCaro: We can generate from the State Dam and go right across the street. We can use either the Pump Station or the Water Plant and if we can't do it from Mill Street we could also go to the Pump Station because we have 400 kilowatts right at the Pump Station and another 300 kilowatts at the Filter Plant and if we wanted to go back to the lake that is another 300 to 400 kilowatts used at the Upper Pump Station. So if you wanted to use all of that power in house we have all the uses right there.

Mr. Fusco: There is an easement question is whether it utility or sewer that goes all the way from Mill Street Dam generation site to the State Dam.

Mr. DeCaro: Yes.

Mr. Fusco: I will find out about that easement, lot more power used there than here.

Mr. Lupien: A lot of times you are talking 100 feet Osborne Street which runs into Pulsifer Drive that is our street, we own the streets.

Mr. Montone: We could put pole lines on the street

Mr. Zach: Moving along here we will let Nancy finish mapping this all out and all the possible options that are involved there.

Just as a reminder before I forget, we do have a meeting with Chant they are going to make their proposal here on Friday at 4:00 p.m. in this room. Hope everyone can attend they want a good a crowd as they can and also inform Council.

We did have an inspection of the Mill Street Dam the City drained the lake and we got in there and C. J. Collins, Bouchard and Chant also inspected the turbine house and they looked a little farther, Tony do you want to cover that how the inspection went.

Mr. DeCaro: They looked at what was there and said the condition actually is fairly good given considering what they expected to find there. They thought the work that needed to be done was less than what

turbine. All 3 of the bidders looked at and said you can always do the band aid get it going the way it is and that may be a choice that we are going to be forced into in order to keep our FERC permit? What do we have to do to get an extension on that? I was hoping Bruce Ross would be here but he isn't.

Mr. DeCaro: That is a question we can't answer because it is up to them. We have given them a schedule in the past and they haven't asked us for a revised schedule and at some point they will either ask us to surrender the exemption or ask us for a revised schedule. If we give them a revised schedule I would imagine that they would want to go over it this time because the schedule we gave them in the past didn't materialize. The schedule we gave them in the past was the schedule that included the quotes that we had gotten from the companies on refurbishing the equipment that is there. We didn't do that. I am sure whatever we tell them in the future they are going to want us to execute.

Mr. Fusco: I was there Wednesday but not on Thursday did any of the 3 that viewed it on Thursday give you any ballpark numbers as to the cost of refurbishing with the existing generation capacity what you called a band aid.

Mr. Zach: No they didn't. The only thing we got would be Bouchard and C. J. Collins was what they figured before and I think Collins will redo his proposal a little bit after looking at it.

Mr. Fusco: Did you talk to him about that?

Mr. Zach: A little bit and I think the name of the game is we get back to them and see if there is anything different they want to do on their proposals. Kind of waiting to see what the offer that Chants makes listen and see what they have to say Friday and I don't know what the legalities are probably if you are going to consider that option then I think we have to put another RFP out right?

Mr. Fusco: I don't know what they are proposing I want to wait and hear what they have to say on Friday.

Mr. Zach: And I think we have to take a look at all 3 of them and see what they have to offer and then bounce against what NYPA says to decide whether to go ahead I think you are going to spend big bucks you

have to do the upgrade to get the extra transmission out to make it worth it all 3 of those people didn't think it would be that hard to get Mill Street back on line. Council is going to have to balance that against the cost of doing quick fix now if we are going to be forced into that with the FERC permit maybe that is the way we have to go but that doesn't mean it couldn't be upgraded down the road.

Mr. Montone: Tony how often do you have that flow they are talking about?

Mr. DeCaro: All we can look at is past experience we have been at 450 or better 40% of the time in the past several years.

Mr. Montone: So that will only operate 40% of the time you have to consider that factor into the cost.

Mr. DeCaro: That is assuming the water pattern is the same as we have had for the past 3 or 4 years. We have been at a flow of 70 cfs of higher 95% of the time if you were looking at the Kaplan turbine that could work under those flows you would be able to capture that just about in your realm.

Mr. Montone: Figure pay back.

Mr. DeCaro: The 2007 what the cost was for refurbishing the turbine by Whiffel was estimated at \$42,000 that was for them to come on site and work on the turbine. Philadelphia Gear Company to come out and work on the pivot gear again on site here gave us a quote of \$97,000. The estimate that we got for the generator to be reworked by Auburn Armature on site at that time to take it out and bring it over to Auburn Armature and to rework what was here that particular set was about \$25,000. Those are the 2007 numbers.

Mr. Montone: Take that total cost and you could get 40% of the time it is running as opposed to a new product that would run 95%, those are the figures we need.

Mr. Zach: If we went with the NYPA proposal I think the best consider would be to do the upgrades.

Mr. Fusco: Here is the problem. The thought that City Council is going to spend \$600,000 or \$700,000 which were CTI's numbers I think is not realistic so that unless we can get a private public partnership with 1 of the 3 entities that toured the facility on Thursday we are whistling in the wind and that has been the essence of the 2 RFP's that we have had. Yes it may well make a ton of sense to spend \$600,000 or \$700,000 of taxpayer money but I just think that it is foolish to even think that. You don't have to run for election they do. Now if none of the 3 entities want to form a private public partnership and 2 of the 3 didn't want to do that before remember we went with CTI because they were the only ones who willing to meet the letter of the RFP. We need to start thinking what is affordable that Council would go for which is a refurbishing of something and I dare say that C. J. Collins is going to give us the most accurate number he has always been in the lowest end the most conservative bidder. He is going to have to raise it now that he has seen what he is sitting on. When we realize what the cost of the refurbishing assuming we are going to use all the power in house for 40% of the time and the other 60% of the time we are going to have to have public standby NYSEG does that make sense. I think that is the analysis that you have to have here.

Mr. Zach: I agree the whole thing hinges at this point because none of this going to fly going into the grid.

Mr. Fusco: Right now going into the grid is not a bad deal next week it might be but to be at some one else's mercy is not a good set up. Can we generate power 40% of the time and power our needs like the Lower Pump Station and the Water Filtration Plant, Swift Street and have to buy power the other 60% of the time after these improvements and come out dollars ahead? I think that is the logically way to look at this and the answers to these questions as far as Osborne and Pulsifer we will want to look at an unfretted easement along the shoreline to be able to use the power that is generated by us for us. One of the things the PSC is going to look for is an unfretted easement between the two certainly we own the streets but do we own the poles? If we can do something within a relatively mile geographic range with an easement that is ours not only the right of ways but any of the but any of the improvements along the right of way we are going to get a green light from the Public Service Commission. So that is why the answer to John's question gee is it a public utility easement or sewer alone becomes a good legal question that I am going to try to get an answer to by Friday because I see that as a key. If you analysis from that standpoint what

our City Council is willing to spend because let's not lose sight of the fact that when it was a \$30,000 five years ago they didn't do it and 3 of the 5 are still the same. So to think they are going to spend \$700,000 when they didn't spend \$30,000 let's not be foolish. Will they spend \$60,000, \$70,000 or \$80,000 or whatever the dollar amount is going to be we know it is going to be more than \$50,000 that is what C. J. Collins said and already he is going back saying I need to refigure this. Are they going to go for \$60,000, \$70,000, \$80,000 or \$90,000 when they didn't go for \$30,000 and the answer to that question is going to be how much can we save instead of putting it on the grid we use it internally at our power station and/or into our Water Filtration Plant. I think when we begun to analysis it from that type of viewpoint then you can begin to sell people on a concept.

Mr. Zach: Right now we are looking at all the options, I think we have to put them all on the table and the ESCO that we are buying the power from do you think the City could make a make a deal with them to put the power against the street lighting or something like that. I think pretty much we are on hold see what Chant offers on Friday and put all the facts and figures on paper we have to crunch the numbers I don't think any of them are going to fly if we don't have a way to sell the power you have to have a pay back or it is not going to go. I think we are on hold here until see what Friday's offer looks like and then put all the proposals together and crunch the numbers on how we can sell power or how we can use power and decide from there. Any other discussion on the hydro?

Next item is landfill and generator project. I will give an update on time line on the landfill work. I talked with Mike Talbot a little bit trying to figure out what involved with finishing off the top of the landfill and getting that capped and it looks like that project is a ways out he figured we pretty much had to fill in on the end that we are filling right now to make the ramp to take the stuff up there. I think the next game for us will be to look at the Barton & Loguidice study and see about putting the wells in. A little more of a problem to work around when they do fill it up there but we are going to get the gas out of it I think we are going to have to take a serious look at study and put together 3 or 5 holes up there and do that soon as the cold weather has already dropped our percentage down a little bit so I am concerned what winter is going to bring. That was suggested quite a while ago and I think we ought have Mike get on that and get the prices together on that and look at putting those wells in. We will have to fill it in later on when we can. Looking at a 2-year deal here to finish the landfill top and cap

it. I will get together with Mike and have him talk to Barton & Loguidice and get some kind of figure together for that. It doesn't look like we have a prayer filling the top of that landfill as soon as I hoped we would. I didn't realize our limit was something like 96,000 tons we are already putting in about 90,000 so the idea of getting other trash in to fill we have a limit on that. Every year we are going to have a buy out deal to fill in the remainder of your permit I guess they lowered the prices to take in extra trash but it looks like we are still a long way from being able to fill the top of that landfill. I think we need another 100 cubic feet big time put the wells in and hope for the best. Hopefully Bill Graney is going to set up a little tour of Seneca Meadows and according to them what Bill has told me they put their leachate back into the landfill, which we are not doing. Bill can you speak to that.

Mr. Graney: I have been there probably 10 times in the past 5 years and they are adamant on recycling their leachate. I believe it is costing us to treat that leachate between \$70,000 and \$90,000 a year right now. The theory is it re-wets the garbage and makes better mix.

Mr. Fusco: Does it smell?

Mr. Graney: They pump it in the ground.

Mr. Montone: They add something to it too.

Mr. Graney: I am not sure.

Mr. Luksa: Does that need a lot permitting?

Mr. Graney: That I don't know.

Mr. Luksa: We talked about this didn't we?

Mr. Zach: It can't be pumped back into the part that doesn't have a liner in it the real old landfill you can't do it, but the part that has a liner in it. From my understanding is the DEC permit actually it has a lot of active bacteria that supposedly helps your production

Mr. Graney: As you go up with the lift it is like a sprinkler system they pump it back up through.

Mr. Zach: If you will set up a tour for us and we can ask those questions.

Mr. Graney: If anyone would like to go email Denny with a time that would be good.

Mr. Zach: It will have to be after Thanksgiving or first part of December.

Mr. Fusco: They sprinkle it on top?

Mr. Graney: They run PVC pipe as they go up with the garbage lift it is just like a sprinkler system keeps going up as do the gas lines as they lift up through.

Mr. Zach: They don't dump it all in one spot spread it out so it can leachate

Mr. Graney: The water trickles down from the top and gets collected at the bottom.

Mr. Zach: Right now it is coming out and being pumped down to the Wastewater Treatment Plant and they treat it.

Mr. Montone: At a cost.

Mr. Zach: I heard a figure something like 40% it boosts their production by putting the leachate back in it.

Mr. Fusco: Production of methane?

Mr. Zach: Yes.

Mr. Montone: Must be working because they are producing a lot of power.

Mr. Zach: So I think we do a tour we are already spending \$70,000 to \$90,000 a year to treat leachate it makes it worth looking into.

Mr. Fusco: Do they pump it into a tank or drive it over?

Mr. Graney: Just pump it up like a garden house.

Mr. Fusco: How do we get it to our Wastewater Treatment Plant next door?

Mr. Montone: Put it in a truck and drive it over.

Mr. Zach: Collected pumped into a truck and run it through the Wastewater Plant.

Mr. Fusco: Drive the truck and dump off the contents?

Mr. Zach: We can research that I don't think you can open spread it; it would have to be injected into the landfill some how.

Mr. Fusco: Because of the odor?

Mr. Graney: Probably not a pretty site.

Mr. Fusco: The guy has to pump it into the truck.

Mr. Zach: I will get down there and tour that facility and see what it is and get back to you on that. Set up the tour so we can see how they operate their landfill.

Mr. Graney: I will set up some different dates and times.

Mr. Fusco: I would like to go to that.

Mr. Graney: You need to see that operation.

Mr. Zach: Moving on Christina is not here but there was a gas bill question on the generator plant.

Mr. Montone: I can talk about that. NYSEG has been estimating that we are using gas at the generating plant and we haven't used any gas since February and they have estimated it to the tune of around \$7,000 or \$8,000 a month and then they send that information to National Fuel

Resources so they are charging us for transportation and delivery charges and National Fuel's charges for the gas. The reason why they are estimating is they had a figure when they first started when they were doing the testing there that they used so we haven't used any gas at all for I don't know how long it has been. She gave them a reading and it turned up in November's bill so they are going to owe us quite a bit of money and that is where that should settle out and then she will take a reading every month because one of the problems is the meter is in the plant and NYSEG can't seem to get in there when they want to. That is where they are at, we are talking quite a bit of money that they owe us.

Mr. Zach: Any more questions on that item? I think Christina has already dealt with that too.

Mr. Montone: I think she did.

Mr. Zach: We had some discussion about items we wanted to go back and talk about with Central Hudson. There is still some left over stuff and site work that they haven't done and we had a discussion on the regulator and questions on the automation and I think Council has already approved doing a buy out study and I think we still need to sit down with Central Hudson and straighten out what punch list items we still have. I think we should set up a meeting and talk with them again. One thing that I was most concerned about was the regulator to buy us shut down time because I think one of the things we have to remember this whole project is riding on a 10 year old compressor down there all by itself. Some where along the line we are going to have decide whether we buy it out or finish this way even if we stay with Central Hudson for another year or two that skid is still our responsibility and I think in the not too distant future we are going to have to look at automating that skid. I don't think you are going to be able to do it unless you want to set it up as a manual transfer thing every time with a shut down I think it would be worth putting a regulator in and buying the time and I think it would smooth out a lot of other things in the plant. They have been running pretty good but they are right there tweaking everything and we haven't had a shut down in quite a while but it doesn't take much of any kind of change in gas pressure or anything to affect it so if they are not there to catch it that is why most of the shut downs have happened on a weekend because they aren't able to make a manual adjustment to it when they start having a problem. I think we should sit down with Mike Voltz again and finish it up we have an existing punch list

and we haven't finalized it. I think we need to do that whether we buy the plant out or we keep on going with the contract the way it is.

Mr. Montone: Vicky found in the ESA in one of the areas there that addresses this transfer trip situation if you recall the additional fiber optic that had to be put in it looks like that isn't part of the interconnect agreement that burden should fall onto CH Auburn. Should be discussed with them.

Mr. Zach: Do we need a motion that we set up another meeting with CH Auburn to go over the punch list?

I will make the motion that we arrange with CH Auburn for another discussion on the punch list and see if we can finalize some of the questions. Do I hear a second?

Mr. Graney: I second that motion.

Mr. Zach: All in favor – no one opposed – carried.

Casey Park, Luke has been working on that a little bit. He put out some information.

Mr. Rybarczyk: Just a synopsis your transportation units

Mr. Fusco: What is a unit?

Mr. Rybarczyk: Kilowatt-hour. This is less any NYSEG demand charges.

Mr. Fusco: There are demand charges.

Mr. Rybarczyk: Where?

Mr. Fusco: Looks like in 2004 probably the stadium lights based upon the amount of use, ending in 869 my guess would be the club house meter and in the meter ending in 006 would be the front office year round use and there are demands on all 3 of those figures.

Mr. Rybarczyk: I didn't put that demand figure in here so that would be an additional amount to go into the total amount which would make our figures look even better.

Mr. Montone: Only doesn't have Casey Park Rink.

Mr. Lupien: There are meters for everyone down there.

Mr. Rybarczyk: Does not include the demand cost overlooked but it is on your sheets if you want to add that up. Total transportation units you can read those yourself, you have your transportation costs, your supplier units, you have a total of the transportation and for some reason or another we more supply units than we have to pay transportation on for some reason. I noted one at Casey Park didn't have a transportation charge and yet we did use supplier units for it.

Mr. Montone: Difference between the power factor and the amount of power you are buying and the power that you are using that is why there is a difference in the readings.

Mr. Rybarczyk: Total supplier costs \$51,000 you have a total transportation and supply cost we are looking at a figure less demand of \$86,500 in one year and there was a rough estimate on running the line from the existing meter to in front of Casey Park at a cost of \$56,000. That would give us a 12/4/7 KV line they estimate 1800 feet, 16 poles, that would cost \$56,000 and you add another \$20,000 to make the connects, energize the park, disconnect NYSEG, etc., so you are at \$76,000 and your pay back is well over that figure.

Mr. Fusco: I have a couple questions. Where is say "per a request to ED" what is "ED".

Mr. Rybarczyk: Ed Falloni.

Mr. Fusco: What is "CEG"?

Mr. Rybarczyk: That is the company that did the consulting an engineering group.

Mr. Fusco: And third question is about \$700,000 KWH we are using at 2 facilities including demand, do we have enough power that would generate the CH Auburn site to be able to this and still supply Kamyar and whatever needs we have.

Mr. Rybarczyk: That I don't know.

Mr. Fusco: Obviously this pays for itself in year 1 it would generate enough power to be able to do this and meet other demands.

Mr. Montone: Kick on the other generator and you have 3 megawatts.

Mr. Fusco: What if you didn't kick on the other generator?

Mr. Montone: Why wouldn't you want to?

Mr. Fusco: Because we are not doing it let's talk about the present. If we run 2 at a time

Mr. Zach: That kw load is at 700

Mr. Graney: What are we selling to NYSEG?

Mr. Montone: That would be our excess 1 mega it is over a megawatt.

Mr. Zach: That 700 that can't be right that is more than the whole Wastewater Treatment Plant.

Mr. Fusco: If you add all these together which I did it comes to 686,360 which is what we have on page 1 those are the 3 meters at Falcon Park one thing I don't understand it say it is un-metered, what does that mean?

Mr. Rybarczyk: That I don't know all I did was just take the figures that they had from the bills.

Mr. Fusco: I am talking page 1 Casey Park Rink is showing relatively low un-metered how do you get all this data if it is un-metered?

Mr. Rybarczyk: I don't know the account number within the City but all we have to do is look up the account number and it will tell you where it is. The account number is on the left hand side.

Mr. Fusco: How can they break it down so precisely if there is no meter?

Mr. Lupien: Could be like a residential one.

Mr. Fusco: Take the 1 and subtract the other 5.

Mr. Rybarczyk: Could be an office or something like warm up rooms, probably just allocating a certain amount.

Mr. Fusco: Or there is some master meter subtracting the 4 components and 5th is what is left.

Mr. Zach: Peak demand on the parks and rink the highest one for the year was 220 AKE and the highest one at Falcon Park would be the night time lights about 180 I know it is not 700 KW.

Mr. Fusco: What is supply unit?

Mr. Montone: Kilowatt hours and the demand if you are looking at the demand figure go to 1032 Casey Park Rink the demand 116.25 KW that was the use for period 5/28 to 6/24, the KWH and the demand are 2 different things so you would base the amount that is being used there on those demands. These figures don't seem right.

Mr. Lupien: High demands?

Mr. Montone: Every 15 or 30 minutes.

Mr. Lupien: At the rate of the most you are ever going to draw is 116 KW where the other is 24 hour days x 30 days that is what the total KWH.

Mr. Montone: So that gives you an idea how much power they are using there for the month.

Mr. Fusco: The page you are on go to the column it says supplier units which appears as a layman I would think that would be the amount of electricity

Mr. Montone: Kilowatt-hours

Mr. Fusco: So if you add those kilowatt hours which we did it goes come close to 700,000 and Denny is saying that has to be wrong.

Mr. Zach: I know what you are saying

Mr. Montone: A kilowatt and demand are something different. Demand is the total amount for that month, they used 116.25 KW.

Mr. Fusco: Demand is over and above demand rate

Mr. Montone: Again it is the total of kilowatt hours for that period of time just like the generator for example is generating 1.5 megawatts but it could what ever figure comes out to 592,000 kilowatt hours you know what I am saying so that is how that works. It is producing so many kilowatt hours but the demand for that particular month used that much so it is the highest demand on that particular account looks like to me is 228 so that is the most power that they used for that total period down there. What that means is you are using kilowatt-hours over here but the demand you are not going to go above that amount.

Mr. Fusco: I understand that.

Mr. Montone: That account for this particular area we are going to use no more than 228.75 so you take that figure and you go to the highest demand on the next page and so forth that will give us the total amount of power that will be needed at those separate accounts.

Mr. Zach: You take that and add it to the 520 KW we are using at the Wastewater Plant and deduct that from 2 megawatts that is how much we have left for Pellet Factory should it come in.

Mr. Montone: At the Water Treatment Plant we are using about 575 that is the highest amount of power used in the demand we know it isn't going to be much more than that so then you would add that with the total of

the highest changes and that is how much power at the Water Treatment Plant.

Mr. Fusco: The supplier unit what is that?

Mr. Lupien: Supplier units are kilowatt hours but you have to remember the demand is at the rate how many KH that you use in 1 hour the other one is 24 hours a day x 30 days and that is the total that you use a KWH. It is like you are making \$10 an hour how much did you make at the end of the week. This demand is the rate the highest single draw that you ever have on the account at the rate of 228 in 1 hour. That demand is because they have to reserve on the wires to be able to supply you and you have to pay a demand charge, but the supply unit your average you divide that by the number of days divided by 24 and you have an average kilowatt that you are using.

Mr. Graney: At Casey Park all of the lights got kicked on at the same it sparks that meter you are going to pay that top for the next 30 days.

Mr. Lupien: All you see here is the total divide by 24 hours a day times the number of days in each one of those periods you would get an average.

Mr. Zach: If you took all those units for the whole and divided by the 8,760 hours in a year gives you an average usage per hour and that is what it is. The demand figure any time you set up a service or whatever they wire for your highest peak demand ok so that is what that is and that is what their extra demand charges are because if you have a high demand say a 400 KW it happens only for 15 minutes they have a wire for that your average might only be 200 KW but they have a wire for that and that is what the additional is to go for your big demand. I will go over that with you if you want.

Mr. Fusco: Here is my ultimate question. Let's assume that we run 2 generators at a time and that we run at a capacity that allows us to use just the methane that we are producing without having to pay extra natural gas we are doing what we can are we generating enough power to handle the Wastewater Treatment Plant potential for Falcon Park, Casey Park and the potential of Kamyar's Pellet Factory. That is my question.

Mr. Zach: Yes right now we are as long as our methane holds up. One of the best scenarios might be is if we had a small continuous load from NYSEG a metered customer and get through scheduling and all the other stuff I don't know if we get into the Purchase Power Agreement that is \$3,000 a month that we are being charged for scheduling and billing if we were a constant customer with a small load onto it that would go away which might be the best scenario for us if we could get the load to work out that way.

Mr. Montone: You have to go one step further if we want to run that extra generator we have a pretty good price for natural gas now.

Mr. Fusco: I understand that.

Mr. Montone: It would give you an extra 1-megawatt of power.

Mr. Fusco: I understand all that. I am just trying to speak to what it is we are doing we currently run 2 not 3 and what is our capacity with our methane not having to buy natural gas may be cheap today and expensive tomorrow so all I am saying is what we can do without having to add other loads, not turning on any more generators, are we generating enough power to deal with this. If we are we should do this tomorrow.

Mr. Montone: These numbers are obviously conservative as far as the price how much it will cost us.

Mr. Fusco: To run the line?

Mr. Zach: O'Connell is coming in tomorrow for a meeting and we will deal a little bit with that too.

Mr. Graney: At one point too we talked about running a line over to Casey Park School.

Mr. Zach: Well again that is way down the road. There are all kinds of possibilities.

Mr. Fusco: We are generating enough power the way we are without having to buy extra natural gas.

Mr. Montone: There is nothing wrong with buying natural gas.

Mr. Fusco: I am not saying there is but that is something we don't have control over

Mr. Montone: We can lock it is we always lock it in at 5.4

Mr. Fusco: A year at a time.

Mr. Montone: No we can lock it in for longer than that if we want but if we did that that means you are producing that megawatt it takes 10 decatherms so that is \$54 to produce that per hour that is cheaper right now for this power.

Mr. Fusco: I understand that and agree.

Mr. Zach: I will crunch those numbers a little closer on the load down there.

Maybe Andy can speak to this a little bit I tried to get a hold of John today regarding our Purchase Power Agreement with NYSEG.

Mr. Fusco: I think that is probably on the Agenda for Wednesday at noon. I have not spoken to John about it today.

Mr. Montone: Is it on for approval?

Mr. Fusco: I don't exactly know it is on the agenda.

Mr. Zach: The last time I talked with John he was going to talk with

Mr. Fusco: John contacted somebody who is a negotiator if you will for lack of a better term for NYSEG and now the question is forming a team on our side to negotiate our end.

Mr. Zach: My understanding was they pretty much had our proposal all ready as to what they are going to offer. We will go from there.

be able to do that. Any investor in the world is going to want that. The name of the game we got the heat all set and I would like to get moving on that to show good faith.

Mr. Rybarczyk: Denny do we sit down or does the City sit down. We are back with Nancy a couple weeks ago we are

Mr. Montone: Parts of the Local Law say we advise the City Council and other parts that also say we are an entity.

Mr. Fusco: City Council owns the electricity and the hot water

Mr. Rybarczyk: They are the ones that should be negotiating with Kamyar.

Mr. Fusco: I think thus far they have done everything we have asked them to do. We said set the rates and they said ok and that we are going to be asking City Council is going to be the one to have the discussion between Kamyar and the City. I agree with Denny if he needs a letter of intent on hot water we will do it and as soon as we have the green light from PSC we can do the electric.

Ms. Hussey: As an entity we can't legally bind ourselves wouldn't that have to be approved by Council we are asking for 2 separate things here

Mr. Zach: I will make contact and have him put his things together we are talking about negotiations here preliminary find out exactly what he would like what kind of guarantees he would like on his end and we have to look at what kind of guarantees we want on our end.

Mr. Montone: He gave the City a letter of intent.

Mr. Zach: He also gave a construction time line too he did one back in July and he did another one here just recently.

Ms. Hussey: Can someone locate that information and share it with everybody?

Mr. Zach: Yes. We have to find out what both sides want we are going to have to have our guarantees on our end too but let's find out what his actual proposals are and what he needs in the letter of intent to move ahead with his investors and say ok we are buying the property let's go. By the time you figure permit and get everything else that is involved a lot has to happen by spring for him to be able to break ground this summer. Any other discussion? Any old business?

Mr. Luksa: Do know if it mentioned the cost what you call an over run or an extra and it should come out of our budget why should it come out of our budget?

Mr. Fusco: I don't see that.

Mr. Luksa: I didn't bring my copy.

Mr. Rybarczyk: I might have a copy of that.

Mr. Zach: The \$6,000 amount?

Mr. Luksa: It was that an something else

Mr. Rybarczyk: \$6,200 1/3 of the cost what was that

Mr. Montone: The transfer trip. This was discussion with the City Manager between Central Hudson; I was there, Christina and including Greenfield was there to pay 3 ways on it. The only one that has paid on it is Greenfield the guys that are running the plant and it had something to do with transfer trip, which we are going to discuss

Mr. Fusco: Three way one was

Mr. Montone: CEC did work not only for the City but did work for Greenfield the company that runs the generating plant and Central Hudson all of those components were together so Mike Voltz and they agreed to pay it 3 ways we haven't held up our end. Mike's question is why is it coming out of our budget.

Mr. Fusco: Should be out of some City budget but I don't know.

Mr. Luksa: It is like an add on to a contract.

Mr. Montone: Speaking about budget let me just say this there was a Utility Account set up those moneys were suppose to be controlled by the Power Agency. That would be money from the business of Kamyar or the business where we are saving avoided costs at the Wastewater Treatment Plant all of that money was going to be put into a Utility Account and Lisa was going to oversee it and I am sure this is already set up and any money that the agency is eventually putting in as a revenue would go into that account.

Mr. Fusco: That would necessitate a transfer by City Council for bills every week.

Ms. Hussey: That goes back to my request for an accounting, which I don't believe, I have ever seen.

Mr. Montone: We don't have any body

Ms. Hussey: I am saying we asked that and of course that was in the transition when Lisa the change and we said to be a little more patient and really bear down after the first of the year and start to get things

Mr. Montone: After the first of the year let's say we do have the Pellet Factory

Mr. Fusco: Paying a bill and we don't have income

Mr. Montone: Once we generate power we are going to have some operation there and in the Local Law it says you can hire people you have employees to run the distribution lines, maintenance and all those different things. You would pay salaries out of that revenue coming into that account that is why it is set up that way. It is right there in black and white.

Mr. Zach: From my understanding Vicky and I met with Lisa before she left we don't have any revenue

Mr. Fusco: This agency for whatever reason I think the best place to raise that question is at the meeting on Wednesday.

I have read the Local Law and have many resolutions regarding that I don't recall specifically seeing that amount

Mr. Montone: It doesn't say that in the Local Law just says establish an account that has to be like Nancy said every year to review it and go through all those things and they set up a Utility Account. The money of \$1,900 a week or whatever the figure is should be going into that Utility Account this agency should overseeing that Utility budget.

Mr. Fusco: It is no different than any other column in the budget. Take that up with the City Manager and City Council they make the budget.

Mr. Lupien: Tomorrow we have that meeting with O'Connell Electric and what we are going to do is look at the cost of the that line going up to Falcon and Casey Park we are also going to look at the out standing that they have done under their existing contract that the City told them to do and we never paid them and 1 of the items would that \$6,200 or \$12,000. Bottom line is they have a contract with the City of Auburn, City of Auburn told them to do the work City of Auburn should pay O'Connell Electric then that doesn't stop us from trying to get the money back from the others but we are going to try to hash that out tomorrow.

Mr. Zach: Any other new business?

Motion to adjourn made by Luke Rybarczyk and seconded by Mike Luksa.

Next meeting is December 13, 2010. Meeting adjourned at 5:30 p.m.