

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
TUESDAY, AUGUST 9, 2011
AT 4:00 PM

Members Present: Dennis Zach, Chairperson, John Montone, Mike Luksa, Krste Biljanoski

Members Absent: Nancy Hussey, Jim Wride, Nicholas Brindak, Luke Rybarczyk, Vijay Mita

Staff Present: Mayor Mike Quill, Anthony DeCaro, Bill Lupien, Trish Ottley

Staff Absent: Christina Selvek, Vicky Murphy

Chairperson Dennis Zach called the meeting to order on Tuesday, August 9, 2011 at 4:00 pm.

Mr. Zach: Let's call the meeting to order, we've got to have a roll to see how many people are here...we don't have a quorum unless Nancy shows up but we'll start the meeting out anyway. Last month we tabled the June minutes that we had recorder problems on to amend them. I'll tell you what, I spent well over an hour and I know she [Ms. DeChick] has probably more than that and I think they're going to have to pretty much stand as read. I gave Rosemary a copy of some of the wording...you can look at it but there's a lot of broken sentence and misinformation there so do to the fact that there was no real vote take or any resolutions passed or anything, I think they're just have to stand as the best that we've got them. That would be a week's work to me to straighten that out.

Moving right on to the first topic, the Hydro Projects Update. I know Tony and Bill have been working on the FERC Permit. The only thing I will say is that we did have a work session with Council and to my understanding at this point anyway, Council did move to try to respond to the FERC Permit that the date was due yesterday...but to try to keep the FERC Permit and move ahead with studies on coming up with a new schedule. So, with that, I'll let Tony...he knows more about it. Are you the one writing the letter?

Mr. DeCaro: Billy and I are. What we're doing is, of course, we're using the information that you had made with...along with Vicky indicating to FERC that our understanding is that you're going to be looking at the options either to repair or to move on the upgrade with a low (xx)¹ option and so we're informing the regulator of that. I did make a call to them as did Billy to let them know that while the letter was due yesterday, we do have it in progress now and expect to get it out. I expect that we'll get it out before the end of the week. They wanted a proposed timeline so that we're taking the timeline that we had, that we submitted in 2008, that was originally based on repair and while we're not using that, we're using realistic information based on what we expect a proposed timeline to be using either of the options, whether it would be RFQs or a

¹ Denotes inaudible

redevelopment using new equipment or possibly the repair so, we're projecting that to them. And, building into that those steps necessary to obtain Council approval too. So, that takes a little more time to craft. I apologized for the fact that the letter will be late but, as you know, Bruce retired and I've been on vacation. I'm still on vacation, I'm not due back until next week.

There's another thing that I do want to mention to you, and I've discussed it with Vicky. We also have a deadline on (xx) about time-sensitive information. As you will recall, we were asked to do time-sensitive calculations that essentially had us calculate the amount of time if there were a catastrophic failure to the dam that we do calculations that determine how long it would take water from a failure at the dam to reach the farthest end of the area affected. And, that would be an area that was a few hundred yards downstream (xx) of the North Division Street dam and it would take the cascade of water 27 minutes to reach that point. We also used wave points along the way from that point backward. For an example, it would take 12 minutes for floodwater to reach the Police and Fire Department. The Police and Fire Department is actually tasked with coordinating emergency response in the event of a dam breach. So, it necessitated them picking an alternate location for emergency response if they respond to a dam breach. The obviously can't go there if there's a dam breach because it will be flooded. They want us to write a letter in response to indicate how we plan on dealing with a dam breach because we did the exercise that they required us to do last year that demonstrated that the amount of time that we had was the best available that we can do. We did the calculations in conjunction with emergency management of Cayuga County and our own Fire and Police Departments present and calculated our emergency response times against the amount of time it would take water to reach these various locations and determined that we were not able to bring emergency equipment to bear in enough time to adequately evacuate under both circumstances. Now, that's the bad news. The good news is that it's not a high population that's at risk and there's not a lot of manufacturing base that's at risk either. For example, (xx) factory, his incubation factory for new businesses is 3 minutes from the Mill Street dam. Most of the time that people are using that facility for incubation and new businesses are under a dozen. Most of the time it's under a half a dozen at that location. But, it's 3 minutes. There is no way that we're going to get a response to that any faster. At (xx) the amount of time is, and I don't recall the exact figure, but we have now a calculated table was somewhere in the facility of 15 minutes. We're not going to be able to get an evacuation notice to those people in any less time than that.

One of the FERC requirements was for us to calculate how we can improve on that time. Even using reverse 911, we can't really cut it down to any less time than that from the amount of time that we were aware that there was a problem at the dam because we can't always make the assumption that we'd be immediately aware. If it happened at 8 o'clock in the morning while one of our guys was making rounds, it would be immediate notification. But if it happened at 1 o'clock in the morning, maybe not. So, one of the things they wanted to require us to do is to put some kind of telemetry on the dam that would give us an alarm and give us some kind of warding.

Mr. Montone: Skada system.

Mr. DeCaro: A Skada system. So, up until now, we never required that any developer of the dam would install that equipment. If you recall, that was a requirement for Canadian Turbine to install equipment like that. Now FERC has asked us to respond separately as to why there is nothing done toward that venue separate from the letter that we're writing for a new time and schedule. So, I'll meet with Vicky...

Mr. Montone: But does that have anything to do with the permit?

Mr. DeCaro: Not at this point, no. But it is a requirement to continue for the permit so while it isn't a requirement presently, they are asking us for an explanation and they require it to continue the exception. So, the answer is no but it's going to become yes.

Mr. Luksa: Wouldn't that fall into what we talked about before as far as Canadian Turbine fell through so that's what we were counting on so that would give us a little more time...

Mr. DeCaro: Right, what we intend to tell them is look, we're still going to make that a requirement of a developer but they may come back and tell us no, we want you to do it.

Mr. Montone: Do they have specifications and regulations?

Mr. DeCaro: That's what I'm going to ask them.

Mr. Montone: Either generic or...how much volume of water we're talking?

Mr. DeCaro: Right, well for the Mill Street (xx) we're only talking about 4 million gallons of water. It takes about 12 minutes...it only takes 27 minutes for the water to reach (xx) Point. It takes something like 12 to 15 minutes for that pond to empty.

Mr. Montone: Do there must be some kind of graph or curve chart showing the different...

Mr. DeCaro: It's the same thing with the wing walls they want us build to further develop that. What we may wind up doing is that they show us the regulation.

Mr. Zach: In order to drain that pond, really isn't all that big... that twelve-minute time, that's got to be almost a complete failure of the dam. Right?

Mr. DeCaro: Right.

Mr. Zach: Which means the dam's gone...that probably would not happen all in one chunk.

Mr. DeCaro: Right. And the only thing that (xx) would have been a failure of the State Dam...(xx) situation. That's not the Mill Street Dam, that's the State Dam which isn't regulated by FERC.

Mr. Montone: So, to address the permit issue with FERC, do you want to put all of this information in there, basically telling them that this is the plan for a catastrophe along with what we're doing to refurbish (xx) do Mill Street.

Mr. DeCaro: Right. That's the letter we're drafting right now. We're telling them this is what you've asked us to do with (xx). We're going to put in this letter we are requiring...well no, we didn't put that in this letter but this is the timeline for new plans. In the second letter, we're going to put we still intend to require a developer to include this and show us the regulation and see what they say.

Mr. Montone: So, that the plan on paper but what are we doing as far as the RFP and getting this thing done?

Mr. DeCaro: No, that not my province to say that.

Mr. Montone: No, I understand that...

Mr. Zach: I sent...

Mr. Montone: That's just buying us time basically.

Mr. DeCaro: And remember that the regulators that I'm dealing with are the inspection division out of New York City and the people that hold the exemption is a different bureau that we're watching.

Mr. Biljanoski: What would (xx) if we don't have a hydro site on the Outlet? No hydro, just the dam and...

Mr. DeCaro: It's just a dam and there's no hydro in there...

Mr. Biljanoski: ...In an emergency procedure?

Mr. DeCaro: It's the DEC that regulates and then what DEC may say is well you've have had these requirements when it was FERC dam so we may continue them. They may not have required them when there wasn't a hydro site there but they may say you had these requirements when it did generate, they may say continue them. I don't know. The requirements for the State Dam are different because there's never been a hydro plant there and it's directly under DEC. But, North Division and Mill Street, because they've had the exemption, have been under FERC and what the DEC has

generally done in the past when they do their inspections will show what you've had...we show them what we've been doing to meet FERC and they've generally gone along with it. Because, the FERC requirement usually is stricter but (xx) what you say, you've decommissioned your hydro plant but these are the requirements you've met up until now and you will continue them. Or they might say, well you this, you don't need that. It's hard to tell.

Mr. Montone: But to maintain the FERC permit, August is the timeline when we've got to get back up and generate power.

Mr. DeCaro: Yes. I'd say that at some point Washington is going to be saying that also but it's not the people that we're sending this present letter to, they're not a division in Washington, this is (xx) inspection that we're dealing with in the region out of New York City.

Mr. Montone: So our next step would be to either follow through with this RFP that we put that we put out a year-and-a-half ago or generate a new one.

Mr. DeCaro: That's your call.

Mr. Montone: ...and then submit that showing them that you have this plan. I mean you've got to tell them in the letter we're either going to do an RFP or we have one in place...

Mr. DeCaro: What we're telling them in the letter is that you're going back out because we also had to reschedule on...we didn't follow the other timeline and what we've done is we explained that you did follow through, identify the developer who had then excluded himself from the running, that that's what happened.

Mr. Lupien: Now...I'm not, I'm helping draft the letter and I have not been in on all the raisings and all of the RFQ's and all the responses and all the rest. Would it be safe that we say that after that if I was reviewing this letter for the City of Auburn and Canadian Turbine withdrew from the negotiations, my first question is did you go on to the next guys and why haven't you picked one of them so far? I don't really know what we have done after Canadian Turbines has basically been out of the picture. Can you elaborate a little bit?

Mr. Montone: They renegotiated it, if you will, with an open conversation with the two of them that were next in line, I can't recall the names but...and then they've just kind of left it dormant at that point because then there was discussion, well what are we going to do with the power and all that. Well that's putting the cart before the horse.

Mr. Lupien: Did we...so we started talking to the other firms but we did not follow up because the cost of electricity is too low or...?

Mr. Zach: No, I think the basic problem was is the other two firms did not submit a partnership-type of a contract that we had with Canadian Turbines.

Mr. Lupien: So Canadian Turbines, our arrangement with them was going to be a like a partnership and the other two didn't have that format.

Mr. Zach: The other two, they both made proposals but they ran from leases...it was a different setup. We went with Canadian Turbines because it was a partnership deal with and they also offered the highest rate of payback. So, we didn't really pursue the other ones. The only thing I can say is right now...when we talked...when I talked to Andy a while back, Chant and under the same proposal, he thought we could use the same RFP as long as the other two proposers were offered the opportunity if they want to do an upgrade and hopefully that would be the fastest way if we were going to do it. Chant did call me last week and they're still interested and they're still interested in...they'd just do the project if we had the funding to do it because that's what they do is build hydro projects. But they've also got backing and stuff with which they'll be interested in a similar contract that Canadian Turbine actually undertook. So, that would be probably be the next thing is to contact all three of them and see if the other two would also be interested in doing that sort of proposal again.

Mr. Lupien: We're still going to pursue the City of Auburn owning it and we're just going to have somebody build it for us, pay them but we still own it?

Mr. Zach: I think right now, and I was hoping Vicky was going to be here tonight, but I think right now that the name of the game is that we've got a pretty good financial picture together for both the payback on the band aid of just fixing it and/or the upgrade.

Mr. Lupien: In that line, I've requested Linda Harissis, our Comptroller, to furnish us the current bond rate for bonding out so when we do an analysis, we can use an actual figure. I've asked her what is the amortization rate of payback over 5, 10, 15 and 20 year involved. Then I've also requested from the Comptroller's office, Karen Franczek, she's going to pull out a recent bill for (xx), I think I misspoke here about that, she was going to go for that transmission line for Falcon Park, Casey Park and (xx) as well so we can look at these two hydro projects that we've got going and try to do a cost benefit analysis for the various options, both the hydro and that other one. Because, the bottom line is that we really need to get cost estimates, what it's going to cost us to do the two options or four options or four options or whatever, and what kind of revenues can we realistically expect back. What's our operational cost and what is going to be the economic impact...we want this project, that project, whatever. So, obviously we rehabilitate the existing equipment, it's going to cost us less but then we're going to generate a lot less during the year, we make a lot less revenues. Over 20 years, we only make this amount of money. Now the other one might cost us a hell of a lot more initially but then we're going to get more money every year and over 20 years that might be a lot better payback even though we layout more money up front. And the only way we can really make a good decision is actually to have some figures. And then the other

thing is that the thing that I don't have a good handle on is if we're going go with self-power and this net metering comes into function, what is that net metering worth to us? How many cents per kilowatt hour is that net metering? If we can net meter to ourselves, we're paying the gas and electric 7 cents when we know the power is worth at least 7 cents. If we put it on the open market and it's 5 cents and up, then we know that we can buy it today and some days we may get 10 or 12 but we know we only get 5 today. So you really need to know when you do those economic analysis what can we reasonably expect.

Mr. Zach: Well, I asked John in that meeting, you were in that meeting too to look into to see...because right now the upgrade on the remote net metering law hasn't been actually finalized. Basically the way that net metering is working right now is that you just...you're actually using the power for the same price that the City's buying it for now...you're paying 5 ½ cents, you generate x number of kilowatt hours at Mill Street and it's deducted by the ESCO from your consumption on another meter.

Mr. Lupien: Do you get to pick out the account because if we have some of that time in use, ones that we're 6, 7 ½ there and our street lighting's 5 ½, we can sink our money into the 7 ½ first and then...

Mr. Montone: Sure, it's our prerogative...it's the City's accounts so wherever we're paying that power, it isn't designated for this specific area or this tariff, it's for...if it's remote net metering and we're generating down there, you'll want to use it for your street lighting projects or street lighting, which we may not because it's the cheapest.

Mr. Lupien: That our cheapest one right now.

Mr. Montone: So say if you in this building and a couple of other places. Basically, whatever the rate is at that point is what we would be paying and that we'd be paying the existing delivery charge.

Mr. Lupien: Now do they go down to the time of day, like say we put it against one of the pump stations (xx) and the day rate is higher than the night rates...when we go to net metering, do we pick a higher day rate and a lower night rate or do they just...?

Mr. Montone: It's based on the averages. It's based on the time that it enters the grid.

Mr. Zack: Otherwise, your digital meter that's recording your output is going to be timed the same as your consumption that you're using at that time too.

Mr. Montone: But it's definitely a savings...

Mr. Lupien: Oh yeah.

Mr. Montone: Behind the (xx) is what you can make.

Mr. Biljanoski: On the delivery charges...

Mr. Montone: The delivery charges, how much they are...you're getting an increase September 1st...the next few weeks.

Mr. Zack: Tony?

Mr. DeCaro: My question is this, and I'm trying to get my arms around this, when we are net metering, we're still paying the delivery charge...right?

Mr. Zack: Oh yes.

Mr. Montone: Basically it's only putting it on the grid. Wire to wire. So it's a paper transaction from that meter to say this building. Whatever NYSEG's getting for a delivery rate for this building, you're going to pay unless we build the line up here.

Mr. DeCaro: We're paying that anyway if we're taking their power (xx)...

Mr. Montone: Or through an ESCO or whatever.

Mr. DeCaro: So say that we took Mill Street and we're bringing that to the pump station, we'd be paying a delivery charge.

Mr. Montone: If we brought a...if we build line up there...

Mr. DeCaro: We talked about buying and use the right-of-way...

Mr. Montone: Well then that's another issue then because then you're going to build the line, you've got a cost, the value of that line...you've got to look at the depreciated value of it...it almost...

Mr. DeCaro: Let me ask a third case...if we go to net metering and we just run that whenever we're running the power plant, whenever there's water, we have that savings whenever we're running water. Correct?

Mr. Montone: Yeah.

Mr. DeCaro: Okay. If we go with our own line, like we did at the waste plant like that, would that complicate the issue because now they didn't have an the interconnection agreement and all that?

Mr. Zack: Yes.

Mr. DeCaro: So, net metering is definitely superior doing it the other way.

Mr. Zack: Right.

Mr. Montone: The other is interrupt connect but that means you'd have an existing backup (xx).

Mr. DeCaro: So without the...with the net metering, we don't have to go through all that. Right?

Mr. Zach: I agree.

Mr. Montone: No doubt.

Mr. Luksa: Which is better option?

Mr. Montone: It depends on the cost. If you build a line you figure \$200,000 and then we have a standby charge of \$2,000 a month and no we're not using it (xx). All right? Do the math and it seems like...the payback period is there for a certain period of time but again...I know the rates are going up September 1st, like you said, based on the different tariffs, residential, commercial...I believe we're under a commercial rate here. One thing that would go away Mike is the demand charge. You get whacked a demand charge up there at the pump station depending how much (xx) comes on all of a sudden. So that's a major saving there. You've got to sit down and do the math and...if we don't assign somebody to do that, it won't get done.

Mr. Luksa: My next question is the work that Nancy did, wasn't it somewhat for that on the rights-of-way, and the ductwork or whatever was going up Owasco Street?

Mr. DeCaro: The subway work?

Mr. Montone: Subway or whatever you call it.

Mr. Luksa: Is that washed out or we done with that or....

Mr. Montone: Billy, did you say there's existing conduit running up through there?

Mr. Lupien: It goes up Owasco Street. It goes all the way past Lake Avenue Bridge and goes out on the (xx), it might even go right to Havens Ave. It goes somewhere between Lake Avenue and...

Mr. DeCaro: I know it goes to the (xx).

Mr. Lupien: Because those two big huge manholes that you keep bouncing over...

Mr. Montone: And the City owns that...

Mr. Lupien: We own the municipal conduit system...

Mr. Montone: And what is it before?

Mr. Lupien: Well they didn't want to see all the overhead poles in the downtown area so what they basically told everybody...the City's putting in an underground system and (xx) and they're big chambers, rectangular chambers, with a brick wall down the center and those big manholes...there's two covers, one goes into one-half of the vault, the other cover goes into the other half of the vault. Then there a (xx). One side they call it "high tension", it's the high voltage side. It was used exclusively by the gas and electric and the other side is "low tension", that's used by everybody else, all the telephones, the cables, our fire alarms....

Mr. Montone: We would have to run high voltage...we'd be running (xx) wire...

Mr. Lupien: We would be on the one side where the high voltage is...

Mr. Montone: So the City owns that but NYSEG is utilizing that conduit?

Mr. Lupien: NYSEG and Verizon and Time Warner, 911...they pay by the duct foot but that's another one of those things that we've had out there for years and years and years and years and we really never (xx)...every time anybody had duct feet or takes them out, they're supposed to notify (xx) and it's something that probably...nobody's notified us with any adding or subtracting after ten years. So...we went to Council and asked them for \$30,000 one time to do that and it got beaten so it was something that we needed done but at the time it was more money than what they thought they could recover.

Mr. Montone: So there's spare conduit in there though that we could utilize.

Mr. Lupien: If there is, we could...yes.

Mr. Montone: And search that out...Mill Street to wherever it ends and then either go overhead to the plant we're talking about.

Mr. DeCaro: And you actually do, when you looked into that, Nancy looked into it, you had the easement for sewer only that does go by...it goes from the...

Mr. Montone: He's talking about conduits in the road...

Mr. Lupien: But that only goes part of the way and then like you say, you have to go aerial then the thought is are you going to put new poles going up and down our streets or can we do that with the sewer...the Owasco interceptor, it goes all the way, right onto basically just downstream of the lower pump station and goes all the way down...

Mr. DeCaro: That goes all the way to the lower station. It goes right to it.

Mr. Lupien: We actually have a pathway...it looks like a beautiful pathway, when you're looking down the Lake Avenue Bridge when you look on the west side where it's all nice and terraced and we put some (xx)...But that's strictly a sewer easement and now through our Planning, because we do have a Planning person here, we have another grant that we're looking at...it's Owasco River Pathway and we're looking to see if we can make a path along the Owasco River and go all the way up to Emerson Park and one of the things we're going to explore is can we use that whole sewer easement and use that as a pathway.

Mr. Montone: Easement from who?

Mr. Lupien: We'd have to go from every end of the property...

Mr. DeCaro: It would be from the owners...

Mr. Lupien: At the same time, we're trying to gain access for a pathway

Mr. Montone: The pathway is a public right-of-way for us.

Mr. Lupien: It would be but we don't have a pathway yet. What we have right now is a sewer easement and that's all we have.

Mr. Montone: But I'm saying, where that ends, wherever it ends, you said Havens Ave...I don't know where it ends, then we have a public right-of-way.

Mr. DeCaro: The duct banks gone and ends at Haven's Ave. The pathway that you're talking about, if you're going be renegotiating it for any purpose, you should renegotiate it for all. If you're going to have to be talking to them at all, you shouldn't limit it, you should be talking to them for all purpose. You haven't talked to them yet?

Mr. Zack: For the sake of moving this along and being able to give Council some information and move ahead with it, one of the things we need to know is what the status of net metering is. The name of the game is to...we got to ask Rossi at that meeting...to see if Kevin or whoever would look into the situation better. The status of the remote net metering right now, we've all read the law but it hasn't been enforced and I've talked to several people and they're talking...it's probably going to be up to a year before it's really spelled out, how they're actually going to do it.

Mr. Montone: It's been passed the Legislature...

Mr. Zack: Yeah. The law's been passed and it's in effect but...but I think we need to ask Council to stay right on that as far as what's happening right to the minute

because that ability to remote net meter is going to be our biggest payback in power at this point.

Mr. Lupien: So now John, excuse me, I was going to say when...at the cogeneration site, when CH-Auburn sells that power to Auburn, is that now Auburn's power, it goes on the grid. Is that eligible for us to use as net metering?

Mr. Montone: I've heard stories but me being in the business, I'd say yes.

Mr. Lupien: So if that was the case, that's worth some money to us. Instead of getting 80% of the ISO rate, it's actually, it's almost like a delivered...

Mr. Montone: It's already in the meter, we already know when it's there, we know how much is there and the ESCO reads it, we assign it to an ESCO and it comes to this building here. So you're getting whatever you're paying for it.

Mr. Zach: When the, we had a meeting with our original lawyers and that was one of their recommendations and both of our counsel was at that meeting, that if we don't have a customer at this point, we should be using it ourselves.

Mr. Montone: Everybody says that I've heard it the question here, well we don't own it, well that's not true. We bought it just like we buy power for this building from an ESCO, CH is selling power to us through a purchase power agreement, same thing...we own it, we can do anything we want with it. So if we want to utilize it here or at Casey Park, you see what I'm saying? It's the same thing. The only difference is you're utilizing their lines, the Casey Park line we would own that line.

Mr. Lupien: But see there we're going to save distribution...

Mr. Montone: Sure.

Mr. Lupien: And, and if we went and did net metering then we could save that as well.

Mr. Montone: That's not an opinion, I'm telling you but somebody will disagree with me. It'll only get that straightened around.

Mr. Luksa: Back to the ranch here now. Let's go back to Mill Street where we started. Wasn't Dave Lang supposed to give us a proposal?

Mr. Montone: From the Power Authority. I agree with you Mike, but we never saw it and I don't think it was because of David.

Mr. Luksa: You think one came? Oh, okay. Can contact him?

Mr. Montone: And that gives you your answer about bonding too.

Mr. Luksa: Well (xx) Auburn doing every other thing but we haven't built it yet or we haven't fixed it yet. This meeting will end pretty soon and we'll do this all again next month. I'm sorry, I...we've been doing this for 6 years.

Mr. Zack: The priorities right now are figuring out the financial opportunities. I haven't had a chance for Christina to get back to me, supposedly she's looking after renewable energy bonds and grant money that might be out there. I know there have been some hydro grants gone out this year already and hopefully that's in the (xx) but you can be pretty sure that Council's not going to make a decision on moving ahead either way until they can see what the numbers are going to look like. Part of that might be what the real story with net metering is.

Mr. Montone: There are three steps though. You've got to have quotes. I think we should do a refresh on all of those RFPs, refresh them and get them out to whomever. They don't need to tie it up legally for 6 months and then have an answer on the net metering, assuming we're going to use that power at whatever account we pick up. Those will give a set of figures that you and the Council can understand then they can make a decision to move forward to either upgrade or do what we talked about and then to pursue the other avenue which is building our own distribution line at some point, that can be looked at at any time.

Mr. Luksa: Wasn't Andy supposed to find out if we could talk to the other two without any kind of RFP or anything? Just offer them...I know he did talk with them but whether you could officially offer it to them, I thought he was going to give us an answer on that.

Mr. Montone: Again, I think we ought...

Mr. Luksa: But now he's doing it, readvertising and all that because they were the only three that submitted anything...and he was going...and I don't believe he gave us an answer unless I missed it.

Mr. Zack: Well didn't NYPA at one time offer to quote the Mill Street Dam project? That must be around someplace yet.

Mr. Luksa: I don't know if it did.

Mr. Montone: They came in (xx) rebuild on it. They were (xx) that the City would own it. But our proposal's doing an upgrade, somebody would front the money and then we'd take a percentage of whatever.

Mr. Lupien: (xx) and getting those two figures and see what that like.

Mr. Luksa: That's been a question. Do we want to own this? This one over doesn't want to own it, we don't anything to do with it so then you do it this way, now we want to own it.

Mr. Lupien: If somebody else is going to come in, they're going to do it to make money. Obviously you could do it yourself, you're going to make more money than if you let somebody else do it.

Mr. Luksa: But it's going to cost you more. That was the deal that they partnered it with all this stuff and gave it to you and you and you because you were going to front the money. That was the deal all the time. They were fronting the money.

Mr. DeCaro: I'll tell you the main thing I'm concerned about and we really need to be cautious about it is if we don't do the same thing we wind up doing (xx). We wanted to put a contract up on the landfill, we took all the risks and they made all the profit. Let's not do the same thing here that we did there.

Mr. Montone: Also, understand that we have North Division Street that the City does own and you make a profit...

Mr. DeCaro: It's great for 20 years but then next year it's going to turn.

Mr. Lupien: But already we're into net metering and sure it might be 8.46 cents a kilowatt hour today but even if the net metering brought in some of our power say at Casey Park, water filtration plant, upper pump, we've got these time of use. Some of the electricity we're buying's over 7 or 7 ½ cents. So already it's worth 7 cents. It might not be 8.46 but it's worth 7. So it's not going to be, it's still going to be advantageous to have that...it is a moneymaker when it's operational.

Mr. DeCaro: We've figured out how to run it to maximum keeping that wheel turning but there are expenses with it and it'll stay somewhat in the black if we can net meter but you know the rate's going to drop this year.

Mr. Montone: Yeah, we're all aware of that. And we can also break that agreement...

Mr. DeCaro: It looks like really need to look into that.

Mr. Luksa: Who's we? Okay.

Mr. DeCaro: The staff.

Mr. Luksa: Who starts that?

Mr. Lupien: We all work, staff works for the City Manager.

Mr. Luksa: I understand that.

Mr. Lupien: When John, right now when John Rossi speaks, staff listens and staff reacts. If he assigned somebody a job duty to the staff, then we follow up on it. That's....

Mr. Luksa: I understand but I just brought that up...we have to look into this, right? That's why I said who's we? And it may not happen now until we have a new manager, obviously, he's going to...if it was urgent John will take care of it I'm sure.

Kirste Biljanoski: If you (xx) is that when (xx) down? Why it's down because it doesn't put the case to save the money and that is a safety issue.

Mr. Luksa: Tony knows better than I know.

Mr. Biljanoski: Because if you don't have gate, you cannot work inside the plant inside because...

Mr. DeCaro: And if something kept them out, (xx) and that's what we talked about in the pricing that we've done is to build a (xx) gate so that we could work on that without having to dewater the pond.

Mr. Montone: Well you know the bottom like Mike, in answer to your question and what I think it is, is this administration and City Manager or the new City Manager willing to go out and bond money now for these projects that we're talking about.

Mr. Lupien: The whole purpose of going to the referendum to the people of Auburn to be able to bond for these, what is it up to 10 million dollar (xx) money and 15 million for roads plus for these energy projects. The energy projects, we're all going to bring projects to the City Manager and he's going to bring it to the Mayor and Council for anything that's going to make the City money. These are all good projects. Anything we do here, we're either saving operational cost or we're making money. Because otherwise, we'll try something different. So I mean all of these are going to be good win win situations and we look at the payback, either we're going to save more money on the utility bill than the principal and interest is like NYSEG does, or they're actually going to generate more revenues than what our expenses or bond and interest is. That's the projects we (xx) Council.

Mr. Zack: Okay, next move here. Number one I think refresh the quotes and I think we asked John, let's open that back up again and, of course CJ Collins was hurt in that accident in Baldwinsville yesterday too. He's okay but...so everyone that is still interested but we'll refresh the quotes and have Vicky try to crunch the numbers the best she can with the bond issue that Bill has already questioned. Have Vicky also contact Christina to see what we can fine, what might be eligible for grant money and renewable energy bonds. It is my understanding they are paid back by the profits of the plant, if you do it. We just have to move ahead but I think if we can state in your letter that we're

refreshing the RFPs, in your FERC letter, it looks like we're a least moving ahead as fast as we can.

Mr. Lupien: That was FERC's status too.

Mr. Zack: We'll have John refresh the RFPs.

Mr. Montone: In my opinion, I think we should only request that. We don't need to ask for will your company give us 25% or this or that, we request the components of what it costs to rebuild Mill Street. We already know that in some sense because of Canadian.

Mr. DeCaro: I gave you quotes from...

Mr. Montone: So basically what we need to do and then got a figure, \$2 million or a \$1 million or whatever it is and then we go to City Council and say this is what you can make and your payback rate is this and it's going to cost this much by this contract.

Mr. Zack: Well Andy was going contact...he wrote those RFPs before so I'm sure he'll just turn it over to them. We can ask John to have Andy do that. I think that's the next step we can make. The rest of it's the research on funding and grants and hopefully Christina will have some information on that in the next week or two.

Mr. Montone: Not to interrupt you but one other option is to bring it on if the City Council is willing to pay for it, pay a consulting engineer to look at exactly what we're talking about. Say it costs them 10 or 15 grand, okay, this is your option here and (xx) the RFP. Just giving you an idea. That's another option we could propose to City Council.

Mr. Luksa: If you had the whole rebuilt in specific areas or pieces...

Mr. DeCaro: I got quotes from...I have quotes from Philadelphia here and I have quotes from (xx) and I got a price for the generator.

Mr. Luksa: The wing walls are different now right?

Mr. DeCaro: The wing walls were the part off the list so (xx) we need to do that. It was included in the...

Mr. Luksa: But you do have it all, you've done it actually more than once, I think.

Mr. DeCaro. Yeah.

Mr. Montone: Couldn't the City buy those components, the materials...

Mr. DeCaro: Sure.

Mr. Montone: Then we could get a contractor to come in and set that all up.

Mr. Luksa: Maybe John will have an answer to the net metering to prove that the cost payback will be whatever. It was there, I think it...but that's what we got away from the City owning it and doing the whole job. Whether they didn't want to or somebody told us to go in a different direction, I don't know. But that's how we got away from it.

Mr. DeCaro: We got hung up the debate, I think he got hung up in the debate to do the repair, is still only going to capture flows 20% of the time because the repair at only 400 cubic feet per second or higher, 400 (xx) kilowatt hours. On the redevelopment, the flowhead turbine is going to give you a greater return in the long run because you're going to be generating power at lower flows of water for a longer period of time. And I think that's where....

Mr. Luksa: So it's three times the money so that...

Mr. Montone: We know the answer to that.

Mr. DeCaro: I think you might already know the answer to that but what you have to do is get it on one sheet of paper and look at it and show it to somebody. I think that's what you've got to do.

Mr. Luksa: Why can't we do this?

Mr. Montone: We can.

Mr. Luksa: Why not do something?

Mr. Lupien: That's why I've been down to Linda Harissis and find out how much does it cost us to (xx), how much is our cost...and I'm just saying that we need...we've got Tony's old estimate, you're right John...that's a couple of years old, we ought to refresh the numbers...

Mr. DeCaro: I did...

Mr. Lupien: I don't have, I've seen them but I just don't have them was the numbers for how much power we're going to generate with the new equipment.

Mr. Zack: I submitted that last month. Our existing unit...about 450 Kw and using the flow charts with the (xx) information, when we've got the water...our high peak would go from 450 to 750. And he said he thought that was conservative.

Mr. DeCaro: And I have the cost figures in my head, even though I can send you all quotes again, but as of May of this year it was \$54,000 to rehab the turbine from Leppal and Philadelphia Gear wanted \$94,000 to rehab the pivot gear in place. Both of them reporting (xx) their technicians to come here and do it onsite.

Mr. Montone: But we're out of that, we're not going to rebuild what's there.

Mr. DeCaro: That's where you still have to (xx). Let's get in on one piece of paper...

Mr. Zack: Vicky's working on it with Bill at this point so I think we've got to...

Mr. DeCaro: See if he got those updated quotes though.

Mr. Zack: And the financial (xx) are going to have to go with it. The name of the game is I think if we're looking at...(xx) or refresh the RFP...he's trying to do it again...rebuilding the schedule for FERC.

Mr. DeCaro: Let's hope (xx). All we have to do now is just put the schedule on a spreadsheet and mail it.

Mr. Zack: Any more on Mill Street? Can we move on?

Down to the landfill project. The new gas wells on top are supposed to be...there's three new wells that were supposed to be going in this month. I've got a concern at this point because the landfill production in gas has not come back the way it should and the landfill doesn't just stop working. I'm a little curious as...is it being maintained the way it should be down there? I don't know whether we've got some watering out problems and Barton & Loguidice hasn't got a...isn't catching up with it because they're not here enough of the time or what, I don't know but hopefully...I had a good long talk with them and he said they should be able to answer the questions on what's going on after they put these three new wells in the ground and give us a better idea. So I think we're kind of waiting for the results of those next three wells. It would have been nice if they'd been in maybe last year but...Also, one of the other recommendations on that project too is we get a horizontal in the next lift and hopefully this Fall they will have enough fill in down there, enough garbage on that next lift where they can put that horizontal line in. With any luck, hopefully we'll be back to our full megawatt production again.

Mr. Montone: There's a weekly status report that I get, a couple of people and Mike get them, I'm not sure who else. But it basically says here the average metered plant output was 1142.81 kilowatt hours per metered period interval which is just a week. Okay? But it says the landfill gas was 1,800 mmbtu for a bottom of 3.650 mmscf which computes to methane stage 4 content of 49.3% and the ESA were required to be 50%. So we're getting pretty close there for a different of the week but then there's been other weeks that are way, way down. They should be making 2 megawatts, we're only making

1.1 something megawatts right now. As Denny said, the wells either are not being maintained or given (xx) or doing something there and that needs to be rectified.

Mr. Luksa: Shouldn't that be better at 90 degrees? If they're doing this now, what's going to happen in four months?

Mr. Zack: That's the best, that's why I asked Barton & Loguidice...I said...he agreed, he said we don't know at this point. With the new wells they should have a better idea exactly what's going on but the little bugs don't stop working. It came back from Winter and it slowed down a little when we went into the cold weather which is normal for a landfill but that production never really came back up. So, hopefully by the end of this month we'll have some answers as to why, where it's at and what's going on. I know they have had some water problems down there and I know Chris has been trying to run the plant by running one engine full bore. He says it runs a little cleaner for him that way, on the spark plugs and everything. Sometimes due to the fact we don't have that regulator in the line, that we had talked about in (xx) way back when, when they made them put reduction in the consumption or put (xx) then the line's like 1,400 feet long and you get hammer that goes back and forth and you can hear that compressor going woooo, it's cycling. It probably takes ten or fifteen minutes for it to flatten back out. It gets bad...sometimes it shuts him down.

Mr. Lupien: So why don't we put the regulator in.

Mr. Zack: Well, the regulator...we never finished that clutchless thing with CH-Auburn so...

Mr. Lupien: They were supposed to put it in?

Mr. Zack: We thought so.

Mr. Montone: It ended up as an argument and then they negotiated the situation which never got cleared up.

Mr. Lupien: But in any case, we should put it in and whether we have to pay for it ourselves or not, the bottom line is it's just one of those things like Mike says, we sit here, we talk about it, we really need to (xx) maybe when 3 wells (xx) put the regulator. And, is there anything else that we need at the landfill site and the cogeneration site to make it more efficient or productive, we should be doing that as well.

Mr. Montone: Right, I agree. The 1101.1 megawatts, keep in mind that at any given time, the wastewater treatment plant at some points has used up to 800 Kw. So they're using $\frac{3}{4}$ of that power anyway. So everybody talks about a loss...oh, the money's flying out the window. Well, most of that power is going to the wastewater treatment plant and avoiding a cost that we're not paying NYSEG. But, you're right, we need...that whole thing is the gas coming in. The City made a deal with them that we

would supply the gas. Well if we don't have the gas to supply because it's not being produced, then something's wrong on our end and it needs to be straightened out.

Mr. Zack: All right. Moving on with that. Also, I was told that the voluntary carbon credit market is back up and I heard as much as \$13 a ton. I can't verify that but that's what I was told. Vicky has been looking into it with Greenfield down there but apparently the way they've been keeping records, we've got some noncompliant...she's looking into that. So I don't really want to say too much about it but hopefully Greenfield's going to be able to produce their records on...I think it's like a daily recording or something like that. I can't really say what it is but she's looking into it.

Mr. Montone: They have to. It's actually in this report. They do it weekly and it has to go to FERC because they're a generator and they're online as a generator. That information is there.

Mr. Zack: It's there. Vicky's working on it with Greenfield to see...to get us in compliance and then we'll take a look and see if we can get onto the voluntary carbon market and get our credit out. It's been...it should be (xx) period of time, the (xx) being flooded with paperwork.

Mr. Montone: Which could amount to a lot of money if we could get it at the right time.

Mr. Zack: We could, yeah. But that number could be...

Bill and I took a walk down to Casey Park the other day. I had talked to Randy Fletcher who had basically given us a price once before that was sort of a rough estimate and he's really busy at the moment but he said if we would draw the map down with what options we want onto it, he would requote it as tight as he could. I also got a price...I got a retail price for the two transformers which wasn't in his quote before and the 1000KBA...this is from Auburn Armature, it's a budget only, this is right on top of (xx) so it's (xx) but the 1000KBA transformer for the skating rink would be about \$22,000 and the 500KBA, the one at Falcon Park, would be almost \$13,000. John know this, he buys them all the time and if we can buy rebuilds and I would assume that my guess is that we could probably cut that in half with a good new rebuilt. So, I guess Bill and I maybe will get together and draw a couple more options on this map and send it out to Randy and have him quote it.

Mr. Montone: Once you get those figures out, where's that going to go? It's got to go to City Council.

Mr. Lupien: Actually what I'm trying to do is I've asked John Rossi, I'd like to bring it to Council and say this is what it's going to cost us to have O'Connell Electric do this Change Order and I'd like to put it up for your decision to approve or disapprove. John was thinking that maybe we should talk to Council in Executive Session maybe on the 28th of this month and let them know what the prices are and all the rest and we (xx).

Just so they've got a feeling. He doesn't want to be surprised and he thinks they should see the numbers. In the meantime, that gets us a little time, Denny and me, to get a hold of O'Connell Electric which he has and have them respond back with prices. We've got the generators and then I'm working on with the Comptroller's office to get the economic and then to see...do a spreadsheet and write what would it cost us and what would be the payback.

Mr. Montone: If you compare it to what you're paying down there to an ESCO (xx) power, plus the delivery charges...we already know what our price is...set price 5.99. So you add that to the cost of the line, what your payback is and once you own it then that's the end of it. You know what I'm saying, that's the way you look at it. Those are the figures that you need to give to Council.

Mr. Lupien: Right. Exactly.

Mr. Zack: You think maybe the 28th?

Mr. Lupien: That's what I'm shooting for is to have John read it to Council in Executive Session to give them what he'd like to put on the floor the next week if they're agreeable with it.

Mr. Montone: So, once you get Randy's figure and take the usages of those two (xx), and just do an average but using the figure of 5.99. I think we're paying the ESCO right around 5 and a half cents anyway. Right? So it's going to be pretty close. Instead of giving it to NYSEG at that 80% less rate and (xx) it into the grid at that (xx) whatever it is per kilowatt hour, this is now putting it back into perspective where it's the same thing as what's happening at the wastewater treatment plant. That needs to be explained to them too.

Mr. Zack: Would you do a little (xx) pricing on two cadmount (xx)?

Mr. Montone: I can do that, no problem.

Mr. Zack: Get back to Vicki or Bill and add in the cost of O'Connell.

CEDA and our lovely Planning Board. Have you got anything you'd like to say...maybe Trish you want to comment on this.

Ms. Ottley: Yes, actually. There is a public planning session Thursday at BOCES from 6 to 8 to include the public in (xx) on economic development, strategic plan for the region. This is part of New York State's move to Regional Councils and distribution of funding for economic development projects. I believe there's 10 regions throughout the State. The top 4 regions will each be delegated \$40 million for economic activities and then the remaining 6 will split \$40 million. So it's really important that we have a strong voice, a strong regional plan to present to the State and Andrew Fish from the Chamber, Peggy Warren from (xx), she's President there, are members on the

Regional Council. The Mayor and the Chairman of the Legislature are also appointed at (xx). So this public planning session is specifically for Auburn and Cayuga County to have a voice in the planning process and to give our feedback and input into all of that's going to be developed. Public power will obviously be an important part of that so hopefully we can get something into the plan related to that that will help to drive where the dollars go and how they're awarded for various projects. I do know that...I think that based on my conversations with (xx) Recharging New York allocations will be funneled through these Regional Councils for recommendation to NYPA. Is that what you have heard John?

Mr. Montone: Pretty much. They're going to look at those going directly to any (xx) so you know they'll have that money there.

Ms. Ottley: Yup. So we've got some really great people locally on our CNY Regional Council that will have a strong voice for projects here in Cayuga County and Auburn which is great but if you're available this Thursday come out and participate.

Mr. DeCaro: I have a question. Are these regional councils...are these regional planning councils that have just been formed or is this the Regional Boards that are in existence?

Ms. Ottley: No, it totally separate and the Central New York Regional Planning Board is a different group.

Mr. Montone: It was formed by the Governor and they are considered an advisory group. So (xx) they're open meetings but I know that some of them were closed the other day.

Mr. DeCaro: Trish, where is this meeting?

Ms. Ottley: It's at BOCES. Even if you go for part of it, I think they're going to have facilitation by CEDA Board members and they'll be kind of smaller, intimate round-table discussions that will be facilitated by CEDA.

Mr. Zack: The phone number to make a reservation for that is, because they are requesting that right up until the last minute, there's plenty of seats left, but it's 252-7291. I'd like...I'm going to go anyway, I'm already set but I'll represent Hammond. It would be nice if we had a couple of people from the...Mike, can you go?

Mr. Luksa: I don't know, I'm doing Farm Aid night and I'll...

Mr. Zach: All right. I'll call Luke and see if he can make it. Tony or Bill, can anybody make that?

Mr. DeCaro: What's the phone number again?

Mr.Zach: It's 252-7291. I believe that's the Chamber of Commerce.

Mr. DeCaro: Yeah, that's the Chamber number.

Ms. Ottley: And I would say if for whatever reason you don't know until the last minute if you can go, don't worry about making a reservation, just show up and just be there to participate. Reservations are great and I know the Chamber's trying to get a handle on it but they're spreading as far as they can with their outreach on this and are hoping to get...Andrew Fish said he like at least a hundred people in that room to show a strong presence here for the plan and for moving forward. So, even if you can come for part of it, that would be great.

Mr. Zach: She said they have room for 300 and they're a long ways to fill it yet. I'm sure that the case.

Ms. Ottley: And the good news too is that, as you guys know, CEDA has been moving forward with their strategic plan so a lot of legwork has already been done to develop a plan for Auburn and Cayuga County and that will help the feed into our input into the Regional plan. So, I know that that's going to be...there's going to be a lot information that will go into that from the CEDA plan.

Mr. Luksa: Are we part of Cortland also?

Ms. Ottley: Yes, I believe that Syracuse, Onondaga County, Cortland, the (xx) too...(xx)...and Cayuga. I think Wayne and (xx)...figuring...

Mr. DeCaro: So Jerry (xx) said it was slightly east...and Tompkins.

Ms. Ottley: There may be a bit...actually I think maybe 5 counties. Oswego? I think it's Oswego too for our region.

Mr. Montone: We've got to ask them if Oswego is a part of it. And Onondaga. It would make sense for Oswego to be in there.

Mr. Lupien: So you're saying that four groups get \$40 million, how many other groups are sharing a portion?

Mr. Montone: So there's a total of ten. So we don't want to be in that back six.

Ms. Ottley: That's true, we're not.

Mr. Montone: It's all in the planning.

Mr. Zack: There's some pretty good sized businesses here, I mean, I think it's like have of that recharge money that's there for existing businesses is it not or more?

Ms. Ottley: I don't know the specifics on it but there's a bucket for specifically existing businesses.

Mr. Luksa: That's not part of what you're talking about.

Ms. Ottley: No. But Recharge will...

Mr. Luksa: Will run through it...

Mr. Montone: It's just part of the plan. Just put that money into help those low-cost power in certain regions where they can draw industry. So, it's hard to (xx).

Mr. Zack: Have all the major businesses like Nucor and McQuay and everybody, they've all been contacted so they're going to be there? It should be a help because the good thing about most of the industries here, this year they've all put help back on or actually put more help on. So, I would think that would really help.

Is there any old business?

Mr. Luksa: I've got a little bit. When Billy was talking about the landfill on that... Billy Graney had brought up about reintroducing the wastewater, three, four or five months ago, there's a system that reintroduces and that helps.

Mr. Montone: Interjected you mean.

Mr. Luksa: Yeah, interjet the wastewater. Has anything been done?

Mr. Zack: Well, yes, I called Mike Talbot up about a pump and a (xx) back into the thing. Right now the (xx) pump back down to the wastewater plant and we treat it. Believe it or not, probably most of the stuff that's in the sludge that we drop, probably in the line of metals and whatever, probably is in that (xx) from the landfill. But it's still low level and Seneca Metals is pumping theirs back up on top and I told they thought that really helped their methane production. Mike said he asked Barton & Loguidice and he thought they said...they thought it would cost more to do it, that's what the game would be. But, I think that needs a little more research. I would think, because I was even told by somebody else now that you don't have to inject it into the landfill or anything, it can be hooked up on top and dragged back into where you're (xx).

Mr. Luksa: That's what Bill Graney was saying. I thought whoever you talked to, they went to Seneca Metals and it was fairly inexpensive.

Mr. Zack: Yeah. I couldn't understand where the cost is because all you need is some kind of a reciprocating positive pressure pump that can pump a couple hundred feet (xx) and just let it seep back down through and feed the bugs again. So, I don't know. I'll check on that again with Barton & Loguidice.

Mr. Montone: It certainly helps that Seneca Metals is putting in two more generators. They're making 15 megawatts of power by the way.

Mr. Zack: Unbelievable.

Mr. Luksa: Do we ask Bill Graney at all about it or not? It's great that you're doing it Denny, you can't do it all.

Mr. Zack: All right...well...

Mr. Luksa: It's fine but we don't want to overload you here.

Mr. Zack: Well let's...maybe the name of the game is to run over there and talk to him again. I know Bill Graney...

Mr. Luksa: He went over there, right because he brought it up to us. And, as Billy said, let's get it all together where we need to finish that off and get that done.

Mr. Zack: All right. I'll get back to him.

Mr. Montone: Did you say Barton & Loguidice said that it might cost too much?

Mr. Zack: That's what Mike Talbot told me.

Mr. Montone: Well why don't we get an explanation of what it might be?

Mr. Zack? Okay. All right. Will do.

Under Old Business...Question I forgot to ask back when we were talking about fill and stuff, the flood zone on the Washington Street was the Dunn & McCarthy site, right? Is it, in your opinion Bill, if we started putting in large fills down there, could we get some of that property up out of that flood zone? How the heck does that work for the Corp. of Engineers and stuff?

Mr. Lupien: I thought somebody told me that the City was going (xx) stop bringing in the fill at the old Dunn & McCarthy site, in fact if anything, they wanted us to take it back out again. But, that's what somebody told me that we're not taking fill down there anymore and I don't know, maybe because people were just sneaking in undesirable stuff and just dumping their trucks and not going down to the landfill and paying the tipping fees. I know we've got a lot of crap at that...and then some of that fill down there that we didn't basically authorize...but...

Mr. DeCaro: My understanding was that the problem was it wasn't clean fill.

Mr. Lupien: Oh, because it wasn't...

Mr. DeCaro: Because it wasn't clean fill.

Mr. Lupien: There's two things we want to do. First off, it's called river (xx)...whenever you've got a (xx) top surface or concrete, you want to break it up so the (xx) can move up and down. That was one of the problems down at Dunn & McCarthy, I said to the DPW operate it from their parking lot, that's before (xx). Right now they just dump in the area...some of that area has been (xx) so now basically you have to dig through it and break up the bottom so it gets (xx) drainage. The other thing is, as Tony was just saying, is we need clean hard fill because we can't take garbage. But, you're right...the flood plane is a certain elevation and back before when that thing was down low, when Hurricane Agnes...I happened to be down there and that was one of the sites I was working on...I also saw the water go in the front door of P&R, in the back door with boxes of macaroni...it'd go across and looked a bit like Niagara Falls because the water was actually pumping up through the concrete. But, now that you've got our fill in there, you've changed the dynamics there...plus we've filled on the sides of the River so that basically those banks are basically... they're in a flood plain but they're above the flood elevation so your...yes, you could do that. We were looking at that at one time as a potential (xx) as one of the applications. Boy, that's a long time ago.

Mr. Zack: With the buildings we just took down right, does that, those bricks and stuff, does that have to go to the landfill because there's some regulation or could that be used or is it hard fill?

Mr. Lupien: Actually, now taking down the hotel, they removed all of the asbestos materials out of there first. So if you could separate the brick and knock it down into smaller pieces, maybe that could be considered suitable hard fill. But most of the time in most demolition activities, they don't want to separate. They may take out some salvageable steel for (xx) value but that's about all the separation they're going to do.

Mr. Montone: What are doing with the...when you do the (xx)...

Mr. Lupien: Now the millings we recycle that and now actually now some of the blacktop plants will pay you a credit toward you buying the next load of blacktop for the millage you bring that they recycle. We've been using recyclings ourselves as road base course materials for making shoulders or something like that. Put some stone down and then come in with the millings. We build some of the roads at the landfill...we (xx)...and took a whole big huge pile of millings brought in some virgin number two stone and then had (xx) came up with their big portable flood mill, puts rejuvenating agents in that landfill road right where the scale house out about 1200 feet, that is all recycled millings with about three inches of (xx) on top.

Mr. Zack: Wasn't that Dunn& McCarthy site controlled with that fence?

Mr. Lupien: Well, it was but the problem is when you say controllable, if you have the fence up then nobody gets access, if you leave the gate open the City doesn't have people to patrol it. So basically right now they've stopped bringing in.

Mr. DeCaro: It's fenced and there's nobody going in and out. It's been a 100% controlled.

Ms. Ottley: Another thing...

Mr. DeCaro: I was going to say that nobody has, that we're aware of, brought in anymore material in as far as that goes.

Mr. Montone: Is there a fence around there?

Mr. DeCaro: Yes.

Ms. Ottley: One other thing with that site is that it's targeted in the City's EPA Brownfield Assessment grant program so it's one of the sites that's been identified to do an environmental review of at least for a phase I environmental and then depending on what the results of that are, potentially a phase II with soil borings, etc. so we can get a handle on what the nature and extent of the contamination is and then look at a remediation plan from there. So, that's one of the questions too about more fill on if you have to in and clean up what's underneath it, you're creating a bigger problem than you've already got.

Mr. Montone: A lot of shoe polish in there.

Mr. Zack: Tony?

Mr. DeCaro: That's a question I was going to ask you, what the extent that was because I knew that there was a question about that.

Ms. Ottley: We don't know...

Mr. DeCaro: Initially before you came on board, we were looking at the whole parcel and then we had conversations with your department and realized that we had to scale that back because there was a question for several acres on that for that very reason.

Ms. Ottley: As far as I know, the whole site is included for a phase I environmental investigation.

Mr. DeCaro: That's what I wasn't sure of if it was the whole site.

Ms. Ottley: I believe that it is the whole site.

Mr. DeCaro: The other question that I wanted to bring up to you is that that reminded me that I got a call from Auburn Prison. They've had their dam inspected by the DEC this year and I do have to talk with our Public Works Department because there is some material in the sluiceway of the headrace that I need to talk with our people

about, they're claiming there's debris in there that isn't the Correction Department's property but it's actually our property. I wanted to talk with you Denny about running up and taking a look at it. Remember we were bringing some people in and they were looking at properties in the past and then answer some questions about what we want to do with that at this point because I gave the State permission to come in and do whatever they had to do for their access, for their dam inspection. And then of course, there's flooding on the other side of Washington Street back where the old rail bridge goes across the River proper into the Prison.

Mr. Zack: Any other old business?

Mr. Lupien: You know I was talking to Mike yesterday, I'm sorry Denny, but if we...wouldn't it be advantageous if you had certain when the power grid is being challenged to buy the natural gas and turn on our generators down at the cogen site because we're market, even if we get 80% of the rate, when that rate gets high enough, wouldn't it be worth our while...

Mr. Montone: You'd have a demand management situation there where you could find somebody to purchase that or if you make an agreement with somebody like the Power Authority or anybody like that so they offer you that time period to turn that on. We've been breaking all kinds of records because of the heat here in the last three weeks now I guess, so we have people in our system that have generators that can come on line and they're actually selling that premium power, if you will, to the ISO, the New York ISO. They're the ones that operate all the grid. So they paid, it could be \$30 a megawatt which relates to 3 cents a kilowatt or it could be \$150 a megawatt, depending on the time and it's usually on the upper (xx). Yes, we can do that.

Mr. Luksa: Don't we do that somewhere now?

Mr. DeCaro: No, what we do is actually energy curtailment. They can take the water plant completely off line and go to our backup generation and then we get paid for the fuel...

Mr. Montone: This is semi-...

Mr. Luksa: Can we do that or does it have to be CH or...?

Mr. Zack: No. We have to do it.

Mr. Montone: You're talking about CH?

Mr. Lupien: I'm not saying...three generators down there, we have to fill (xx) with natural gas...

Mr. Luksa: We can do that...

Mr. DeCaro: You have to do it...

Mr. Luksa: Can tell them to turn it on today...

Mr. Montone: That would have to be an addendum to the agreement.

Mr. Zack: We've already got a City agreement with ECS on demand response right? Does that still exist?

Mr. DeCaro: Yes.

Mr. Zack: Why don't you call them and ask them that question.

Mr. Lupien: I did ask them that question and we have...say we do one extra megawatt, and we do have that capability to (xx), some of the companies like Hess and all the rest of them, you're talking at least 4, 7, 10 megawatts or more, they want to talk to you. The other ones are used to real small. This one megawatt is just in that area where really it's too big for some people and it's definitely too small for the big boys and I asked ECS and they said that's a good question but bottom line is in periods of high demand, you either want to increase the supply or reduce the demand. What ECS does is does a lot of reduction and a lot of the other ones, the electric companies, they're trying to increase the supply and we're caught in the middle. But you would think that there's got to be a point where the power is worth a certain amount of money, turn on the damned generators.

Mr. Zack: What I'm suggesting is though is when they have a demand response like that, that's when the power is up there. So, number one if you combine it with the fact that you're shutting the wastewater plant off, all right, and going on the generator and coordinate that with the same time we're producing the extra megawatt, that's going to put over two megawatts of power on the line. You could probably come close, you could do all three megawatts.

Mr. Montone: You've got generators...

Mr. Zack: That's big enough that it might be really worth looking into. So, why don't you ask them in respect because during a demand response, do a three hour run or four run or a six hour run. Six hours is the longest they normally do it.

Mr. DeCaro: We did...

Mr. Zack: You can ask that you could give them a whole three megawatts.

Mr. DeCaro: The last one we did was five hours and we were off for that long. In the water plant we're usually 1 ½ megawatts.

Mr. Luksa: Who's paying you for that?

Mr. DeCaro: ECS.

Mr. Montone: Energy Curtailment (xx).

Mr. DeCaro: That's who called me, that's who called to do it. That's who called the curtailment. We were off for 5 hours and we had all the (xx) in the plant off and I said I want half.

Mr. Montone: Well you have generators at the wastewater treatment plant don't you?

Mr. Lupien: Yes we do but I also heard that a lot of the devices aren't hooked up...which is one of those things that you, again, another task. How much backup power to do we need when we have backup generator? Say, for example, CH goes offline now we have to buy from gas and electric, gas and electric charges us a standby fee, how much standby do we need? Do we need to have less standby because we've got backup generators?

Mr. Montone: I proposed, I don't know how many meetings ago, that we eliminate that standby charge to NYSEG and get that equipment hooked up so they have backup generation so when CH's offline we're operating on our own generator for an hour or two hours whatever it may be. And you aren't paying three grand a month for some standby charge.

Mr. Lupien: Is that what kind of money we're paying?

Mr. Montone: Well, that's close enough...Based on the 800 kilowatt hours...

Mr. Zack: Yeah. As a matter of fact, along that subject, I did get a call from NYSEG and he asked me exactly that question. He says well when they had that demand response, you guys didn't use any power and he wondered why. I told him, (xx) and I'll get back to him on that and I'll have to look into that but I said that standby charge we quoted was for after the (xx)...right and that the wastewater plant is capable of running on its own generator which it did during that demand. I should follow up on that. We might be able to drop that demand charge.

Mr. Biljanoski: In Jamestown, they have a statement (xx) what we have here. And they have a playback (xx) and they use it when they need it. So, when they run theirs, they were running 2 megahertz. I said what's going on here? From 40 megahertz to 2 megahertz. Then they buy from somewhere else. And they have another one, 40 megahertz gas generators. They used that one just for demand and they take 4 hours to go online for the big gas generator. They can have lots of money at a time because they use a turbine it takes a long time to bring it to the...when you have a demand, they turn that gas generator so they can have all the money (xx). You know how the demand is...

Mr. Montone: It's a jet engine basically.

Mr. DeCaro: A (xx) turbine. I've been there.

Mr. Zack: Now it's pizza time. Is there any other new business?

Mr. Montone: I have one under new business, just a quick, just to give a little update on the County. The County power agency and the Legislators have picked a company, SCS, which is doing that study for the biogas pipeline in the digester and so forth. We'll have more to report on that very soon but we are talking to some other people about doing fuel cells down near the OCM BOCES into the (xx) where this generation would go so it's going to be pretty exciting some of the things that going to get done down there. They might have a group meeting, if you will...it will bring everybody (xx).

Mr. Luksa: Do we need to have any kind of an extra meeting or...can we establish some priorities? Because a list of priorities...we cover, I know you do it under the Agenda-basis somewhat but...

Mr. Montone: One specific topic?

Mr. Luksa: Yeah and get at each topic and work on it sooner or later.

Mr. Montone: We have the Parking Garage and they hydro...no question about that. Okay, that's all.

Mr. Zack: Well, we don't have enough people to vote on an adjournment so let's just do it. Any other new business?