

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, MAY 9, 2011
AT 4:00 PM

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

Members Absent: Krste Biljanoski, Nicholas Brindak, Jim Wride, William Graney, Vijay Mita

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

Staff Absent: Andy Fusco, Bruce Ross, Christina Selvek

Chairperson Dennis Zach called the meeting to order on Monday, April 11, 2011 at 4:05 pm.

Mr. Zach: I call the meeting to order. The first item I'd like to do is, I don't know if everybody has read the minutes or not, but I'd like a motion to approve the minutes. John Montone, seconded by Mike Luksa. All those in favor? Opposed? *Unanimous approval by show of hands.* Carried.

Hopefully there will be a few more people show up Barney but I'd like to introduce Barney O'Rourke. He's going to give us a little presentation on the marketing of an affiliate program, I guess you'd call it, on marketing of electric and gas both. I looked at it online and it looks like the neatest idea I've seen. There's several utilities already trying to market in the City. Most of the are multi-level, that sort of thing. There are a few direct ones but I'll give you the floor and you can educate us. Can I ask you a question, is this in the State yet, here?

Mr. O'Rourke: It's in Metro, down in the City. It's in Con-Ed. It's not here yet but it is coming within the next couple of weeks we should be open.

Let me...first of all, my name is Barney O'Rourke and I've been friends with John and Denny for a while. I've been brokering energy for the last 5 to 7 years, I forget half the time so but I've been looking for an opportunity like this to bring energy to municipalities, a way for them to make money, to earn money on brokering. Basically, it's an affiliate program that allows you to market energy on a lot of different scales here. The company was founded back in 2007 and we're committed to make...basically to bringing the cost of electric down for all consumers, not just commercial but also residential in both electric and in natural gas. You can think of NYMEX as online equivalent of Lending Tree for electric. We are a clearing house for power. We have up to 15 different vendors who will bid on your power once you put your information into the system.

We'll just go through a couple of things here and then it's really informal so if you have questions, Denny if you have anything to add or whatever, just let me know. Okay?

We're going to bring you the lowest rates possible. We can save companies up to 25% on their monthly bills. It's an online instant quote system and I'll show you that in just a second. It is cutting-edge because it is instantaneous. You're going to see exactly what these vendors are proposing right on the spot. We offer custom quotes and if you get an opportunity to fill out...basically all your load information and they will actually quote it for your particular load.

Again, questions...just chime right up, okay?

Mr. Zach: We're talking residential and commercial both?

Mr. O'Rourke: Right now we're strictly in the commercial realm but the residential is, again, is on its way as well. So, it's just a matter of time. You're looking at this in its embryonic state. So, it's very much a...it's coming...then you might as well be the first ones to look at it and that's what you are.

How it works; it's really quite simple. You put your information in...I'm going to get right to it here and you can see your current provider and your monthly usage and they're going to give you a quote right on the spot. If I can go right to it...I'm going to just use New Jersey's...it's open. You can see exactly what we're doing. Okay. Now the beauty of this is that it works on any kind of situation so we'll just show monthly...just say it's about \$6,000 a month and then you get the rates, just click on the rates. And right here you can see that there were three of them that came up...you can't really see it now but what they want you to do, obviously it wants you to put in a little bit more information and then they're going to quote it exactly. They want to see what month you took it out because they have an algorithm in place that calculates how much you use over the course of a year as well. Then it comes up with a rate. Just like that. It's the same three that were there before but as the amount goes up, the number of suppliers are actually interested in bidding are going to go up as well.

So, in this situation, you're looking at some major savings here. We are looking at comparing apples to apples here as well because you're going to be looking a whole bunch of different vendors and you don't know what you're looking at unless you're looking at the details.

I want to show you one that I've already done in my back office and then you can see exactly what it was. We saved the company \$30,000 for the year and the commissions were in the...it was almost \$6,000. I want to add why that's important, I'll get to that in just a second.

This is the company in New Jersey that we just completed and I want to show you the analysis for it which is (xx)¹. All of this is pretty much self-service on this as well. So all of your clients, when you get clients, you can see what it's all about. Alright, this was for Pro Warehouse and they ended up with Hudson Energy. They went on a 24-month program and you can see what the price was and it was definitely less than what they were paying. It shows exactly, if you can see that, but it shows exactly...we saved them ...this wasn't the actual one, this is one of the

¹ Denotes inaudible

other suppliers. But you can actually see that it shows a savings of \$16,000 on the program. And it also shows that if there was a difference in the pricing structure, we compare apples to apples. In this case, the sales and use tax was included but it wasn't included on the other side so we wouldn't put that in there so it would be an apples to apples comparison. Okay?

So, what does this mean to you? Well, obviously you're trying to make money with your power, if that's what you're trying to do. Short of having your own utility company, this would be a very viable option for you. You would make two mills which is 2 tenths of a cent per kilowatt hour on each kilowatt hour that they use. So, in this particular case, they used close to 3,000,000 kWh and the commission check on that would be \$6,000. Now imagine...I don't know how many businesses are in Auburn? So, if some of them were – obviously if they were using your service, you could offset \$50,000, \$60,000, \$70,000, \$80,000 worth of income for the City of Auburn. It even gets better than that because when we go into gas, there is another...they haven't even calculated how much we're going to make on the gas yet but the gas is going to be big as well. And of course, residential comes into play as well.

The residential would be very simple to market because...well, it's all very...it's all self-serviced. They put their information in...your client puts the information in – the select their...which supplier they're going to use then they would enter into a contract with the supplier...it isn't anything to do with us as marketers and they just cut us a check as the meter spins.

Mr. Zach: Can you explain what the City's involvement would be in the program? I mean as long as there's no commitment...I think it's just (xx).

Mr. O'Rourke: Right, this is basically...we would set up a website for you. It would be called whatever you want to call it...Auburn's choice for utility or power. You would promote that website to the businesses. Go to the Chamber of Commerce, let them promote it for you...a couple of billboards or whatever, whatever means of marketing that you would want to give it. Of course word of mouth will work as just as well. Once you do that, then they're going to get on the website and put in all the information themselves. Go ahead sir...

Mr. Rybarczyk: So as long as they go to that website we would get credit for it?

Mr. O'Rourke: Yes sir. That's the beauty of this. You can choose any one of the thirty, excuse me, the fifteen different suppliers and we can pick. You can pick. So it doesn't make any difference as long as they stay with one of the fifteen for the next ten years, you continue to get paid. So it works out really, quite well. A lot different than the approach of a single supplier like if Integris to come in here they'd have one product to offer you. That would be their fixed product, here it is, that's all we've got. We get to play with all the toys as this kind of a broker because...and it's so transparent because all the prices are right across the whole thing. There it is, Hudson's, Liberty's, Integris, everybody's prices are all out there in front of you. So, it's super transparent and with the savings calculation, if there wasn't a savings, they would tell you...if there was no savings. So there are potentially times when it wouldn't be competitive...in Pennsylvania (xx) a couple of spots but for the most part we're beating everybody hands down.

Mrs. Hussey: Can you give an example of the City that's subscribed to this program?

Mr. O'Rourke: You're the first. You're the first. But we've got several Chambers of Commerce in Connecticut that are offering this up. This is all brand new, this hasn't hit mainstream yet. Okay? But it's an idea that's time has come and you truly have...This almost qualifies for a request for bid because you're going to get four or five or six or seven different proposals from all these different vendors.

Mr. Montone: So the contract, if there is a contract...is between the customer and NEMEX?

Mr. O'Rourke: Yes sir. All the contracts are with, are through the supplier...like in our agreements with the suppliers not with...through...we don't get in the middle of the distribution.

Mr. Montone: So we would only act as the aggregator...say if we get ten businesses or something?

Mr. O'Rourke: Right. What we really...an aggregation set up, it would be basically a straight brokerage situation where you have no obligation to either the buyer or the seller. Now nothing...obviously deregulations happened 20, excuse me, 12 years ago here in New York. Okay. Meaning that the supply chain is the delivery which here is NYSEG...NYSEG is the delivery, they will always be the delivery. But you get to choose whichever supplier you want to buy your power from. So, you choose Liberty or you choose Hudson...they're going to purchase the power on your behalf, not for the City but for the client. All right? They buy it, they're going to put out forward contracting so that they're obligated in spending money also, even out 36 months. Then as you buy your power, as they use their power they'll pay for it, that's when we get paid. Ours comes right off the top and we get paid by EMEX.

Mr. Rybarczyk: What is the exclusivity in this? I mean, let's say we set up a website and we start drawing people to this website, what's to prevent some independent from setting up a website also and then going after the same people?

Mr. O'Rourke: There isn't but commercially they'll be entering into a purchase agreement. They'll be a 12, 24 or 36 month agreement. Right now power is at about an eight-year all time low so this would be a great time to be (xx) power so you would want them to enter a contract.

Mr. Rybarczyk: Yeah but all I'm saying is is that if we went out and we have a website and we're collecting the commissions off of this website, what is to prevent somebody else from establishing a website and going after the same people or competing back and forth?

Mr. O'Rourke: Well, competition...that's why it's a deregulated market. Deregulated means that it's an open market.

Mr. Rybarczyk: Well definitely, but I mean from your standpoint there's nothing you do to say okay we're not going to bring you on because we have the City of Auburn.

Mr. O'Rourke: No, no, we wouldn't but the likelihood of that happening...if they saw a powerhouse in here is slim to none. They're not going to try to compete with you. We're not going to...we want you to succeed. So.

Mr. Zach: Basically, when I went and talked to you a month or so ago, I like to think (xx) that was a residential thing you showed me from out of one of the other states, right?

Mr. O'Rourke: No sir, it was (xx).

Mr. Zach: And it did...it looked...I was impressed with it. Basically what you're doing here...my understanding is is if the City was to endorse this, I mean you've still got...I mean, you've got AMVENT, you've got a whole bunch of ESCOs already in the City. They're still going to keep trying to market power.

Mr. O'Rourke: Sure they are.

Mr. Zach: The advantage you're got here is the City's actually going to get all these multi-level ones that are already operating are working on that 2 mills, we're all trying to get a piece of the more power they sell, they're all getting a piece of it. You're basically...my understanding is is the City is getting the brokerage firm...does it get the brokerage fee...you know what I mean...instead of flyers and a website...they've got however many because I think that residential one you showed me a month or so ago, I was impressed with because it had like 6 or 8 different ESCOs listed and the prices were pretty darned good.

Mr. O'Rourke: The residential isn't here yet but that in itself is going to...that will make the City a lot of money. But, along with the commercial. For example, if...let's see you've got 15,000 households in Auburn, pretty close? Right? Okay. Let's just say that you got half of them, that would be 7,000 households coming in and when (xx) electric and gas come in, your commission on that would be about \$5 a month. Okay? That's \$35,000 a year, excuse me, \$35,000 a month coming in on something that doesn't cost you anything other than a little bit of...a little bit of promotional time. That's almost \$400,000 a year that you could get in a residential situation on top of the commercial that you're looking at. It will probably double that.

Mr. Zach: And the County can do the same thing?

Mr. O'Rourke: The County can do the same thing.

Mr. Zach: Back to Mr. Rybarczyk's question...now obviously in Connecticut...what was the other state, Ohio?

Mr. O'Rourke: Connecticut. We have Connecticut, we have New Jersey, we've got Pennsylvania, we have Illinois.

Mr. Zach: Obviously there's other ESCOs trying to compete with this at the same time too, right? I mean, these multilevel guys aren't going to go away. They're all over the place.

Mr. O'Rourke: Right, but there is nothing like this. This is...we're the only company that has an online program like this that you can put your information in one time, and get up to 15 different bids from competing suppliers. Nobody else does it this way. So, you've got an opportunity to give your constituents, either your residential or commercial, choice and control. So, they get to choose who they want. We don't care who they choose because we're going to get paid regardless. So, all the way around you're doing them a huge service by promoting this and showing it to them. In the meantime, you're going to get paid for doing it.

Mr. Lupien: How many mills does your organization get?

Mr. O'Rourke: Does mine?

Mr. Lupien: Yes.

Mr. O'Rourke: I get a small percentage.

Mr. Lupien: We get 2 mills.

Mr. O'Rourke: You get 2 mills. My company would make 25% of what you make. But that does come off yours. You get your 2 mills.

Mr. Montone: So an agreement would have to be drawn up between the City power agency or whoever it may be to have that put in place.

Mr. O'Rourke: Yes. At no cost to you. It doesn't cost you anything to put this in motion.

Mr. Zach: So basically it's just an endorsement...

Mr. O'Rourke: Well, there's a bit more to it than that because you can endorse it but if nobody goes there, nobody...there is no funds coming to the power association or whatever. So, you would have to...we'd set you up with a website and then you'd have to decide amongst yourselves how you would promote it, whether it would be in newsletter form or whether you'd take it to the Chamber of Commerce and let them market it for you. I mean there's a multitude of different ways that we could do. I'm here to help you but I can't devote my whole career to make money for Auburn.

Mr. Lupien: Why not? [laughter]

Mr. Rybarczyk: So if we...let's say that a commitment is made...

Mr. O'Rourke: Yes sir.

Mr. Rybarczyk: There's nothing that goes by...granted nobody's going to make money. Let's say it's poorly presented, etc...there is no penalty for not...

Mr. O'Rourke: No. If you make money, great. If you don't, tough. We'd like to help...I'll help you as best I can but it's going to take some commitment because it's not like you're ever, you know money for nothing.

Mr. Rybarczyk: Right.

Mr. O'Rourke: Practically money for nothing.

Mr. Rybarczyk: But no obligation back to repay anything or...

Mr. O'Rourke: There is nothing to...there's no obligations because that's the key to this. We don't...If it were multilevel, then they would want money. If you don't keep your client...if you don't keep 10 customers then you're going to be penalized. That's not what we're talking about here. We want you to...we'd like you to make money. We'd like the organization to make money. A couple of years ago John...he was talking about putting a...trying to get a utility company back in Auburn. Well, that's probably pretty difficult to do but this would require...this could be done with minimal effort, minimal money too to get it started as far as how you would promote it. You could go put things in the newspaper, you could do newsletters, go to, again, the Chamber. It think the Chamber is a great way to go. As far as the residents go, every tax bill has to go out and you can say hey look, help us lower your taxes or help us lower your...to keep the snowplows running, go to this website and choose an electric company.

Mr. Rybarczyk: So, there's no reason why businesses in Syracuse couldn't go to this website and pick the stuff up.

Mr. O'Rourke: Correct.

Mr. Montone: So, we would call it what we want...Auburn...

Mr. O'Rourke: You could call it anything you wanted. You could actually promote it state-wide if you wanted.

Mr. Montone: It has the choice of how many ESCOs there?

Mr. O'Rourke: Well, there's...depending on the size of the load, John, is how many will bid. Liberty and Hudson, they'll do anything from the smaller to the medium...Integress, they want the big ones. We've got Hess, there's a number of...in fact it's on that little handout some of the suppliers that we have.

Mr. Montone: So if we were structured to gear towards residential, does it work with you to push that into the area because we could be talking 5 megawatts...the City's using about 12 megawatts here now, just residential. So that could be a site where someone could go to...now

we've got 2,000 customers...we aggregate that load together and then we could go to some of the bigger ones. Are we taking individual? That's what I'm talking about.

Mr. O'Rourke: Residentially, it would be each...everybody stands on their own John.

Mr. Montone: Yeah, because you'd have to get an ESCO that would be willing to get into the...

Mr. O'Rourke: Right, they're not going to do that. And then you're going to have to...you would have to accept responsibility and be the billing agency and then you would have to take care of...worry about collections and all of the things that go along with those problems, you'd have to take care of as well. This doesn't give you any kind of problems whatsoever. If they pay the bill, you get paid. If they don't pay the bill, you don't get paid. Okay?

Mr. Zach: The residential market, how soon do you think that would be available here in the State?

Mr. O'Rourke: I don't know yet, probably...we're probably...they're telling me before the end of this year.

Mr. Zach: Okay, in the other states, obviously we're not the only deregulated state. So, other places you've got like Pennsylvania and New Jersey...there's still got to be other ESCO that are trying to market against it, right?

Mr. O'Rourke: Sure. Pennsylvania has 300 different suppliers that you can buy your energy from. We've been very fortunate that we're eating up some of the market. We're doing very well in Pennsylvania and in New Jersey.

Mr. Zach: Originally, most all these ESCOs all had their own market, I mean John knows better (xx) than buying power.

Mr. O'Rourke: We can back up just a little bit. More and more energy companies, ESCOs as you guys call them, are relying on third party vendors for their sales force. Okay? Guys like me that go out there and broker. My idea was to take it to a group like you or associations that say okay, we want to make some money or we can offset some of the tax burden for the State, for the City, something's that not getting paid for, you have to come up with the money somehow. So with this option, you have none of the risk and all of the upside on this thing. So, you're really trying to hedge forward when we're talking about the electric market. Deregulation has given us a real opportunity here.

Mr. Zach: Now, are the bills...are they all fixed on a commercial tank...

Mr. O'Rourke: On commercial we have several different...we have all of the...anything that you are experiencing with Hammond over there now, you can get 12 months fixed, 24 months fixed, 36 months fixed. You can also go on indexed rates which is the...like real time

purchasing...you know, (xx) and with a fixed adder which is the way that...on a variable. You'd be riding the market if you were going to do that.

Mr. Zach: The residential market, which I think looks attractive here in particular too, is now...most of that is probably all going to be done on fixed?

Mr. O'Rourke: I wouldn't know.

Mr. Zach: I don't think very many residential users choose the market price.

Mr. O'Rourke: Right now it...

Mr. Zach: It wouldn't be all consolidated billing.

Mr. O'Rourke: Right. You're looking at a lot of different things happening all over the state. Some of them are...if you default back to the utility, it is generally...it's usually an indexed rate. Okay? And you're going to ride the market. But if you're...if you choose a supplier, whether it be their supplier, their in-house third party or somebody else, you're going to go into a fixed rate program. You need to remember they're buying forward. They're going to aggregate their buy based on how many residents they have.

All that again is stuff has happened behind the scenes and the responsibility of Auburn, in this particular case, would be to market. Okay? Get people to go to the website, to use the website just to go after the...to save money and to help the Park Association or to help keep the plows running. If you...how many City employees are there? Now help us help you to keep your paycheck coming. Those kinds of things. Not using fear tactics but this is the same kind of thing.

Mr. Zach: Well, there's already a couple of multilevel ones that are going around getting a church and say hey we can get you some money, doing basically the same thing, they're giving a little piece of their brokerage fee to do that. I think...Bluerock or something had a strategy here a few years ago. They were...

Mr. Montone: They do do residential to.

Mr. Zach: Yeah

Mr. O'Rourke: Bluerock?

Mr. Montone: Yeah.

Mr. Zach: But you're all in one thing. I like...the thing I did like when you showed it to me was the fact that there was like seven or eight different ESCOs on that residential sheet that I saw from one of the other states and the prices were really competitive.

Mr. O'Rourke: Well, in Texas they're really...Texas has very...let me see if I can get it up...no, I don't think I have Texas zip code. I would have to put one in there in order to make that work for us. But, truly, up to five or six different supplier that are going to bid on this. The best part is that your constituents here do have...they have control and they have a choice. Where else could they go to get five or six different bids on their power? Where?

Mr. Zach: Did you say they that Hess is bid (xx) kicked everybody's butt here.

Mr. O'Rourke: Yeah, Hess is...if we...Hess is being very aggressive right now. But, they're being very aggressive on the larger users. The smaller users, they're not quite as competitive. Right now Spark Energy has been knocking things down pretty good here.

Mr. Montone: So could you get us a draft agreement of what we're talking about, it would be between us and the City and we can get a legal review.

Mr. O'Rourke: Absolutely. Mr. Mayor, anything else?

Mr. Quill: A couple of things. Lately we've been getting complaints from folks...they've switched from...it had nothing to do with you but it does...they've gone from satellite TV to FIOS and now they're paying a franchise fee. So they would rather that the City, instead of making a franchise fee, pay...give it to the individual. I can see the same thing happening here. They're getting a lower rate but why should the City be knocking something down on it. They feel that should be put in their pocket. So, not everyone looks at it the same way.

Secondly, how would we know that we are getting everything that we're supposed to be getting? For example, we have fifteen business owners sign onto this, how do we know we're getting the...

Mr. O'Rourke: You'll have your own back office. Once they are signed on, you'll be, whoever your administrator will be, they will be notified that they've...that somebody's entered into a contract.

Mr. Quill: So, we're going to need another employee to enter...

Mr. O'Rourke: Well no. I don't know if you are entering another employee but probably there's somebody that can take 5 minutes and take a look at the report and print it out for you guys to take a look at here. So, you're looking at...it'll give you the breakdown and exactly how much you're going to make and when the checks are going to start coming.

Mr. Quill: Unless...I don't know if I understood it right, the question down here is if someone from Syracuse could go on our website and go to the Auburn site, then does the City of Syracuse or does the City of Auburn get that? And, if that's the case, what keeps pirating from going back and forth? For example, if Syracuse goes into this, why wouldn't all of our customers switch to the Syracuse?

Mr. O'Rourke: Because everybody's going to get the same pricing. Nobody's going to get anything different.

Mr. Quill: What is out of our pocket though? We're getting a commission for 50 businesses here in Auburn and one business in Syracuse. So we're getting x amount of dollars in commission. What happens when these contracts start lapsing after 3 months or 2 years or whatever the case may be? What's going to prevent everyone from Auburn switching onto the Syracuse?

Mr. O'Rourke: Well, they're your customer. If they renew, if they renew their contract with...on your website then they stay with you. This is America, I don't know what would prevent somebody from going someplace else to buy but if you're...if they bought it on your website, they can go back to your website and go into a contract with, again, any one of the 5 or 6 or 10 different suppliers that are listed on our website. So, does that answer your question sir?

Mr. Quill: Yeah, kind of.

Mr. O'Rourke: You know, again, it's a competitive market. If Syracuse was to...if Syracuse City was going to do this as well, then potentially you wouldn't get a lot of traffic out of Syracuse.

Mr. Quill: But the case was brought up. If we were the first ones in the state, as you had said to do this, someone from Syracuse could go through our website to get their cheaper rates. Right?

Mr. O'Rourke: Well, yes. And the other part of that is, okay, and I...we didn't bring this up, but you could actually tell Syracuse about it and they could be part of your group so to speak. Because I get something for showing it to you guys, if you decide to sign up, the same thing happens if you show it to Syracuse, you would make...you would be getting remunerated by showing it to Syracuse. This isn't a multilevel, this is an affiliate program but there is some generational aspects to it that you would make money on Syracuse as well.

Mr. Rybarczyk: All of their accounts or just like a finder's fee?

Mr. O'Rourke: No, all of them. If you could show this to Syracuse, you could show it to the County and the County would be...it they were promoting it, you would be making money on the County. So it's a...that's why I would suggest that you get the Chamber involved as well because the Chamber would be out there marketing heavy for...that's what they do. You would again...you could make money through them.

Mr. Rybarczyk: But even if they set up their own website, you presented it to them, you're still going to get a piece of whatever goes through their website?

Mr. O'Rourke: Yes sir.

Mr. Lupien: As long as they acknowledge that the reason they went to that is through the City of Auburn.

Mr. O'Rourke: They would sign up on your website because...I don't know if I can get to it without screwing things up here. But, there's an affiliate tab...there would be an affiliate tab on your website as well and they'd go right to...they can go right to that and they could sign up. They would stay with the affiliate under that you bring in to the system.

Go ahead.

Mr. Zach: Let me understand this. If...let's just say the City and the County both endorsed this, right, we both have a website, same thing.

Mr. O'Rourke: Right.

Mr. Zach: I live in the City, if I sign up, if I pick an ESCO off the County's website, they're the one that gets the...

Mr. O'Rourke: They get the broker fee. Right. They get the big broker fee.

Mr. Zach: Right. That's no different that the (xx) as I'm doing right now. They signed up with NYSEG Solutions, the guy that sold it to them is getting the 2 mill. So it wouldn't matter...it's still everybody's choice under what website you would sign up with. I mean if we had it, Syracuse had it, Moravia's got it, you could sign up under any website under the same program state wide. Right? Whoever's website you choose to sign up with is the one that's going to get the fees. Is that my understanding?

Mr. O'Rourke: Right.

Mr. Zach: Let's say the City of Auburn and the County both say yup, we want to try this.

Mr. Luksa: Independent.

Mr. Zach: Right. You want to have a County website and a City website.

Mr. O'Rourke: Right.

Mr. Zach: So...

Mr. O'Rourke: You guys are signing up...so let's just that you guys are signing up...you're going to do this now. Okay? And you say...you call the County up and say hey, Barney's coming over to talk to you...if you guys are interested in this, let us know. Then they would actually would go in...they would be an affiliate under your affiliation. Okay? So, wish I had a chalkboard thing for...there's nothing in it just (xx).

Mr. Rybarczyk: Would they get the same commission as we would even though they're an affiliate or does what Auburn gets as a commission out of the County, deducted from their commission?

Mr. O'Rourke: No. It doesn't. Here's the drill. You guys...Auburn decides they want to do this. Okay? You guys get 2 mills on the deal. Okay? Now I, because I'm bringing it to you, I will make 25% of whatever you guys do but the company pays me that. Okay?

Now, it's the same situation if you guys brought in Cayuga County or if you guys brought in Syracuse. Okay? You guys get 25% of whatever Syracuse is making.

Mr. Rybarczyk: And all we have to say is Barney go talk to such and such and that becomes ours?

Mr. O'Rourke: Well, you know, yeah...

Mr. Rybarczyk: I mean if they signed up.

Mr. O'Rourke: Right. So you guys get...

Mrs. Hussey: There's more over there...

Mr. Quill: Did you give him the invisible ink?

Mrs. Hussey: Yup.

Mr. O'Rourke: This is the ...

Mr. Lupien: We want you to work for it.

Mr. O'Rourke: This is the old days, okay? This is like...this is very similar to (xx) marketing but you're not paying any money and that's the key to the whole thing. You're not paying anything to get involved and nobody makes any money by recruiting. Okay? If you guys get in on it, I still won't anything. I want to help you make money, that's why they encourage me to be here, to pay me the 25%. Okay?

So, you guys...there we go...so you guys get the 2 mills which is like that, okay? And you bring in Syracuse, you're going to make 25%. Okay? And you bring in Cayuga County, you're making another 25%. Okay. You bring in Binghamton, New York, you make 25%.

You guys are the first ones I've even talked to. Now if they bring somebody in, you make 12% of whatever they bring in. Okay? It goes down a couple of generations but again, it's all because...again, it's like multilevel but, again, it's not one of those things where you're paying to get involved. That's network marketing.

Mr. Zach: So, everybody that signed up, if they signed up through Auburn, they can sign up independently, right, it doesn't matter. Right? But, everybody, basically, unless you do that level like what you showed there, Syracuse or something like that, but the brokerage fees...that's a standard brokerage fee, 2 mills.

Mr. O'Rourke: 2 mills is a standard brokerage fee.

Mr. Zach: Yup and that's what everybody's working on. But everybody that signs up there, Syracuse, Binghamton, Cayuga, they're all going to get the same 2 mills for everybody that signs up in their...on their website.

Mr. O'Rourke: On theirs. And then...obviously the company...you know you say 2 mills is pretty standard, in a huge client, that's terrific. But, in smaller businesses, it's probably closer to 4...closer to half a cent. And some of that...that's what we're talking about here. So, if we were to having to negotiate a big client, we may not end up with 2, we may end up with 1 but...and then all the commissions are based on what we get. Okay? We don't want to get involved with that right now. I just...that gets a little more on the complicated side.

Mr. Lupien: So, going back to one of their questions, the person comes to the City of Auburn website, signs up, we get 2 mills.

Mr. O'Rourke: Yes.

Mr. Lupien: But if they turned around and he came in and we recommended, say Cayuga County, they come into the County's website and they sign up, the County's going to get 2 mills and we're going to get 25% of that 2 mills.

Mr. O'Rourke: Right. An example might be my New Jersey account.

Mr. Lupien: So it makes a difference what website you go one.

Mr. O'Rourke: My New Jersey account that I just picked up, I made \$6,000 putting that thing together. Okay? If this had been Syracuse, then you would have made \$1,500 on that deal. One of the brokers who brought me in, he made \$1,500 on what I did.

Ms. Ottley: So, I have a question. So, if we sign with you, you guys get 25% of our commission and then if we bring in other municipalities, do you...how do you guys continue to get paid?

Mr. O'Rourke: I make 12.

Ms. Ottley: You make 12 and we would make 25 and then the municipality would make the 2 mills.

Mr. O'Rourke: Right. Yes ma'am. We're all thinking outside the box here because, obviously, budgets are tightening up and we all have to start about different ways to make budget so that's...to get this all done.

Mr. Rybarczyk: So, if we did come into this first and we were negotiating Cayuga County, they really are not going to lose anything by coming in under our affiliate program.

Mr. O'Rourke: Yes, correct.

Mr. Rybarczyk: But yet we are going to make...

Mr. O'Rourke: This a win...that's a win, win because they...

Mr. Rybarczyk: But all I'm saying is if we were instrumental in bringing it in, rather than to reinvent the wheel, Cayuga County could come in as an affiliate and not have to do anything and they're going to get the same exact rate we are.

Mr. O'Rourke: Yes.

Mr. Rybarczyk: The only thing is, we are cushioning ourselves in the thing that when, if somebody from the City decided to go on...well, when they still...when they go on the County affiliate website, we're then only going to get 12%. Correct?

Mr. O'Rourke: Your going to...if you brought them in direct, you'd get 25%.

Mr. Rybarczyk: Yeah but if the County, if they go on the County's website, even though they are our affiliate, we don't get the 25% or the...

Mr. Lupien: No, the County gets the 2 mill and we'll get 25%.

Mr. Rybarczyk: So, they're going to pay the same exact amount with the County but we're...and we're going to get 25% of that rather than the 2 mill.

Mr. O'Rourke: Correct. I probably should...

Mr. Zach: If the County called you up direct and said...they'd do the same thing right? They're still going to make the same amount of money.

END OF TAPE

NEW TAPE

Mr. Luksa: Actually, you'll make a little a little more money if you sign them up individually.

Mr. O'Rourke: Right.

Mr. Luksa: Okay.

Mr. O'Rourke: But, but...this is what I do.

Ms. Ottley: I have one other question.

Mr. O'Rourke: I'd like to help you guys out so...

Ms. Ottley: Just not to speak out of turn, but with Terry Masterson here from the Cayuga County Development Agency, which is a non-profit organization that was set up a year ago to serve Auburn and Cayuga County. Is it something that CEDA could also take a look at?

Mr. O'Rourke: Sure. And that's how I ended up in this situation was looking at this as a fund raiser. How do you raise funds...how do you do this and raise funds with it? What do you do with it? I could go to a restaurant and make a couple hundred bucks selling electric but the real beauty of it is is doing this because now you guys are excited and potentially you could move this along and make a lot of money. Yes, the Economic Council could make money with this as well.

Mr. Lupien: Since we told Terry about it, it could be our (xx)

Mr. O'Rourke: Exactly right.

Mr. Lupien: It doesn't matter if anybody comes to his website, they get the 2 mills and they come to our website, they get 2 mills.

Mr. Rybarczyk: But we're still going to get a percentage of the action.

Mr. Lupien: It's just a matter of who's getting the 25 and the 12.

Mr. Rybarczyk: What's your, I mean, lack of an exclusivity, you're still going to get something out of the pie.

Mr. O'Rourke: Right.

Mr. Lupien: If you were in the recommendation.

Mr. O'Rourke: If you're in line, you're going get it.

Mr. Montone: So, it depends on how hard you work at it.

Mr. O'Rourke: Exactly. You could make a lot or you could make a little. It's really up to you. Now, we're not changing anybody's habits because people are buying electric. You either...whatever businesses people belong to or have them, you're burning electric. Everybody burns electric. So they're buying it regardless. All we have to do is say hey, take a look over here and buy it through this website because you've got choice and control. Choose any one of them, you're in control of the whole situation.

Mr. Montone: So it's recommended by the City.

Mr. O'Rourke: And we endorse it, it's the City. The City and Cayuga County and it goes on and on and on.

Mrs. Hussey: So the City...you only have select energy companies that can market, right, that you can buy all the information. Like, you don't do that, some of the other ones, is that right?

Mr. O'Rourke: No, we have pretty much...we've got 15 of the top...up to 20 of the top suppliers in the country bidding on the region you're going to...you're going to get the ones that are servicing that region, or this region.

Mr. Montone: And it's competitive. They're bidding in the (xx) so it's competitive.

Mr. Zach: You're still going to have people in town trying to sell...I mean Ambits marketing right now quite a bit in the City.

Mr. O'Rourke: Well sure.

Mr. Zach: They're still going to try to market.

Mr. O'Rourke: They've got one product. That's all they have. Play with that one toy or play with the whole toy box.

Mrs. Hussey: Barney, the City could just put a link to this website on their website? Would that include it?

Mr. O'Rourke: Oh perfect.

Mrs. Hussey: Okay. All right.

Mr. O'Rourke: Exactly. There's so many different...you could put a link onto it and then there it is.

Mrs. Hussey: And then market it...promote it.

Mr. Zach: Can you give everybody here a website that they could look at.

Mr. O'Rourke: That's on my card. If it doesn't come up...http://...that will probably...I think that's what you have to do in order to get on.

Ms. Ottley: So there...are there...you said that we would be the first municipality in New York State, that you were working with other municipalities and other Cities...

Mr. O'Rourke: A couple of my brother affiliates are, yes.

Ms. Ottley: Would you provide references for those?

Mr. O'Rourke: I can get you some, sure. I know there's a couple of Chamber of Commerce in Connecticut, in fact, that's the big push right now is for Chambers. I would strongly suggest that you call the Chamber.

Mr. Zach: Would you come back and do another little presentation?

Mr. O'Rourke: Sure, I'll probably do a better job of it. This is a little long-winded, I do apologize.

Mr. Zach: Well, we've burned up our hour here, so.

Mrs. Murphy: Oh, so we're done?

Mr. Zach: I don't know. Anybody have any more questions for Barney before we send him down the road.

Mrs. Murphy: No, thank you.

Mr. Quill: Barney, could you prepare and send it off to Denny and then he could forward it on to the rest of us...let's take Trish's example with CEDA being a, for lack of better words, the mother organization and then the County as one arm and the City being another and base it on x number of businesses.

Mr. O'Rourke: Sure.

Mr. Quill: Right now what would be and what the benefit to be to the City and/or the County to being the mother agency.

Mr. Lupien: The main thing that whoever's the first one going to get the...and everybody after...

Mr. Quill: But how much money...that's what I'm saying. What's the difference.

Mr. Rybarczyk: You mean put the 12% in dollar...

Mr. O'Rourke: You want me to modify the whole thing and then give...sure.

Mr. Quill: I'm sorry, Bill...

Mr. Lupien. I was going to say, you really want to be the first one because then you're getting the 25 of signed commissions and not the twelves.

Mr. Quill: Agreed.

Mr. Lupien: See you want the City of Auburn and then you want everyone underneath them.

Mr. Quill: But really what you want to do is a breakdown.

Mr. Lupien: Actually, what we want is we want to be the ones that say hey the Conference of Mayors and a few other places, they look at...there is this new plan, we've got a salesman named Barney...

Mrs. Murphy: Check out our website.

Mr. Lupien: Check out our website and then anybody that signs up, we get the 25 so they still the 2 mills, just like we would except that...

Mr. Quill: Billy, I'm from the old school. If it sounds too good to be true...

Mr. Lupien: But somebody's got to get the commissions.

Mr. Rybarczyk: No question.

Mr. Lupien: Even on these pyramid ones, they've got to give it to somebody.

Mr. O'Rourke: Mayor, the affiliate program has been around since the 70s. A lot of these are...if you were to enter into an agreement with even Wal-Mart or Kmart, and you were going to promote their online website, they would pay you to do that. Okay, so this is basically what the affiliate program does. Okay? So you could get a commission, basically by promoting their website. That's basically what this is all about. An affiliate, again, they've been around since the 70s and there are a lot of programs out there, particularly, that you would probably be interested in as well.

Mr. Lupien: Do you offer the same website format for all of your customers?

Mr. O'Rourke: They are identical. Everything's the same so there's no...

Mr. Lupien: So, somebody in Syracuse has the better looking one and everybody...

Mr. O'Rourke: Not a chance.

Mr. Lupien: You've got to think about these things.

Mrs. Hussey: What happens if the City puts the EMEX link on their website and also puts in another brokerage firm or a couple more brokerage firms on their website? Is it exclusive with EMEX?

Mr. O'Rourke: Do whatever you want. I don't know why you would but you can do that. I mean, there's...if you wanted you could do AMBIT, you could spend the money to do that kind of thing...that type of stuff. It's an interesting idea.

Mr. Zach: Okay, people are going to basically going to look at the list and they're going to pick the best prices anyway. That's what I already do. Okay.

Anything else for Barney?

Mr. O'Rourke: I'm sorry I took so much time.

Mr. Zach: Well, a lot of questions.

Mrs. Murphy: Thank you.

Mr. O'Rourke: You've got my card. If you have any other questions, feel free to e-mail me or give me a call and I will get that for you.

Mr. Quill: All right. Thanks.

Mr. Lupien: Just make sure you spell Auburn right on our commission checks.

Mr. Zach: We're going into overtime. The Mayor going to have to buy dinner.

Mr. Quill: I've got a Town Hall Meeting to go to.

Mr. Zach: All right.

Mrs. Murphy: And I'm going with him.

Ms. Ottley: To the Town Hall?

Mrs. Murphy: Town Hall Meeting.

Mr. Zach: I'll just say this...what if...I'll just say this quick on that NYMEX thing is...I want everybody to jump on their website and see if you get some understanding of. What he had up there was a lot more confusing. What he showed me over a month ago was...what was one of the other states and that was for a residential thing. You just dial on the thing and then Bing would come up – you put in what you were already at...some of your information on building and what you use is for and it just quoted you against what you were already doing. That looked good. That looked pretty confusing for me because I'm not a computer geek.

Mr. Montone: Let me ask a question. How many people here use an ESCO to buy their power?

Mrs. Hussey: I looked into it.

Mr. Luksa: It has a really (xx) advantage...not as far as NYSEG and the market...hasn't been a real advantage, not that I've seen anyway.

Mr. Montone: So everybody's with NYSEG right now?

Attendees: Yup, yup.

Mr. Zach: Well I'm not.

Ms. Ottley: Would that be true for the commercial/industrial?

Mr. Luksa: That's a little different.

Mr. Montone: The City itself too has an account with, I don't remember what it is...

Mr. Lupien: Co-op...something co-operative...National Fuel is for the gas and what is it...Energy Co-operative of America for the electric.

Mr. Montone: So, would we get the 2 mill ladder by putting in the City's accounts?

Mr. Zach: If they were competitive, yeah.

Mr. Lupien: Well what we did is we did what he's trying to do by the auction bid, we went out and actually got bids on certain phases...we had to go through all that work trying to put the thing together. Now the whole thing is is though if the standard rate is 2 mills and say you're using a 4 mills example, there is...potentially we could have maybe saved 2 mills if we could get enough usage that we could track the same companies that he is. Of course now, by aggregate...

Mr. Montone: That's not what I mean. We sign up with NEMEX, or whatever the name is...

Mr. Lupien: Oh, I see what you're saying...

Mr. Montone: ...and we buy the power for the City, that account, the City's account, we should get 2% back...or 2 mills back.

Mr. Lupien: Say if we use the website to buy it...

Mr. Zach: The price...they'd have to have a competitive price too though.

Mr. Montone: Yeah...

Mr. Rybarczyk: You're getting fifteen different prices.

Mr. Zach: Exactly, exactly.

Mrs. Hussey: You'd have to be an affiliate, you would have to in their affiliate program if you...I mean, you don't automatically get a 2 mill rebate if you buy from their website. You have to be registered and be that affiliate.

Mr. Montone: What I'm saying is that we are the affiliate but we're also selling the City the power. As a customer, we're not getting the 2 mills for every...

Ms. Ottley: I have a question.

Mr. Lupien: Yes, you're right. They've got to give it to somebody.

Mr. Zach: For the sake of time, I'll get together with you a little...I've got to research it myself more...I'm sure Terry's down there thinking out loud on it too, I can hear him, I can hear the wheels turning. All right, for the sake of time, try to move on here a little bit. We'll do a...let's move on to do a quick hydro update. There's a couple of items, Tony would you...

Mr. DeCaro: We had a Federal inspection on for it...we have a new inspector from Nigeria and I have practiced saying his name but I'm not going to take a shot, just I'm being recorded. It's a new inspector from Nigeria. I think he's someone that we'll be able to work with. A couple of things have occurred. One is that on the day of the inspection, we had a bit of bank subsidings above the riff raff on the west side of the dam on Mill Street. They had been talking with us to follow one of the recommendations that they had wanted and that was for reinforcement and construction of concrete wing walls as outlined by the third independent review, and because of the failure of the bank, due to 20 days of rain, I think that we're going to be seeing it figure prominently in this inspection report, the failure that bank occurred the day of the inspection...it's all in the timing.

I also think that while we didn't specifically talk about the license exemption time line that we had submitted in 2008, he did ask some general questions about our exemption and about that. Although he talked about the fact that his inspection division is a completely separate division apart from that which reviews the exemption Board permits.

To review quickly, for anybody here that isn't aware of that, if you have a hydro site in the private industry, they grant you a permit to generate power. A municipality actually doesn't get a permit to do that, we get an exemption from permit, so we're exempt from the fees and all of that. So, what we had to generate power at North Division is an exemption. What he at Mill Street also is an exemption. I think what we're going to be seeing now from him is going to be a requirement to follow through with a plan for these (xx) because of the failure of the failure of the bank. I also think that, at least I have the impression, which Bruce shares, we talked about it before the meeting today, I think that we're going to being some mention of the schedule that we had submitted in 2008 for the development of power there and I think they're going...we're going to be seeing them start to question whether or not we are in the position to submit a credible schedule to them. I think we're going to see a question about that.

Mr. Rybarczyk: Is it a good thing that bank thing happened while he was there? Is there any emergency money from this storm monies that they're trying to put together?

Mr. DeCaro: I don't think we qualify on the emergency criteria because it really hasn't endangered anything, it's just the timing. It's not actually that...it's not even that big a failure of the bank. It's not endangering anything, it's just (xx) the soil. I can show you if you want to go out and take a look. Next time I'll have some pictures of it.

Mr. Rybarczyk: I'm just curious if we qualify for anything? FEMA money or something. It's work a look. It could get awful serious overnight.

Mr. DeCaro: I will get pictures on it and bring it through channels to find out.

Mr. Montone: Will it stop us from generating power if we were to refurbish the place?

Mr. DeCaro: I think if we go to refurbish the place, I think that they will be pushing us to follow through on the recommendation that we build those walls. I think that's how it's going to end.

Mr. Montone: So maybe that could fall in line with that funding that (xx)

Mr. DeCaro: That's that I think. As far as any FEMA funding, my experience with FEMA in the past, I think we're going to be below thresholds for that but we'll follow through and find out. Okay?

As for (xx) as far as North Division was concerned, he was fairly happy with what we've got going on at the site. We have...we've been tracking our security and maintenance plans for both sites, he reviewed. He was fairly happy with what he saw there. We were operating at the time that he was there...it was still in operation. We shut down today. We ran out of water today. We've been operating other than about ten days interruption since last September. So we had a really good run. Actually today was the day that we finally pulled the plug on it. So, he actually got to be there while it was in operation. So, there's some seepages that go on there but the plan that we have in place to monitor those, he was able to see and review and take a look at. I think it was a good inspection and we'll see from his correspondence to us exactly what action he'll want us to take and as soon as we get that, I'll share it with you. That's where we are.

Mr. Zach: Thank you. I'm trying to save a little time here. Nancy, I'd like to ask you a favor of you. The North Division hydro...the 8 cents or whatever the rate, that runs in December 2012. That contract does continue on but that price that's there is going to die at that period of time. Could you get together with Vicky and take a that contract and see if what our options are there – whether we need some more legal advice to see what we can do because if that just hits 12 and they do what they did to Mill Street, the price is going to from 8 cents down to next to nothing. So, give us some idea what our options might be or whether we need more legal counsel on it by the next meeting.

Mr. Montone: The contract itself actually goes to 2019 or 2020. But this rate expires at the end of 2012.

Mr. Zach: Right. There's some fuzzy stuff there to, but I'll let somebody who understands that a little better first.

Mr. Montone: A great deal (xx) Collin's proposal. He talks about exit, (xx) fees and reverse funding...that's what could happen with it. We could end up owing NYSEG a lot of money, based on that contract. So, you want to take a hard look at that part. It goes the other way after a certain period of time so it may be worth breaking the contract.

Mrs. Hussey: In the end, it may be better sooner than later to get our legal counsel look at it. That sounds really...

Mr. Montone: Yeah, you've got to take a hard look at it. Neil does address it, I mean he's making that proposal so.

Mrs. Hussey: I'll send that. You'll have to send me a reminder but I'll do that.

Mr. Zach: Next item...Terry, would you like to do a little update on CEDA? Have you got anything that you might have been working on? Where we're at? Anything we can do to help?

Mr. Masterson: In two weeks there will be the annual conference for New York State Economic Development and we have a meeting with Mike Devane [sp] from NYPA who will be there and will ultimately be in charge of the work, collecting applications, and also the President of NYPA is going to speak as well. I've gone to it for many years...in May everybody gets together so it will be interesting to have those people there to hear what they have to say, both of them.

We're going to schedule another meeting for the utility group to come together...probably after the visit in May because then I'm pretty sure we'll be able to come back and have tangible ideas, when we're supposed to apply, when they're going to make decisions. I've been told, by talking to Mike three weeks ago, that all low cost power applications will be honored through 2012 so that will mean that the new program will start in 2013. But, obviously, that's just a wild guess. Be that as it may, we, as I mentioned before, will have very sequential work program for us which is that once we understand what the program is and when it starts, then we're going to try to figure out if want to apply and we're going to go to visit those businesses and help them apply so we know that...and Mike Devane has said to me that we will want to do this. We want to make sure that applicants have the application, they fill it out, they fill it correctly and then we're going to keep track of who in Cayuga County has applied. We want to try to figure out, from using guess work or what they tell us, what we think we can get and then we have to make some thoughts and thinking seriously about there's enough for everybody or whether we have to start to prioritize.

Mr. Zach: Is it something we can start doing right now as far as...my understanding is that there are 975 megawatts, right? Part of it's going to be to help the businesses who are already there. I mean like McGuey is putting people back on...Is that something we should be looking at to try to get them, to get a piece of that or do we have to wait down the road? Is there an organization that you think that can be put together to get this already started ahead of time so when the time comes we're not the last one in line?

Mr. Masterson: Say that again...I'm...

Mr. Zach: What I'm wondering is that, if I understood you correctly, it's probably going to be 2013 before this power is actually going to be officially allotted, that you said that there's going to be no actual hydro allotments until that time? You don't know.

Mr. Montone: I think what they're doing is an audit of all the existing. If they find some that are not in compliance, they're going to take it away. It'll be added to this (xx). But, it's going to start fairly soon because they changed the name...Coleman's pushing it real hard so you'll probably hear that when you go to your meeting.

Mr. Masterson: Because everybody's that currently getting the power is going to have to reapply, that's what I've been told. Everybody goes back to the starting line and starts all over again. How long, as you're saying, how long is it going to take them from the point they get the application to make a decision, that I don't know. I don't think they're going to take all of 2012 to do it. So if it's sooner than that...

The other important part of what we want to do is that once we understand who's applying and where we're going after, we have to have a concerted effort to talk to our legislators to let them know we've done this, to see if they can help us as well because that's going to be important. We're also going to try to figure out regionally what Onondaga is doing on behalf of Welch Allen and Tessey and some of those other employers who may not be cognizant of what they should employ a lot more residents, that we want to make sure that they're in the mix too.

So, there's a lot of interesting questions and issues for us to talk about.

Mr. Zach: So, after the conference you'll probably have a pretty good idea on the structure that we've ought to move ahead with right away.

Mr. Masterson: I think so.

Mr. Zach: Start getting businesses lined up because now's a good time because fortunately some of the local businesses are starting to put people back on, you might get employment credits for that sort of thing.

Any questions?

We'll try to run through the landfill quick. I haven't checked in the last week or so...I've got to apologize, I have been laid up for the last couple or three weeks and I didn't do some of the

things that I had planned on doing. Is the gas in the landfill starting to come back up again with the temperatures still pretty much staying static?

Mrs. Murphy: A 42.7% average last month, we generated the second least for any period. I've got the figures if you want that.

Mr. Zach: I'll have to look at that.

Mr. Montone: What I've got here is the CH remained low as we ran two units at 600 kw, computed average Ch4 for the week was 44.3%...this is for the week now. The average meter plant output was 1190 kwhrs for the metered period interval. The capacity factor is at 5952. The parasitic load, they're averaging 10,000 and they've bought from us, hopefully we've been paid, 14,356,000 kwhrs. So this is that weekly status report that you get, I think?

Mrs. Murphy: Yes.

Mr. Montone: Everybody can get this if they know how to get online. It gives you some good information. We're only averaging about 1200 kw. Like I said, two motors running at...

Mrs. Murphy: 600...

Mr. Montone: Not quite...a little more than half.

Mrs. Hussey: So how much is the cost to the City for the gas? The same? Because we paid for the 2 megs?

Mr. Montone: We're not using natural gas.

Mrs. Hussey: No, no, but we have to pay them for 2 megs it generates.

Mrs. Murphy: So, how much is that?

Mr. Montone: Well, it would be 800 kw...

Mrs. Hussey: At 5 cents...59

Mr. Montone: No, no, whatever...5.99.

Mrs. Hussey: 5.99

Mr. Montone: The gas amount...we were producing enough gas, we need to pay the light...

Mrs. Murphy: We're still losing money though.

Mr. Montone: We have problems. The gas...

Mr. Zach: All right. I did talk to Mike on the wells. He and Al are putting together their plan, I guess, to put the wells in and hopefully they'll be in the ground, or be able to start into the ground, by July anyway. So, hopefully, that's going to help with that problem. That's actually right at the planning stages, ready to go to the State, the State approves it, it's my understanding, and then they can go ahead and drill. Okay?

I'm not going to touch much on Casey Park unless Bill's got...I put that under...I'm going to try to make this a monthly heading on the Agenda, any updates from any of the City departments that would like to say anything. Have you looked at any part of Casey Park or anything?

Mr. Lupien: We were supposed to get together...

Mr. Zach: I know, I know. I'm sorry, I just about a week after I went out of State for four days and I've been...

Mr. Lupien: That's okay...we'll postpone it.

Mr. Zach: All right. We'll put that out and move on.

Gilda and Bill Graney, I believe, Mayor Quill...I don't know if anybody...they did a tour...

Mr. Quill: Just Gilda as far as I know.

Mrs. Murphy: Yeah, it was just Gilda.

Mr. Zach: I did get some information on that and I didn't get a chance to check into that. I also...they did a tour of a sludge pelletizing process which, hopefully, by next time around we'll have some idea whether...what it looks like. Is somebody looking into that Council-wise?

Mrs. Murphy: I'm supposed to contact that Gilda sent me and I just haven't had time.

Mr. Zach: Okay. All right. I'll do a quick one on that 360 Permit. Vicky, would...there is a possibility that down the road the sludge could go to the County digester?

Mrs. Murphy: I was doing just a pre-application for the...just to see what we needed to do if we did go with the bioset and the DEC asked me why weren't we taking our sludge to the Regional digester, which by the way isn't running. I told her that I was told by the County that we can't take our sludge there, that's what they told me. So she did some checking and she said all we need...it can go there but what it will mean is that they will have to get a 360 Permit. So then I called the County back and he told me that it wasn't running right now and that's their biggest problem. He said they don't even want to look at a 360 right now because it's not running. I offered that the City would do the permit if they would take our sludge. He said that he would get with his engineers and let me know.

Mr. Montone: The County project probably won't be running until August.

Mrs. Murphy: September he told me.

Mr. Montone: They had some money hold back...

Mrs. Murphy: Yes.

Mr. Zach: A quick run by on the recs. I see your e-mail from Stack...says there's still some problems with the NYSERDA stuff. But, I've been told and maybe I can ask John, can you do a little research on that because I've been told there's other people who've gotten NYSERDA grants and still been able to bid in a market...see if we can figure out if that...because I'll tell, NYSERDA's done a lot of political things. If you look at the money they've spent over the years, I don't know if I'd exactly call them earmarks, but they certainly look like it. I would think that if get some political support, maybe we can get by that and get on with that rec auction. But, I guess the last I got today from you today was that they're going to look at some independents but that's not looking good at this point.

Any old business? Everybody's hungry.

Mr. Montone: I've got a little new business, just an update on the County situation with the study, the feasibility study. We had eight engineering consulting firms, we shortlisted it to three and then we finished it last week. We picked one company and their going to...it's going to be presented in front of the County Legislators the first part of June, I believe, and then we'll start moving forward with the study. Biogas pipeline, there are pipeline in the generation end of it in the whole scenario. There are two interested parties, if you will, that are considering possibly going to build in that area. It's related to the dairy situation...more the food industry.

Ms. Ottley: John, how long do you think the feasibility study is going to be?

Mr. Montone: Probably six to eight months. We're doing it in phases. The first phase will give us a good idea and if it's a go or no go, then the second phase will get (xx). So I'd say probably by the end of the year we'll have a complete package, if you will, to make a decision on it.

Ms. Ottley: Then the engineering firms are not public at this point?

Mr. Montone: Not yet but I can tell you that this particular firm has done a lot of similar type studies and they're very well qualified. It'll come out very soon.

Mr. Zach: Any other new business?

We've got an LED project that's still moving ahead.

Mr. Lupien: Yup, that's (xx) I talked to the girl, we can probably get it out to bid in June of this year. We've got another two experimental models out there on the Connector Road,

John Walsh Boulevard, on the side of Wal-Mart. If you go down there, there's a couple of Holopane and they're LED. Then we left some of the high pressure sodium. Then we've got two different brands, two induction and two LEDs farther down the road. So we've two groups of white light, two groups of LED lights and two... We've got that lumen meter, we'll probably get out there shortly.

Mr. Zach: Yeah, Seth's got it.

Mr. Lupien: Seth's got it and we're going to have to get out there at night, one of these nights, and take some readings and see what the existing fixtures will do. Like I say, the second... we're going to be doing all of the Downtown lights. That will be a retrofit. All the City-owned metal poles... anything that's not wood, basically the City owns. We're going to be replacing all the LEDs there. And then after... the Parking Garage just started and after they get done fixing up them, probably in October we'll go in and replace all the lights in there as well. We've got experimental ones up over there too but that one will be a second contract. We'll have everything done by next spring. I think we have until April 2012 to spend the money and get it done. We'll do that.

Mr. Montone: Back on the solar, Mike, there's a big initiative right now.

Mr. Luksa: Well that's what I was thinking, isn't there a program starting in Syracuse... the guy wants to develop but he also wants it...

Mr. Montone: We're doing a 10 megawatt solar project under the New York Power Authority at some point. But, NYSERDA and a whole bunch of them have a big push on it. Senator Nozzolio is on a committee pushing it so we need to revisit that and see if it's feasible here. Because of the costs of the technology, the equipment has come way down as compared to say five years ago.

Mr. Luksa: We had had that girl two or three years ago, she brought up the filtration plant. We had the area there and everything and the proximity to all the power out there because that's quite a load up there. And with the things happening now, I just wanted to bring that up.

Mr. Montone: I think... we'll talk to Christina but we need to take the time and look for the bonds from NYSERDA.

Mr. Lupien: We actually looked at three different applications, one over here at the Parking Garage, put on the signs and then we're looking for a ground mount maybe at the Water Filtration Plant and then also up on the roofs. Try all three different applications. Through NYPA, because NYPA gives a 25% administrative and inspection and that's real high. The number... the payback wasn't good when we did that. Central New York Solar – they were getting it down to about seven years. If we can get it down to five years... now that we've got another generation of (xx) out there, capital costs are coming down, the efficiency of the solar is going up and we're getting real close to where we probably should hopefully get on with that and do some pilot programs. There's no reason why we can't start off with three of them. Do three

programs and we'll find out if it's (xx). They've been doing that over in Syracuse and the School, (xx) Street all along.

Mr. Montone: They've got it at the reservoir over there.

Mr. Zach: That landfill issue was really good for her...

Mr. DeCaro: At the Reservoir (xx) pump stations, we've got a lot of area for that too. We've got some land that we could those on.

Mr. Montone: We've got a lot at the landfill where we could do this. I think we should...again, get into it, look into it.

Mr. Zach: Terry?

Mr. Masterson: On that topic without (xx) it might be good to mention the (xx) that I met an individual who represents a business that makes trackers, tracking devices. We made an effort to identify some sites for his business. We are meeting with him...I don't pretend to be an expert on any of this – he get couldn't quite get a definition, maybe it was my being tone deaf, but really how significant would these power backers affect the usage of a say, a basic warehouse with just lighting for a high end factory. Because the company did express an interest in trying to find (xx) as all businesses want to do. That begged the question to me, we'll be happy to try win him to businesses in our City and our County. We're trying to figure out, is the market at such a point that that technology could make a difference? Or, is it just going to be an incremental decrease in, say they go out to McQuay and put a bunch of tracker in the back door, would they really be giving them something that McQuay would say yah, come on in. We also talked about trying to find flat acreage to create in essence some kind of a farm for these devices to generate the electricity but then that seems to predicated on finding customers. So, again, we were back to trying to network contacts and clients for this company, which we could do. That's not that hard to do, is it? So my question is, is this a significant generator of electricity and is it worth our while to try to find him those accounts?

Mr. Montone: In the west, the trackers are used all the time. What they do is face the sun. These are (xx) that can take. So it's very useful here, we need to face everything south to generate as much electricity as we can. Yeah, I think there's some business out there that...again, if you...how big of a scale we're talking, it's the whole scenario there.

Mr. Zach: Was he looking for warehousing to manufacture here too or is he just looking for sites that maybe would help with sales to make it happen?

Mr. Masterson: If my memory is correct, he's looking for probably about 8,000 to 10,000 square feet of space to have the manufacturing for the trackers and about 2,000 square feet of walls.

Mr. Zach: Did they also make the panels or are they just building the trackers and use existing manufactured-type panels?

Mr. Masterson: Trish can correct me here...he (xx) the trackers...

Ms. Ottley: Yes, he makes the trackers.

Mr. Masterson: So he's going to rely on someone else to put the panels in. But he will...but he was very confident about his product because he said unlike other competitors, his trackers are durable, concrete cement-based into the ground so weather is not going to knock these trackers around, affect their productivity. So, he felt he was competitively in a better position for what he does than the other trackers that he's in competition with.

Mr. Lupien: Is he using the same solar power to power the so you don't have to bring in an independent power source over?

Mr. Masterson: I'm sorry, say that again?

Mr. Lupien: Is he using the power that is being generated by the (xx) to actually make it move?

Mr. Masterson: That's a good question, I don't know.

Mr. Montone: I would say probably some of it, not all of it. Is he looking for an existing building or ready built?

Mr. Masterson: We got both answers.

Ms. Ottley: Yes, I know.

Mr. Masterson: Like a lot of businesses...

Ms. Ottley: We presented all that information to him.

Mr. Zach: I'd say the small one needs a battery backup to make sure they get started in the morning (xx) down in position first time, then after that they're pretty much...

Any other new business? Motion to adjourn. Luke Rybarczyk seconds. Adjourned.