

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY  
TUESDAY, JULY 12, 2011  
AT 4:00 PM

Members Present: Dennis Zach, Chairperson, Mike Luksa, Luke Rybarczyk, Krste Biljanoski, Nancy Hussey, Jim Wride

Members Absent: John Montone, Nicholas Brindak, Vijay Mita

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

Staff Absent: Bruce Ross, Christina Selvek, Vicky Murphy

Chairperson Dennis Zach called the meeting to order on Tuesday, July 12, 2011 at 4:00 pm.

Mr. Zach: I call the meeting to order. First item-approve the minutes of the last meeting. There are some corrections there that most of you...in the beginning when we were talking about the net metering and stuff...I can call you and go back over that. Like you said you had problems using the tape and everything else. There were references there...the metering and stuff which should have actually been net metering and that sort of thing. I'll try to edit that (xx)<sup>1</sup> no matter who reads the minutes anyway. Could I have a motion to approve the minutes as presented? I didn't send them here until the last minutes so...

Ms. Hussey: You're amending them?

Mr. Zach: Pardon?

Ms. Hussey: You're amending them?

Mr. Zach: No, I'm going to add...there was references to what we were talking about, net metering...that part didn't get in there, there's metering and there's net metering and there's remote net metering...right...She would have no way of understanding that and I guess she had problems...

Ms. DeChick: I had problems with the audio...

Mr. Zach: ...with the audio...so I will...or we can put it off until the next meeting if you want and...I think it's (xx) but we were basically talking about the possibility of net metering power and it didn't come out that way in the minutes...she said "metering". (xx)

Ms. Hussey: We probably should just wait until they're amended.

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<sup>1</sup> Denotes inaudible

Mr. Zach: Okay, all right.

Ms. Hussey: Do we have a quorum? I was looking...

Mr. Luksa: Yeah...there's ten plus the Mayor...does the Mayor count?

Ms. Hussey: ...five, six...yes.

Mayor Quill: I hope so.

Mr. Luksa: I don't know if you're voting...but there's five of us plus...

Ms. Hussey: Six.

Mayor Quill: Do we need a vote from the table then or can we just table them?

Ms. Hussey: Yes.

Mr. Zach: Present the votes here, we might as well have it so we've got in the record.

Mayor Quill: Motion to table.

Mr. Zach: Do I have a second? There's a motion to table the minutes until the next meeting? All those in favor...show of hands? Carried and so ordered.

The first item on the agenda is the Mill Street hydro project. I think we discussed last month...we already knew that there was there was a deadline coming up...there's some kind of response on FERC permit...Tony would you...

Mr. DeCaro: We received correspondence from FERC as we informed you in April. We have a new inspector and we conducted an inspection at the dam on May 4<sup>th</sup>. As a result of the inspection, he sent us correspondence that we received the day after the last meeting, as fate would have it. What he has requested that we do are a couple of things actually. We explained to you last year that we were required to do an exercise that required a time sensitive analysis... the consequences of a failure at the dam utilizing several of the possible dam failure scenario, from a complete and total failure of the dam to other partial failures such as a gate failure that causes the spillway to discharge. A complete and total failure would be the so-called "Scotty beam me up" scenario if the dam just toppled and water was just released. In a co-exercise of the dam that we did in 2009, we used that type of failure where we assumed that the dam itself was breached completely. So we used that for the time-sensitive analysis and determined that through the study of the channel way using the dam breach calculations that were done, it would take 27 minutes for water to go from behind the dam to the farthest reaches where there would be consequences and that is a distance slightly downstream of the North Division

Street dam as well. In that 27 minute time period, we then have to calculate the amount of time it would take emergency services to be able to bring various efforts to bear such as evacuation notification to the citizenry, things of that nature and calculate all of those on the table. We calculated that for the farthest reaches of the dire effects back to the dam itself.

One of the things that complicates things for our dam is the fact that our Police and Fire Headquarters is...I forget...12 minutes...I think it's 12 minutes away from the dam and in the flood zone. So in the event of a dam breach, whether it be the State dam or Mill Street, we would have to use a different command post because our Police and Fire main station would be affected by a dam breach of either dam.

I bring the State dam up for that a breach of the State dam automatically would compromise and call into play the Emergency Plan for the other dams downstream.

So, that was mentioned in the review along with the request that we develop some kind of a warning device for use at the dam itself to be able to inform us immediately in the event of the dam failure at Mill Street. That is something that they have been having dialogue with us about over the past year so there would be able to be notification immediately upon failure of the dam. That would quicken the notifications to all involved including operation Fire headquarters because at a 12 minute distance from the dam for flood water, it could conceivably be that their first notification that there was a problem with the dam could be their equipment being washed away by the flood water. I mean, if it were in the middle of the night that the dam failed, there might not be someone that would see it or report it. So, that's the first thing that they want us to respond to.

The second item that they mentioned in this report is that they did raise the question to us that we had a plan in 2008 for a repair of the equipment currently at Mill Street and they want us to give them an explanation as to why that repair schedule wasn't (xx). So, we need to write that up for them.

We have the ability to do that. The explanation, as you may recall, had to do with the fact that we had decided to go out to bid to have that equipment replaced rather than repair it and we had contracted, or had intended to contract, with CTI, Canada Turbine, but do to their financial questions, that never came to fruition by 2010. However, which it also then raises is the question that they want us to provide to them a credible schedule to determine whether or not our intention is to redevelop power at that site whether it be repair or replacement. They'd like us to have that correspondence back to them by August 8<sup>th</sup> of this year. So, that's the deadline they've given us now. Okay?

So, there's been a lot of questioning going back and forth as to when or should we call them, should there be some inquiry made as to what their willingness to work with us might be. The answer right now has been made clear to all of us. They have given us until August 8<sup>th</sup> to give them an explanation for the failure to meet the other schedule and some idea as to what our intention is with the site. It should be in their hands by August 8<sup>th</sup>.

Also with regard to running equipment on the dam do to the fact that calculation of response time of our emergency services clearly shows that flood waters can reach various of those distances beyond the dam sooner that we can get emergency services there and also the fact that we did indicate to them a repair schedule that we didn't follow up. So, that's where we stand with them right now.

And remember that what we have with that is an exemption for licensing because we're a municipality. To private entities they issue a license to develop power at various sites but because we're a municipality, we have exemption for certification. Okay. That's where we stand. So, we need to develop for them a credible schedule and do it fast. By August 8<sup>th</sup>.

Mr. Zach: Well Vicky and myself have met with Mayor Quill, actually a couple of times, we talked about this. We're trying to do a work session with Council and put the figures in front of Council to see what the best options are at this point. I don't think it's a problem for us to spell out the problem we had with Canadian Turbine but the delay in between probably doesn't look real good with them but if we put some kind of a schedule that we'd like to move ahead with, do you think there's a problem with them?

Mr. DeCaro: I don't think that detailing why we changed our plan is going to be a problem at all. I think that's easy to explain. We didn't follow through with the schedule we had because we had found what was at the time a very viable and realistic alternative to develop. The track record as presented by the company that was at the time we thought was a viable alternative really looked good and I think we can explain that to them. The fact that they showed financial insolvency developed over time and we weren't aware of that and I think we can demonstrate that. However, developing a credible schedule from that point on is something that they want us to show them and it's a decision that you have to make so that we can flesh it out and give it to them. And, as you were saying, we provided you with records out of the archives, I gave you the current production information from North Division that we've been accumulating and charted that for you to show what we're making from them at .0846 per kilowatt hour presently at North Division. I also showed what we have the records of to add about 6 cents an hour from Mill Street going to the late 1990's. Unfortunately, I don't have more recent data from that and I don't have the data that shows the return when we were just making the avoidance cost and there was about 2 cents a kilowatt hour. But, that return is quite a bit lower as you know.

So, we need to meet with Council and make a determination to demonstrate what plan or plans and alternatives may exist and then we can go ahead and flesh that out and schedule or schedules and sent that to FERC and let them give us their ruling. So, whenever that's going to be, it's up to you to decide and then we can go in and inform FERC. If we decide to continue, we need to schedule that, make it a realistic schedule we can stick to as based on a credible schedule. On the other hand, if you decide that it is not something that we need to pursue, then we need to contact them to make a determination on how we

surrender the exemption. We looked online and talked, we didn't talk to FERC but we took a couple of their references and looked at surrendering information for the site in New England and discovered that a surrender application and certification for an agency in New England ran 79 pages. So, in either case, it's going to be an undertaking. So, we just need direction.

Mr. Zach: All right. Well, I agree. I don't think the reason for not following up the schedule, we've got good information that we can put out for that. Right? The basic plan right now is Vicky and myself are going to try to have a work session with Council and crunch some numbers for the different options available for Council to decide what they think is the best way to go at this thing. I personally think we'd be making a big mistake if gave up the FERC permit and even if we do, we've still got all this other stuff to do anyway. If the dam's running, if there was (xx) plant running or not, we've still got all these maintenance causing the problems to deal with.

Quick question. Now when they did that flood thing, that's just draining the pond? You've still got the State's factored in

Mr. DeCaro: No, some of the scenarios that we did are simply water out of the pond. Some of the scenarios we did include what would happen if the State had a problem.

Mr. Zach: Okay.

Mr. DeCaro: For the most part though, to FERC it doesn't matter. They want to know as far as putting an alarm system up to notify...actually, it would be something that would ring at the Fire Department and they would notify us because we'd want emergency services to have immediate warning of a problem and this is the discussions that we've had with them actually. But, if the pond...if the dam were to have a problem, it really is...from their eyes, it's inconsequential whether it was from upstream or an immediate cause at Mill Street. The most important thing to them is the warning unit, we can determine the source later.

Mr. Zach: But are they calculating the hydraulity of draining the whole Lake if the State dam went out and the Mill Street dam went out?

Mr. DeCaro: The only real difference would be the duration of the event if it were just the Mill Street dam it would be a shorter duration event than if it was the hydraulics involving the Lake. That's mainly the difference.

Mayor Quill: So if the water's only going to be so much, it's the Lake that's the longer period of time.

Mr. DeCaro: Yeah. Once it gets into the channel...for example, we also provided, at their request, a follow up that shows the curb of the tail water that would follow through the channel beyond the initial study. The initial study ended 1.8 miles

downstream from North Division because at that point, the wave of water regardless of the source, would be 3 feet high in the River at a point where the invert in back of St. Francis, those walls, they are several feet higher than that and there isn't very much in that valley. As you know, that's the old shoe forum and very few are business now. There's really nothing else in that anymore. So, we're not really talking flooding but FERC wanted us to continue that study all the way to the Seneca so we were obligated to do it. But, the actual amount of damage once you get beyond that point is nil.

Mayor Quill: That vent right there that you're referring to behind St. Francis, that should take up a lot of (xx) shouldn't it, other than the flooding?

Mr. DeCaro: Sure, and the reason why it stops...the initial study stopped when it did was because we were looking at a 3 foot wave of water in an invert that's 10 or 15 feet high. So, that water didn't have anywhere to go. We had a valley essentially after it passed those two businesses was an area where there were structures really. But they wanted the study continuing all the way to the Seneca so that's...we were obligated to do it. Okay? At that point, it doesn't matter whether the water came from the pond, which would mean shorter duration, or the Lake which means a longer duration but it wouldn't change how high or the velocity. There'd still be a flow but it would just be longer duration, it wouldn't be...it wouldn't change the characteristics beyond that. So, that's where we're at.

The other think I forgot to mention...I should, was that in the inspection for the short term, we did notice that the bank wall...I did mention it in an earlier meeting, the west bank of the channel, just north of the Mill Street dam, did have a bank swelling, a collapse above the rip raff. We did send them a plan to repair that and we worked that up and talked to the (xx) and to the DEC about initiating that repair. One of the other requirements that FERC had made on us before this was they wanted us to construct concrete wing walls on both sides of the dam replacing the rip raff. We believe that now that they've seen that bank actually slump like that, they're going to require us to do that. So, in the study that we did with (xx), we've estimated the cost of that construction and that is wing walls that would slope downward that are actually connected to the dam and extend north of the dam structure on each side. We believe that in actual fact the slumping was caused by the excessive amount of rain that we had, not the excess flow in the River during April when we had real excessive amounts of rain. The bank slumped at a time when we had 6 inches of rain in an 8-day period and it clearly showed that it was the amount of soil in the bank itself that caused it to fail and flow into the channel. It was not washout from the speed of the channel. It was water flowing through the soil not from the River. That notwithstanding, we believe that one of the things that they're also going to press us on is construction of those wing walls so we included that cost.

Mr. Zach: All right. Well, we can't give immediate action, that has to happen by the 8<sup>th</sup> of August. There's no problem explaining what happened with Canadian Turbine. The next thing to do...the basic plan right now is Vicky and myself meet with Council on the 21<sup>st</sup>. We've got most of the numbers already put together and at that point, Council has to decide which of the several options...the best way to go to respond

to the schedule. I would think if Council makes a decision on what they think is the best option, that goes from not doing anything to doing a repair or do the upgrade which I think the numbers are going to show that the upgrade is by far the best choice. Unfortunately, we're looking for them to buy us some more time to probably put together a really hard schedule but fortunately I think if we can put a reasonable schedule together with the intent of dealing with the situation, then just go from there. I think we'll have to see what comes out of that work session.

Ms. Hussey: Denny, what are the numbers?

Mr. Zach: Well, I'll tell you...a couple of things that I've done here. Number one, I called...because I couldn't back to Canadian Turbines...I called Chant. He's got all the hydrality flows for the Rivers and everything. He did an earlier study and I asked him what he thought Mill Street could be improved to and he also submitted North Division Street and he...I'll read this to you...he says:

“ I believe after reviewing our charts that Mill Street can get 750 Kw and North Division Street can be improved to 950Kw.”

750Kw is a 31% increase over the high flow production of we've had there. If you add that to our six-year average, that knocks the numbers up and we can actually high flow production pretty good plus the fact of being able to run, which I don't have computed and he's supposed to be working on that for me, is the fact that you get to run an extra four to six months and maybe more a year without...because of being able to go the lower flow production. Canadian Turbine estimated that we would double the output of the old dam on a yearly Kw hour basis. A rough calculation that I made isn't considering recs and sale of power at six and a half cents. We actually double the yearly Kw output and he seems to think that's a conservative figure. We'd come at \$272,500 a year. The average that we had before at 6 cents was about \$125,000. That was a 6-year average but the actual revenue from the Kilowatt hours produced and I did, I took all six. We had some years that did a lot more than others. The original dam generator was designed at about 450Kw, 750 is a pretty good increase. I don't think with the upgrade that it would be a problem of doubling the actual Kilowatt hours. I think it may even be well beyond that or at least a considerable number beyond that. Hopefully, when Vicky...Vicky's away this week at a training session in Morrisville I guess but when she gets back, and then before we meet with Council, I'll send some e-mails out on what the number...what the figures crunch up to be but I'm thinking that \$272,000 is probably a fairly safe figure if we did the upgrade and then we can...we've got the figures, the flow rates for the existing dam and it's by far the way to me is it's worth doing the upgrade.

Chant also did say to me they would still be interested in looking at the RFP we put out before with a partnership deal or a lease deal or that sort of thing too but if, at any rate, we decided...if Council decides to do it straight up with a renewable energy bond or with the Power Authority...they made a proposal to us also a while back...however we wanted (xx) they'd be interested in doing the work anyway but they'd also be interested in partnering along that basic RFP that we put out two years ago. I think...at this point,

it's put the numbers together, present it to Council what the options are, there's three or four, and Council decides what they want to go in response with that letter. What you do next. What was that?

Ms. Ottley: The ghost of City Hall.

Mr. Zach: Yeah. Bill?

Mr. Lupien: I'm just curious on the net metering. If we assume what is the value of the electricity if we were able to net meter. If, say for example, is it based on what the ISO rate is right now or?

Mr. Zach: It's what you're paying right now in your contract.

Mr. Lupien: What we're paying...what we're buying the electricity for?

Mr. Zach: Right. The way...I actually called the City ESCO, it's Energy Cooperative of America, I believe it is, and talked to their head boy. They're already net metering about a half a dozen accounts with NYSEG. I passed those sheets out that I printed off because I knew the law just went through and I asked them, they didn't have the answers yet today but he didn't think there would be any problem with it, other than the fact that we're on a fixed right now for a year but the equipment's a year out. So, whatever ESCO we have to deal with down the road will basically be the same thing.

How that remote net metering works is you just simply put a meter down there and you generate onto the grid and you measure how much power you produced and then you have to pay NYSEG delivery, just like the same amount that you pay on the power when you buy it, and they credit it against your account. If you want to put it against street lighting, they recommend you put it against one of your bigger accounts. So they just deduct the amount of kilowatt hours you generate off your kilowatt hours of usage and that's what you get charged for with the exception that you still have to pay almost 2 cents for delivery to NYSEG. One way or the other, NYSEG gets the same amount out of it. All right? But that's the way that law works.

The net metering law is for instance...if you were using some of the power itself, like your generating, but you're using some of the power yourself so now you have a bilateral meter, just like the one down at the landfill, so that you're generating 500Kw but you're using 200Kw of it but it records how much you actually put out on the grid. That gets trued up and then you have times where it shuts down, it comes back in...it measures, those digital meters measure both ways and that gets trued up. You'd run it monthly or even on an annual basis. That's the way some of the net metering is going on right now.

At Mill Street, we don't use any power there, there is a second service in that building now that does heat and lights. It would certainly be metering what the production would be and then you would...in agreement with the ESCO that you're purchasing your from anyway, they just credit it to that account.



Mr. Lupien: Do they get a percentage? Ten, fifteen percent or administrative or?

Mr. Zach: I'm supposed to have a conference call with him tomorrow. I've also asked that...the other big ESCO that I personally am familiar with is HESS...most of the stuff is so new they haven't been able to answer those questions either. But, the guy from the City ESCO said he would call back tomorrow and maybe we can have a conference call to answer questions on how they (xx) the remote metering could work. I don't know...the way it reads, it doesn't look like there's any other fees and stuff involved but I do not have the answer to that at this point. Hopefully, before we go to Council on the 21<sup>st</sup>, I'll have all of those answers. All right? There may be some other fees or whatever they can put in there but to my understanding, and basically the way the law is, I printed it out for you...the guy from PCA told me it's to you, we just credit to your account what you've produced and you pay the delivery and that's the point of the whole metering law.

Ms. Hussey: There is legislation that looks like it's going to be passed, but amending it further to include hydro-electric..in the Senate.

Mr. Zach: Yeah. I printed out a (xx) sheet there so you also...if you looked at the old website a couple of months ago, the eligible renewables...it didn't spell out hydro-electric and the new sheet now does.

Ms. Hussey: But that's in the...the amendment to the law effective June 1<sup>st</sup> did include hydro. There's legislation in there now, it's New York Assembly Bill Number 28A. They've had several amendments to it and the last...what I got on the last history is that it's back to the Senate. It passed the Assembly on June 17<sup>th</sup> and then it was returned to the Senate for them to pass the...amend it...

Mr. Zach: Now is that net metering or remote metering?

Ms. Hussey: It's remote and net metering but it includes specifically, it specifically includes hydro-electric up to 2 megawatts per facility.

Mayor Quill: How would that be beneficial or detrimental to us?

Ms. Hussey: I think it would be a factor in deciding how to proceed, whether to repair, replace or relinquish, I think that that would really factor into some of your costs because there is a benefit. There's quite a benefit.

Mayor Quill: I s there? For hydro-electric?

Ms. Hussey: If you can get the credits on the net metering, you can use that.

Mr. Lupien: All of sudden...2 cents from 6. So, it might be better.

Mr. Zach: All right, let's move on. Is there anymore on hydro anybody wants to discuss?

All right...landfill project update. The new gas wells...the last I talked with Mike, they're probably...they figured they'd be going in in August. The landfill itself...I talked to Barton & Loguidice last week also and it's not bounced back the way they thought it should and he really didn't have any answers down there. It's something I'm got to research a little bit...I think maybe we're having a little bit of a (xx) problem and I think also one of the problems we've got going on is the way that Greenfield is running the engines right now. I'm told they've been slamming them really hard to try to burn the carbon off...running them really hard and then backing off fast and I know for a fact from being down there on the skid before, the compressor skid, that when those consumptions draws change quick...that's a 1,400 foot line back and forth, and that drive, it's just like a wave going back and forth in a bathtub and I think that's probably created some of the problems. But, Mark Storrs also thinks that there might be a slug building up, a water slug building up in there that's causing some of those problems too. Hopefully they can come up with some answers on that. I asked John Brusica, I think it is, from Barton & Loguidice his opinion on the gas. While he didn't have a really good answer, the wells are too new to be calcified, they didn't think they were watered out but he said after the three new wells go in, he should be able to give us a better opinion on exactly what's going on with gas production. I did talk to Mark because they have a lot of fill going in down there right now and I asked him about that...I mean I talked to Mike Talbot. Barton & Loguidice suggested that that fill is spread out because the gas will leach up through it and they recommended that it doesn't all get filled at one spot because you'll end up with a dry hole there and if you try to put another well in for the future, that could make a dead spot. But, he said it shouldn't be a problem with the amount that's going in as long as it's dispersed around the fill, he says everything will still work and leach up through that fill.

I don't have a production report, Vicky's not here. On this new law, one of the things I'd like to look into also is to find out whether or not that landfill is eligible for net metering also. If that's a possibility, then we might be able to increase our revenue until we actually have a metered customer to use up the rest. I think there's some legal questions involved in that one and I haven't looked into that yet, I will try to get some of those questions and maybe bring that up when we do the work session with Council to see if they think that we should have some legal action to actually look into that to see if that's a possibility. The way it's spelled out and what pieces of law that I've read, it looks like that should also be an eligible project for remote metering. We've certainly got places enough to use what to use what excess we're generating.

Ms. Hussey: But we don't own it.

Mr. Zach: Pardon?

Ms. Hussey: We don't own it...the facility...how can you...?

Mr. Zach: I know...I asked the ESCO, they said it didn't really matter...you're already buying it and selling it to somebody else. So, I don't know. That's one of the things that we to be looking into. I will ask Council...let me get...I'll get some information on that from some of the people who are already doing it and then we can look to see if it would justify putting some legal work into deciding if that's a viable option or not. I don't know. Nancy, I have no idea on that one. In fact, that question was brought up even by ECS or ESA... asked him that same question whether we owned it or not and he said he didn't know. Hopefully, he might have some answers for me on that...what they figure their plan is too. Don't know.

Any other discussion on or questions on the landfill? The City Engineer, Bill, have you got anything you would like to talk about or projects or...?

Mr. Lupien: Well, we've got that street lighting so that's tentatively scheduled for next Tuesday. The worst-case scenario, we might put the bid opening out one week. When that happens, we'll be...between now and the...the job has to be done by the 1<sup>st</sup> of April, 2012...all City-owned street lights, there's roughly 800 of them will be converted over to either induction or LED. It should cut down...where we're putting in 250 watts, most of them will be down to like 150. So, they'll probably be a good forty to fifty percent savings on our electric bill. The nice thing is is we're putting in a technology out there where these lights should...they're rated for 105,000 hours, even if you got 70,000 hours, we only burn them about 4,000 a year. We're talking that these lights...we shouldn't have to go back for 15 years other than a couple of warranty items. So, it's replacing them every three to five years...

Mayor Quill: You'll still be working...

Mr. Lupien: But the big thing is...

Mr. Zach: Did you guys lay the bulb changer off?

Mr. Lupien: Well, we never hired him! That's the problem! So, we're going to save a lot on maintenance fees. That'll be a good thing. And then hopefully if the bids come in low enough, in the fall of the year we're doing this three-quarters to a million dollar renovation over here at the Parking Garage and after that's all done, probably in about October, we will be able to come right in and change over all the lights in there and that'll save probably another forty to fifty percent off their electric bill and that will probably eat up all of the money that we had for the grant plus a little extra. We should be able to cost justify the extra just for the savings on the electric bill.

Mr. Zach: Is anybody from your department looking into the solar (xx) right now. We've talked a couple of times before.

Mr. Lupien: Yeah, actually, you know, I was just starting to dust that off...I put a couple of inquiries out just in this area yesterday again. The solar, I was talking to

somebody, they're still...the solar film...when that gets out there, instead of buying rigid panels and put a little film over it you get 85 to 90% and you get 80% on the light but it's like a third of the cost. When that happens, the applications will be unlimited. Right now, everybody's still on the rigid panels but the last time I did it...Central New York Solar...first we had done them (xx) on the New York Power Authority but they do any energy (xx) for you. They charge 25% administration. That project, instead of being \$700,000 will be more like a million dollars. When you get a million dollars, the payback's way out there. When I started talking to Central New York Solar, Justin Williams, he was able to do the same three places we're looking at, and with the credits that are available to municipalities getting a little kickback and all the rest, the payback with less than ten years, in fact it will start to work down to seven. We could do the same thing for about \$660,000, I think I gave you a copy of that. And now, Syracuse University and a lot of the schools around there, they're actually training people into the green energy field and they're starting to certify more and more people in the solar. So, I wouldn't have the cost of the...the solar panels are coming now. I would imagine we're getting close to where we should be under a seven-year payback. So, I made a note to myself to start calling around now and see if I can readjust those previous estimates and see what the current cost is. Again, this NYSEDA rebates aren't going to be out there forever. So we want to take advantage of it when we can. But, we're looking at the three places...the Parking Garage, the water filtration plant (xx) and then also take advantage of some of the flat buildings and just do three startup projects. They're doing one in Syracuse, Syracuse University and School of Forestry...they're working so there's no reason why we can't do it in the City of Auburn. I'll get that for you in a couple of months.

Mr. Zach: Let me drop back a step. Something I forgot to bring up is that Christina just got back to work from maternity leave and I'm pretty sure that the next NYSEDA rec auction and stuff applications are in August of this year. So, I will make...I'll touch base with her and see...I haven't heard anything lately. I asked Vicky a while ago where the recs were going...we (xx) our CO<sub>2</sub> but I told her that recs are available to go into the August auction and I think we should do it.

I'd like to put Item 5, this budget discussion, into Executive Session afterwards. It's my understanding right now, we do not have...this agency does...no longer has a budget. We'll go into Executive discussion on that.

I can jump down to Mr. Matheson and Trish on CEDA and see if there's any update or planning or anything going on or Recharge New York? Any more information on that?

Mr. Matheson: I don't know if I mentioned it at the last meeting maybe you heard about it before...I talked to a colleague at NYSEG and I talked to Mr. Payne at the NYPA agency in White Plains and it sounds like Recharge New York is being pushed further into (xx) and that the applications might go through these regional councils. But we haven't heard if the regional councils have been announced yet. We had the Agricultural Commissioner (xx) come through last week, I don't know if you read about it in the paper, Daryl Aubertine. He told a group of people at a luncheon at BOCES to

hear about biogas pipeline and he mentioned that he may affect...he basically said that Governor Cuomo wants his commissioners to be on the regional councils throughout the State so that each regional council would have a liaison back to the Governor. So he opined that he might end up being on our regional council. Having spent the day, Cayuga County was okay. As I understand it, he seemed to think that (xx) to agriculture in a rural economy that was (xx) here.

I contacted Senator Valesky's Chief of Staff and I'm arranging a meeting with the Chief of Staff to start to talk about Recharge New York and to find out what they are going to do about it on their level. I'm not trying to speak to some of the elected officials, it's just...I think if I can get the staff person and brief them and figure out how they want to handle it, but I think we're in just as good a shape. I'll keep you informed because we do want to go to Assemblyman Kolb and Assemblyman Finch and our other State Senators as well. But, I have started that process to alert them, to get them engaged because it will be very important because I think that of all the Counties in our region, we're going to have a lot of users and I want to make sure that they get their fair share.

Mr. Zach:                   What were the percentages going to be for our businesses like (xx) is going to be for existing businesses?

Mr. Masterson:           The 971 megawatts gets broken up into 250 per retention and another block for relocation and then another block for not-for-profits, charitable institutions and municipalities. So I think it's broken up into three or four buckets.

Mr. Zach:                   There's a bracket for new business?

Mr. Masterson:           I think there is for relocation here.

Mr. Zach:                   Should we be looking at putting a meeting together with some of the local businesses to have a plan already started? For sufficiency's do they go by jobs? Fortunately most of the businesses in Town right now...Nucor, McQuaid, the Bottle Plant and even Hammond have all been putting people back on. To get those increased labor credits down on paper might be an advantage.

Mr. Masterson:           We talked to NYPA and although they have much to say about what we know about the program, I think that we still need to talk to them to start to create a data base of who's using how much, what their demands are, what their consumption is, what they're paying...if they're getting any kind of break, reduction or break for the cost and allocation. I don't think most of them are from what NYPA has told me.

Ms. Ottley:               From my perspective on that, I feel like we're in the dark in terms of how the process is going to play out with Recharge and the only information we have is what's in the legislation which is not specific to the application process. The region councils are...have been in discussions, it's part of even the Governor's campaign so how those are going to be formed, what the boundaries are going to be, who's going to be on

them, what their role in Recharge...it's all a big mystery right now. So, it makes it difficult to have an informational meeting about Recharge when it's (xx). I have no confidence in how that application process is going to roll out or when it's going to roll out or who's going to be making the allocation decisions. But, to Terry's point, I think there are some things that can be done ahead of time to start to get a sense of who the major users are and what their power needs are and start to reach out to the elected officials to say that we're ready to go and we want to be active as soon as the program is ready, we're ready to go. I think CEDA taking the lead on that is great because it is a County and it's County-wide issue and we'd be happy to partner and do whatever we need to to help put some meetings together for that.

Mr. Zach: Can you get a hold of all the big box users right off the bat? It would be nice to know what all the usages are. You don't have to ask what they're paying. It would be nice if all those figures were at your fingertips.

Ms. Ottley: Just our Empire Zone program participants I imagine would be the main big power users, manufacturers in the City. Even in the County we have some of those participating, we have those data bases, e-mail lists, addresses. So, if a form or a survey or something were to be developed, I'd be happy to help get that out.

Mr. Lupien: Is that information available to the public how much a company uses as far as electricity or do you have to ask them themselves because they're the only ones who can give it to you. Is that's divulged?

Mr. Masterson: If you go through the minutes of a NYPA Board meeting, you can break down who gets the power and how much they use. That's one way but it someone's not getting the low cost electricity from NYPA, then that's between them and NYSEG.

Ms. Hussey: It's a private contract, yeah, a private entity and then they don't have any obligation to disclose anything.

Ms. Ottley: Right.

Mr. Lupien: So you really have to ask them to get that information.

Ms. Hussey: Again, if they're getting economic development...they're not going to tell you "go pound salt" either. They'll be happy to assist you.

Mr. Zach: My concern there is the fact that I know for a fact that there's a couple of things I've checked on my server, one of them's like \$25 million dollar grant thing. When I checked into it, the whole thing disappeared the first day, it was already signed up for. That's what I'm worried about with Recharge New York because I know DeWitt is doing something and Syracuse is looking at stuff too. I'm really wondering if...

Mayor Quill: Denny, what would...not to interrupt you but what exactly are they doing?

Mr. Zach: I don't know.

Mayor Quill: I'm saying...maybe if they've got a form already or they're working on regarding it, maybe we can work with them or through them and find out what information they're acquiring, how they're going about it.

Mr. Zach: I think DeWitt's forming a municipal...looking to forming a municipal because I think they hired our old lawyers here a month or so back. I don't know what for sure what Syracuse is, but I would think that most all of the cities...anyplace would be looking into this. My concern would be that...because I've seen it happen NYSERDA, you wait until the last day...if you don't have all the information and talking to your legislators ahead of time, this thing...I'd hate to see it get distributed unevenly. You know what I mean, if we'd all be able to figure out what our big box usage here for the County and the City, which is part of the County of course, kind of have what we figure our portion ought to be State-wide. It shouldn't be too hard even if we went by population and say Cayuga County's this percentage of New York and we'd like that percentage and have our legislators all ready ahead of time informed and we want that percentage of that hydro power. I think there's enough big box users here in Town, like you said the chunk is going to go for existing businesses and stuff and those figures are already there and present it to them so if there's any talk action going on, we're ahead of the game.

Mr. Masterson: There's a lot of million dollar questions and we need a list of some of them...how much are we going to get, how much is there to go around, are they going to do a quota and then the concern that there are a lot of lobbyists and a lot of interest out there and people are going to go to NYPA through other channels to get their allocation. I agree with all that. It's not a tough agency to deal with. If you go to their website, you can find anything on Recharge New York at least as of a couple of weeks ago. It's not a big staff...that's why I think I will let everybody know when the meeting with Valesky's Chief of Staff is. She had said in an e-mail that he might want to sit in on the meeting so if that's the case, that's when I'll let you all know and we can all go together because we want to impress upon Senator Valesky that even his influence in Albany...Like you said, we're not asking for more than our fair share, but we just don't want to get fore flushed a year from now when they say "Okay, we gave it all away". That's a concern. If they do run into the regional councils, that's also going to raise a lot of interesting questions. Are they going to quota? Is each regional council going to get a specific allocation and then divvy it up? But, it's better than nothing.

Mr. Zach: Well, that's just my concern because I've had that happen with NYSERDA, I've seen it disappear the first day when the grant came out. I think that's a good move.

Under old business, does anybody have anything they want to bring up?

Ms. Hussey: Denny, does anybody know the status of the line to Casey and Falcon Park or what's going on there? Is it dead in the water?

Mr. Zach: Well, I haven't done anything with it...Bill? I was trying to get together with you....

Ms. Hussey: This sounds like something we can really make a lot of...save a lot of money on.

Mr. Lupien: Sure. You got Mack and Myron sitting at the table there. We've got to get together.

Mr. Zach: Give me a call. Did...are we going to set something up with O'Connell because that part of the...because I'll get a hold of Randy and tell him a good time and I'm sure he's...he'd run down there with us and...

Ms. Hussey: Because we have the costs and everything, right?

Mr. Zach: I think it needs to be looked at...

Mr. Lupien: We had some of the costs and then we were thinking that the City might do this and somebody else might do that and we're looking at tunneling versus open cutting and all the rest. We might just be better off having them give us a total price to do all of the work and then we'll know exactly what it costs and go from there.

Ms. Hussey: I thought they did already.

Mr. Lupien: No, they'd only given us pieces.

Ms. Hussey: Oh, okay...the cost of the line or...

Mr. Lupien: The transformers weren't in it and some of the installation work wasn't in it. We really need to know the total cost to make an intelligent decision.

Mr. Zach: Under old business, we had a presentation here on this EMEX thing. I did get an application thing, I'll send it Nancy...I didn't send it to you, did I? I can't remember if I did or not.

Ms. Hussey: You sent me some information on becoming an affiliate of the company. Just without going into a lot of depth, I think in a situation like that, we as a municipality would be operating as a private entity rather than a public entity and I don't know if there's tax ramifications. It doesn't seem like...we're acting as an affiliate to bring them customers and in a municipal situation, I think there might be some issues. I don't know.



Mayor Quill: Stay away from it do you think?

Ms. Hussey: I don't know, I'm a little...obviously you need to look into it but I don't think...you're crossing the line from operating as being a municipal entity to more of a things that a private entity would do and I...something tells me that we'd be subject to some taxation on the profits. I don't know.

Mr. Zach: I didn't...I saw...I went through most of that and basically it's...anybody can be an affiliate for anything. There's people marketing...every month I get somebody or calls...

Ms. Hussey: Right but we're in a little different...because it's a municipality and we're owned and operated by the public and the taxpayers, we're under a little different standard where we're regulated a little bit more than others.

Mayor Quill: Nancy, would NYCOM be any benefit to us?

Ms. Hussey: They may, don't forget this guy said we're the first that they ever tried...

Mr. Zach: For this State. It's already being done in other states.

Ms. Hussey: What municipalities Denny? That's...you see, he said we were the first municipality...I don't know, I'm uncomfortable about it unless I have more information and I don't.

Mr. Zach: He's probably going to call me again and I'll get back to him. I wanted to see...I didn't see anything...there's no obligation there other than the fact that, that I could see, basically it's endorsing a process that the City would get the brokerage fee out of like the people who are selling (xx) or whatever. I don't know, I'll look into that.

Ms. Hussey: But then, theoretically, if we accepted that then say I joined as an affiliate of another broker and I say "Okay City, you took them so I want my name on your website, I want somebody else on your website", and you'd be...would you be obligated to take on numerous sites on our website?

Mr. Zach: Well, I think those are all questions that we have to have to have the answer for before we look at it again. Any of those programs are set up, anybody can get online to sign up and agree to market. Basically they're asking us to advertise for them and get a percentage.

Any new business?

I move that we go into Executive Session and adjourn after. Second? Jim Wride. All those in favor raise your hand. Opposed? Carried by a show of hands.