

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, APRIL 11, 2011
AT 4:00 PM

Members Present: Dennis Zach, Chairperson, John Montone, Mike Luksa, Nancy Hussey, Jim Wride, William Graney, Luke Rybarczyk, Vijay Singh

Members Absent: Krste Biljanoski, Nicholas Brindak, Mike Luksa

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

Staff Absent: Andy Fusco, Bruce Ross, Vicky Murphy, Christina Selvek

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

Mr. Zach: We'll open our meeting. Did everybody get a copy of the minutes in their e-mail? I entertain a motion to approve the minutes. Bill [Graney]..do I hear a second? (Luke Rybarczyk seconds). All those in favor show of hands? *Unanimous approval by show of hands.* Carried.

First item on the Agenda is our hydro update, Mill Street and North Division both. We have a couple of different things to talk about but I didn't get some of the work done that I wanted to on that. What I was going to try to do, since the last time we talked or last month, was try to figure out a way and what it would cost to actually transport the power and stuff and I did not get a good answer back from NYSEG on it to it and partly, I didn't follow up on it as good as I should. But, I guess there is the possibility down the road of putting our own line up there. I think we can get around that alright but crunching the numbers as to what it would take to payback (xx) for the project what (xx)¹..I talked to Vicky on it twice and she pretty much said "yeah let me see the numbers, you know, we've got to payback...forget it at this point" as far as she was concerned. I think probably Council would feel the same way. I had asked Chant on what their original estimates were, and they were basically in the same ballgame that what Canadian Turbine had come up with-probably to do an upgrade you're looking at roughly at a million and-a-half, maybe as high as 2 million dollars to do the upgrade which would double the output of the plant but there again, we've got to crunch the numbers. Mark O did send me the contact people from the ESCOL(?) that the City's buying power from right now, but I have not contacted them to see whether we could work the deal that (xx)..you know wielding the power through the ESCOL (?) that the City already uses. So, I've got to do some more research on that. As a matter of fact, I'm not real sure exactly what NYSEG is required to for it as far as wielding the power and what those charges would be. Maybe John...

Mr. Montone: Just the interconnection study would have to be done again then we'd be selling power to NYSEG. If there was a reduction in this building, we'll say, then we get a credit-we have to pay NYSEG the distribution charges. You will recall that we had that

¹ (xx) indicates inaudible

meeting when meeting when Jeff and Derek and Terry were talking about doing things like that-that dealing with NYSEG...

Mr. Zach: I was going to get together with Tony and didn't do that either but we're going to update...did you get some updated...

Mr. DeCaro: I put in a call...I talked to Vicky and she said go ahead so I put in a call to Lepo (?) and to Philadelphia Gear and I made a request for them to update the quotes for the turbine and the gear...switch gears for John and Mill Streets and I haven't received those yet. But, they are updating those quotes for us. That would be for the pivot gear and for the turbine itself. So, they're going to update the figures that they had originally given us from 2007 for refurbishment of the Francis (?) turbine and the right-angle gear that translates that power from the turbine to the generator. For the generator itself, we can get to quotes from a couple of places. I haven't actually done it yet but we can get the information both from KJ and from (xx) for the turbines, for the generator itself.

Mr. Zach: Chant had given me a loose proposal that I sent out that but basically later I told him don't waste a lot of time and money until we get some way of crunching some numbers on the payback with the power. They said they thought they had a buyer at a nickel at one time for green energy but I think it...Where I'm coming from, that plant right now I think needs so darn much work to put it back on line, being with all it needs, maybe it will be a lot cheaper. I think if we're going to do something with it, we might better look at doing the upgrade. Doubling the output of that plant I think makes a lot more sense and then try to patch it up and keep it running the way it's at because the way it is right now, you're still going to have other stuff wear out down the road. I just think what all new equipment, Chant says we're probably looking at a year to get the equipment in. It's basically the same type of stuff that Canadian Turbine was looking at a Catlin-type (?) turbine and the same kind of equipment.

Mr. Montone: Now's the time to do it because next year it has a big (xx).

Mr. Zach: I know it. Well, we've got two members of Council right. What do you think it would take to have Council consider doing the upgrade or buying it and putting out the line?

Mr. Graney: Well, you know where we're at on budget situation right now.

Mr. Montone: We should look at Christina or whoever is going to be doing it to look into that pond from NYSERDA because they would put in a lot of money there. Probably wouldn't be a matching grant but...

Mr. Zach: There is a bill, a Federal bill, I guess number S361 that has been proposed that would bring the hydro up to all four regs of wind and solar and everything else like that. I thought it might not be a bad idea to mention it to the Mayor this afternoon that I would think that we ought to request Council to send a letter of support to our local New York Assemblyman and Senators in support of that bill because we've got several hydro spots and

that would all...being able to get the extra rec credits and everything for development. That Bill, the way it's written, is not only just for new but it's also for upgrade. So, I would like that we recommend Council look at that and write a letter of support to our legislators.

I'd like to make a motion that the Power Agency does the same thing, that we write a letter to our Assemblymen and Senators in support of that Bill and see if they can push it through.

I will make the motion that we do so as a...

Mrs. Hussey: Do you have a copy of the Bill?

Mr. Zach: No.

Mrs. Hussey: Have you read it or anything?

Mr. Zach: I should have printed off but I will. Do you want to...do you think I should wait on that?

Mr. Montone: Is it on the website?

Mrs. Hussey: I would prefer reading it before I voted if that's okay.

Mr. Zach: All right, let me..

Mr. Montone: Basically what it is changing hydro to the same thing that wind, solar can do. Renewable energy credits that carbon credits.

Mrs. Hussey: Okay. And it's 321?

Mr. Zach: I think it's S361.

Mrs. Hussey: Okay.

Mr. Zach: All right, let me...I'll send out an e-mail out to everybody on that and see if I can get that and print it off.

Mrs. Hussey: I'm sure there's probably no objection to it but it's good to look at it before we...

Mr. Zach: Yes, I agree, you're right. I don't know how much time there is on that NYSERDA time. Okay, well...

Mr. Montone: So, are we going to have Christina look into it?

Mr. Zach: Yup, yup. I think she already has because I know she had the e-mail but she's not here so I don't know where that's at but I will contact her tomorrow and I'll let you know on that too.

Oh dear, the landfill project? We don't have anybody here for that one on the carbon and recs. Hold it, Terry, would you like to jump to the front of this on restart so you can get out of here or do you want to wait until the end?

Terry: I can wait, that's fine.

Mr. Zach: Pardon?

Terry: You talking about recharge?

Mr. Zach: Yes.

Terry: It's no problem (xx).

Mr. Zach: I've got in at the end under "New Business" so, okay, fine.

All right, landfill-the update on the carbon and recs, I know we basically had told CANTOR to go ahead and get us the thing but I don't have the report on that. Neither Christina or Vicky are here tonight so I don't know what to say there.

The second item on the agenda under "Landfill" I put discussion that I've already had a little talk with John Rossi. He had some advice on this anyway but, I think the study's about complete or is completed and the only thing I would like to here tonight, I've already made that request is if City Council decides to start negotiations that the Agency has representation in that process.

Next item under that is the Casey Park. Bill, have you gone any farther with that?

Mr. Lupien: Actually, we were supposed to meet the DPW out there and we never did get a fair call in.

Mr. Zach: Well, we've got a price. Basically, you're running the power out there. Right?

Mr. Lupien: And it's just a matter of ...that was like one element that they weren't going to do the underground and they weren't doing the transformers. We're still going to have them do the whole project as soon as we know what the total cost is then we can do an economic analysis on that.

Mr. Zach: Do you...

Mr. Lupien: Let me get a hold of O'Connell and let me...

Mr. Zach: I'm in good shape the rest of this week if you want to get together and go down and see DPW and see what work that they might think they have time that they would be willing to do. But that price didn't include boring under the road, right? It's like \$147,000?

Mr. Lupien: You're right.

Mr. Zach: But, we still have to...we'd have to do the direct bore under the street?

Mr. Lupien: Either that or open and cut. Either one. One or the other. It is our street so its...we'd do what's more advantageous.

Mr. Zach: Then we'd have to replace both transformers.

Mr. Lupien: Right, both transformers.

Mr. Zach: And the underground at Falcon Park.

Mr. Lupien: Let's get together in the next two days.

Mrs. Hussey: What was the price to run the power, do you recall?

Mr. Montone: \$146. The overhead for the poles right up to North Division Street and then we would end up having them...but, like Bill said, we should price out the transformers. Probably add another \$50,000 to that. I think we can say (xx)

Mr. Lupien: Even if we it gets up to \$300,000 it's probably still...

Mr. Montone: Well, I mean, we got..the City going to be chipping in, if you will, to do some of the work so if you cut the road..

Mr. Lupien: Well, yeah...I mean, we did the economic analysis that was on \$300,000. The Casey Park bill where power (xx) like \$86,000, with the (xx) it was \$89,000. We're still buying power for (xx) all the transmissions so probably save an easy \$45,000 a year.

Mr. Montone: And eliminate all those demand charges.

Mr. Lupien: Right.

Mrs. Hussey: And then that'll help with the deficit, the shortfall...it will give us an accounting.

Mr. Lupien: Right, that's another point. So, you're going save at least \$50,000 a year. It should be an easy payback in seven years or less.

Mrs. Hussey: And what's the goal on repayment?

Mr. Lupien: Well, if it's under 10...should be (xx) 7 it should be a no brainer.

Mr. Zach: One of the things just as a reminder, we've got to look into too is on the line that runs into the Casey Park part, there is a private customer on that. But it's..

Mr. Rybarczyk: No they're not. They go to their own transformer.

Mr. Zach: Aren't they all set pole runs that goes into Casey?

Mr. Montone: No. Totally separate.

Mr. Zach: Good. All right, well good.

Mr. Quill: If we're going underground or we have to under Division Street. Is there any benefit to going underground the entire length from where the last pole is on Allen and running it all underground? I don't know the price difference between over and underground. Underground is more expensive?

Mrs. Hussey: Unless we do the digging, right? But then you have to also give the...

Mr. Quill: ...which is the wire itself...

Mr. Zach: Yup. And they would have to, we'd have to hit a...I don't know, I'd have to go measure and see but boy, it would be quite a poke to get to that manhole at Casey Park. I mean, that would still be pretty good wire pull. That's a...and I don't think you can direct bore, there would have to be more select to be on City property so you'd to go around them residences and get there anyway. So, that could be a tough pull. You might have to set another manhole to make the 90 degree corner to go up to the existing one.

Mrs. Hussey: What about an easement?

Mr. Zach: Pardon?

Mrs. Hussey: What about an easement, getting an easement from them.

Mr. Zach: That would be a possibility. But, just like John Just said, the cost of the wire and stuff in the...boy!

Mr. Lupien: We're going to have some that pulls anyhow just for our own distribution system. So, having...to do a lot more direct burial you might save on one or two poles but the cost would be a lot more expensive. We're better off going aerial as far as we can and just water the ground, water the street a bit.

Mr. Montone: Well, if the City did all the digging and you put, installed conduit along the right-of-way of the road, if the City did the digging, then you can price it this way. And if you put pvc conduit 'til it crosses the road at Division Street, what would that cost as far as using the City crew and then the price of the wire? The wire itself and the conduit is what you'd be looking at. So, and that's a simple job but again, you've got to dig...there could be a lot of different things up through there. Overhead, have you talking, I think you said 6 poles. You know, what we call one hot wire.

Mr. Lupien: The nice thing is though, correct me if I'm wrong John, is if we have the aerial, right, and that's our own distribution system, then we can pick up customer off that line in the future if we have business sell powers.

Mr. Montone: Yeah, and maybe the underground too but.

Mr. Zach: Well, we can get together with Randy Fletcher from O'Connell and have him give us both options. You know, see if there's some underground that would be involved there. Find out when you've got a slot and I'll meet you there; I'm in pretty good shape this for this week. Maybe, hopefully by next month we can have a reasonably (xx) price on what the exact cost would be until we can figure what the payback is...look at the power we're using now so...

Next item is an update on the pellet factory. Terry and I went over and met with him, with John. He's still interested but he's got, basically he's got to start the project I think from scratch again, with the investors and the whole thing. He sent back a...he sent us a little bit of an outline of the things that he has to accomplish in order for it to happen. I'm basically still chasing that because we need the heat sales. Potential..but not selling all the heat..that heat sale to the City is a big item in our profitable end of the deal. So, the letter of intent basically...there's nothing there that can happen until he makes final application (xx) and then starts a purchase power agreement.

I've put together a little bit of a statement that I'd like to get together with Nancy to help me on some wording. This is basically an advertisement and I'll read off the thoughts off the top of my head here and it goes something like this:

“To Whom It May Concern”

And this is basically designed that AIDA have on the table that Derek had used also and searching and just a statement of what the City does have available.

“The City of Auburn has at its AIDA site on Allen Street approximately (I don't have the number of acres down) of land available for commercial or industrial development. At this site there is also low cost green energy produced from landfill gas from a co-gen operation. We presently have approximately 1.2 MW of power to sell at a base rate of 76048 kWh and we also have approximately 9 decotherms of hot water heat

available at a price of \$3 a Dth. Both services are all in prices on City-owned distribution. We are actively searching for a new business to partner with and make use of this energy and create new jobs and economic development.”

It will take a little bit wording with that...I read it off to John Rossi this afternoon also. He says to get together with Ms. Ottley and put it on the table but I think it's something we need up front. I mean it's...(xx) better going around trying to drum up business for the County, we've got sort of a statement on the table here of what is available and what the prices are and hopefully even this idea that it is green energy will help. Maybe sell to some potential customers. My big concern is coming up with a heat sale. Unfortunately, hot water heat is a lot harder to market than steam. Right now, it's still the pellet factory that's the only thing in sight but I think this will be something simple that we would give him and see...put the ball in his court and say okay, this is what's available, if you're interested put it on the table on a first come, first served basis and go from there. I know he's got a lot of work to do...

Did I send everybody out that e-mail from Kamyar?

Mrs. Hussey: No.

Mr. Zach: No. I didn't? All right, well he had sent back from our meeting a list of things that he has to do. Right? That included going back to investors again and basically starting all over with a new setup and that probably will take some time too.

But, this is the statement for an advertisement and will be open to anybody and basically state on a first come, first serve basis and that somebody makes application then we can move ahead on a purchase power agreement and try to lock the business in.

Ms. Hussey: I just have one question.

Mr. Zach: Shoot

Ms. Hussey: The City owns the power and not the Power Authority. Right?

Mr. Zach: Right.

Ms. Hussey: Am I confused? The City is the one that owns the power and owns the rights to the...We're probably getting into the same circle thing but do we need Council authorization? I'm just saying that it's kinda back to as the question if we need the Council.

Mr. Zach: I read it off to John earlier and the Mayor, I think can verify this. This is basically an advertisement of what's available. All right? The name of the game is so it's out there for Terry to use. It's just a statement of what is available and basically we're looking for somebody to make use of it.

Mrs. Hussey: More in like economic development pamphlets or...

Mr. Zach: Exactly, exactly. It will have to go to any proposer or anybody that comes to the City if it's written up properly. John suggested we go up to Ottley and have her put it in her package and work on to it so that it's available. Something like that should be on the website. I mean, it's just basically getting...

Mrs. Hussey: Great idea. I wonder if we could get that information on the City website.

Mr. Zach: The Mayor is shaking his head "yes".

Mayor Quill: I think that the only..may I say something for a minute if I may. The only thing that would be necessary is to be finalized...and (xx) to you and Terry and Trish Ottley there would be no problem once you get it on the website.

Mr. Zach: Well, I would assume they probably would have to go to Council anyway, yes, no? So, at least so they see what's going on there. It is the City's advertisement. If you, why don't you get a hold of me Nancy, if you've got a slot this week, and we'll go over it and then we'll bring it in and present it. Okay? We'll put it on the table but I don't know if I need a vote here so I can do that but the name of the game is to...We've got two Councilmen here anyway so...

Mrs. Hussey: Do you want to kind of make it go a little quicker to facilitate it if you don't mind just typing it in or maybe I can make a copy of it before we leave and then we can kind of go back and forth.

Mr. Zach: All right. I believed that I had one written out but I had...

Mrs. Hussey: It doesn't have to be...

Mr. Zach: But then I changed a bunch of it this afternoon, so, okay.

Mrs. Hussey: Right.

Mr. Zach: All right. Bill, do want to talk a little bit about where we are with street lighting LED's?

Mr. Lupien: Yeah, we have that contract, we have to spend the money by April 2012. We've got demonstration lights out, we've got two sets. We've got an LED and then an induction out there on the old John Walsh Boulevard next to Wal-Mart. What we did is the high-pressure sodium then I think there's two LEDs then there's some high-pressure sodiums and two induction lighting. We've got two more that Holopane [sp] gave us, we're trying to get the Public Works to install. And then basically, we're to the point...and then in the Downtown, because we're into retrofits, I think we're going use the induction lighting. They tend to be cheaper and they're set up for it. I think we're going to go all LED, probably cobra heads. We will fit it so the contractor can go both. We're looking for the performance to make sure that

we're going to get the lighting that we need based on the road classification...(xx) calling this in between two poles on the far side. Do you know if you have shoes or sneakers on? God forbid some kid walks out between two cars we've still got a see-zone. So, we're going to look at the lumen with great interest. You said you had a lumen meter, maybe we can borrow that and use that on that John Walsh Boulevard and take a look at those two sets right now and get in the middle and see how they're performing.

Mr. Zach: That's a...Mark might have that yet. I don't know whether I picked it back up..

Mr. Lupien: Mark Odrzywolski?

Mr. Zack: Yeah.

Mr. Lupien: Would he have it?

Mr. Zach: He did. I lent it to him a while back and then I don't...I'll have to look at my box, I don't know whether I brought it back or not. But..

Mr. Lupien: While we still got months, it would be ideal time to take some readings.

Mr. Zach: Right.

Mr. Montone: Did you install one of the beta lamps that...

Mr. Lupien: Yeah, I told you there were two beta lights...I'm trying to think of..Patrician Electric sent two of them and I can't remember what brand it was. The two propel ranges (?) came in with two...we're going to put those up and take a look. The big thing is that we've got to make sure we've got enough light. Whether it turns out to be 150 watt or something more than a 180, we're replacing 250 watt high-pressure sodium with a ballast. So obviously we're going to save money in any case plus we're buying brand new fixtures and it's ninety-five cents on the dollar. And then later on, the Parking Garage is just starting up, we've been doing a lot of the welding over there and doing the cable breaks and then they just finished that up today. Then they should start doing the concrete, repair it a couple of weeks, and that contract's supposed to be over in September. We're planning on that we're going to go out to probably to bid with the second contract in September and we'll do the lighting for the Parking Garage, I hope to start that in October. We don't want to put those lights up now and then have contractor that's doing all the repairs break the brand new lights. So, we're going to do two contracts...we should be going out I would imagine next month. We'll go out in the month of May for the downtown lighting with the cobra heads. That should give us enough time for the Halopane to get theirs up.

Mr. Montone: Bill, when was the last time anyone did an inventory of the City streetlights?

Mr. Lupien: Well, we've been doing them...to get the grant we had the person, the grant administrator, came to Auburn and we had to drive around with her. So, we just did one about probably three or four weeks ago.

Mr. Montone: So you actually did a count?

Mr. Lupien: We did a count of all...

Mr. Montone: Have you compared it to the NYSEG bills that the City gets?

Mr. Lupien: Well, some of the bills we only paid for electricity on.

Mr. Montone: I understand that. Amazing the amount of lights down there.

Mr. Lupien: Well, yeah. I mean, we did the comprehensive inventory a couple of years ago and that's when we started to spot a couple of 400 watts...we replaced all those...well, we did one about ten years ago, we did one about six ago and I think we did one a couple of years ago. And, we've been looking and ascertaining any. Mike Luksa found a couple that were spot light-types that we didn't realize were out there. They had been put out by somebody else and then turned around and then got them back...

Mr. Montone: There's charges for conduits, there's charges for cable...

Mr. Lupien: But that's all for the Arterial.

Mr. Montone: Yeah.

Mr. Lupien: That's the one we were trying to buy from them and they wanted almost the cost of a brand new cable. They said they would rather pull the wire out and go to that expense than to leave it in place and sell it to us at a discount.

Mr. Montone: But still, after inventory that a quarter of those lights might not even be working. I we get a report on it you're going to pay for them anyway.

Mr. Lupien: Well, then we have the Police Department.

Mr. Montone: They call (xx)

Mr. Lupien: They call them in like every morning.

Mrs. Hussey: John, didn't you say there was something, correct me if I'm wrong or whatever, but there's some kind of provision that NYSEG or whoever owns the poles has to share the wire space?

Mr. Montone: Yeah, you mean talking pole attachments? Yes.

Mrs. Hussey: So down the road, if we ever had an opportunity to attach any power that we generated to the Arterial, it would just really be the cost of stringing wires on the existing poles and we would be able to avoid any of that distribution cost. Would that...am I being too simplistic on that?

Mr. Montone: No, you're not. But the biggest concern there would be there's certain areas on poles that are allotted for certain things. The uppermost part of the pole is where the power generates. Then as you come down farther there's communications, fiber optic. If some of these poles there isn't enough room to run a second, a primary cable line there, that's created a situation where they'd have to set the pole (xx). But the (xx) that you're taking about has to be looked at very carefully. But yeah, it's (xx). Some of these poles NYSEG and Verizon own. Basically what it is that they have whoever is the custodian of the pole gets paid a pole connection fee all the way up through unless there's joint ownership. Usually NYSEG will set a pole and then Verizon does their stuff (xx). For example, Time Warner pays a franchise fee to the City. Now the City (xx) then they also pay the pole attachment fee to NYSEG and they also pay it to Verizon. \$9.82 a pole every month, they split that in half, depends who owns the pole.

Mr. Zach: I think part of the problem on the Arterial, a lot of the wires, you know the street lights, are all underground. They're charging us for every foot of conduit and wire the whole way. NYSEG actually owns several of the street light poles on the Arterial.

Mr. Lupien: Actually, they own all the wood poles.

Mr. Zach: Oh, the wood poles:

Mr. Lupien: Anything that's in metal or decorative is pretty much downtown. Basically the City owns or where the State put in as part of the Arterial but the City has to maintain them, they're not NYSEG owned.

Mr. Montone: Right. So there's where your major savings is going to be on them cold wrapped. That 250 hpf, now it's going to go to either a 250 helidayu [sp] or a 150 and will give the same light because I install them over in Solvay. Wattage from a 250 jumps down to like a 108 so there's half. Half the cost to power that light. Then also, the maintenance. The City sends somebody out with the bucket truck, that's going to go away. The only thing they have to do is (xx) down there. It makes a complete distribution...you're going to have major statements there.

Mr. Zach: If...probably got to do it before and after...testing it. Ask Mark in the morning, if that's not there, give me a call and I'll get it back. Okay?

Looking at the NYSEG bill, John also noticed I think there's a New York State tax assessment on all of the electric bills for the City and I think that needs to be looked into because I don't know if the City has to pay that.

Mr. Montone: What that is is you get it in your own NYSEG bill, you're basically paying a tax that goes into the general fund of the State. They do it through your electric bill. Again it's (xx) that way. The City is tax exempt but somebody should look into that because that's a substantial amount of money for each electric bill that gets in here because...for example Solvay doesn't pay that. We don't pay it.

Mr. Lupien: What's it actually called?

Mr. Zach: New York State tax assessment.

Mr. Montone: Basically what it is is that money goes into the general fund of the State, helps with the budget.

Mr. Zach: You'll see right on the delivery charge bills.

Mr. Montone: It appears to me that I don't know if they should be doing it (xx).

Mr. Zach: Also, Bill, it makes you really happy. Here's the bill from the New York Power Authority for \$18,000 and change. I believe that was from part of the study for the work for the geothermal.

Mr. Montone: Yes, it's an ongoing thing for that energy efficient program (xx) geothermal and all that.

Mr. Zach: Can you take that down to the Comptroller for me and Mark? Would you? That was...I think the Manager office pays that. That included what?

Mr. Montone: Geothermal, the lighting, retrofits that were done (xx).

Mr. Lupien: Is that that twelve (xx) that we did?

Mr. Montone: Yes.

Mr. Zach: Is there any old business anybody would like to bring up?

Mr. Luksa: One thing, if I could. You know when they're talking about some great things...isn't there still a net metering initiative out there for...they're talking about extending it to municipalities? Right? So then it doesn't matter where you create the electricity you can take it against the bills and the other accounts.

Mr. Lupien: Yeah, that's going to be really big for the City of Auburn. If you're going to be writing letters of support from the Council, there should be a letter from the Council to whoever did the initiative.

Mr. Montone: Yeah, I forget, I know American Public Power is behind that too.

Mr. Lupien: Is that State, John or is it Federal?

Mr. Montone: I think it's Federal but each individual state is separate when they do it. We're trying to play catch up with the (xx).

Mr. Zach: Is anybody from the City going to the symposium in Cazenovia? They already had it? Did anybody go? Did you go?

Mr. Montone: No.

Mr. Zach: Under new business, Terry, would you like to talk a little bit about the Restart Program and where we're at and any suggestions we could have City and County-wide? (xx) it's all a little hydro power that's actually in the County now?

Mr. Masterson: As many of you know, we talked about this last month, New York State is going to have a new low cost electricity program for business through the New York Power Authority called "Recharge New York" which will be an allocation of 971 megawatts. It will be a doubling of the existing allocation by drawing in hydro-electric power from New York State and also Governor Cuomo is removing paper...he's removing residential reductions for electricity for New York State residents with the feeling that those reductions are really so minimal on a house-to-house level that if you could (xx) control that and (xx) off the business allocation, you'll going to help hold on to more jobs and have a greater economic impact. And I think we most certainly needed that. The Bill, the last time we e-mailed was still in the Assembly but it appears to me that the Governor has announced that it's in the Budget so I would assume that it did pass.

Mr. Quill: I think it did.

Mr. Masterson: I have made a couple of calls to EMEX said we've got some important taps on the box. We probably should have a meeting soon to go over who in Cayuga County is getting NYSEG power. The list that I have, which I got indicates that Auburn Vacuum Forming and the other client escapes me...are the two customers that are on that list. It think, in conversations with Denny, that there are major users who are getting access to low cost electricity. We want to figure out who's getting it and then the agency needs to sit down and figure out who will be applying for the power and try to analyze if we can, through conversations with (xx) what we think we may be eligible for and whether they're going to do it on a County-by County basis or a quota basis.

Mr. Montone: It's based on jobs I think Terry, it's similar to what it was. A good example is if we did get (xx) and whatever type of business to move there, then we could also apply for hydro allotment with that business based on if they bring 20 jobs you get a better (xx) power, or whatever it may be. There's a formula.

Mr. Masterson: They've broken the 971 megawatts into certain allotments for relocation; a certain amount for retention; a certain amount for not-for-profit so that breaks that number up and breaks it down into smaller parts. It think what we need to talk about, you know what

exactly what we're doing and what we're going after to let our State Legislators know that we're doing this because we've got 5-6 major energy users in the County now that are employing hundreds and hundreds of people. I would think that would probably be our higher priority and then show if they're not already getting it that they're eligible for it. John, you know a lot more about it than I do. NYSEG's saying that anybody that's in the existing programs now gets their covered electricity through the end of 2012 but then the horserace starts for everybody. Everybody's got to get in the hack and go to see who's going to what. So that's another issue for us to address to figure out if we have any...is NUCOR getting it, (xx) getting it, there's TRW, ITT Gould Pumps. I know that one of the managers at ITT has said that their power was...their allocation was sun setting so...I did not see them on the (xx) list but maybe I missed it. But anyway, you can see we've got a lot of homework and it's going require a lot of teamwork for us to make sure we're all on the same page when we want to go after this and make sure we get our fair share. And the other company that's getting it is Courier. So, Courier and Auburn Vacuum Forming are the two customers that (xx) got on the list.

Mr. Montone: Well the sunset you're talking about is I believe they're all going to get audited to see if they did what they said they did. To establish or retain jobs. So then they're going to be looked at in that respect to say okay you did what you said and are you going into this new program. Are you bringing more jobs so you can get more hydro? That's how that's going to work.

Mr. Masterson: One of messages to the State Legislators is they should look at the region in spite of our population of 80,000 as compared to Onondaga, compares to Monroe, compares to Tompkins...I don't think there are going to be a lot of Countys that can (xx) that can say we've got six major manufacturers sitting in one place and I think that that's a persuasive argument to the State Legislators who represent us and say hey, if you can help us, make sure that these major employers are getting what they need to manufacture...that's going to be a good argument I think. And add to the fact that Welch-Allen is employing like 1200 people and 600 of them live in Cayuga County. So, it's almost like we have to look at Welch-Allen and make sure they're getting the incentive and then we get Tessy Plastic. I mean it's a good problem to have but it's one that I think is going to really need a good conversation about with EMEX and outside the County.

Mr. Zach: I would think that the retention part of it is going to disappear quick...if we..you know, McQuay's starting to pick back up and NUCOR has and stuff. I mean, should we look at getting doing right away quick or is it something that you're going to take care of yourself? Or would you like some involvement from this agency to go along with that?

Mr. Masterson: My thought is that we should all sit down next week and see where...who's going to represent where and have a conversation about who are the major users and let's reach out to them and try to figure out what their position is. In fact, John, you're going to know this...is (xx) looking to us to have each individual company apply or have the agency, the City Agency or the County Agency apply. Those are some of the questions I'm trying to figure out which is the way they want to hear from us. So, I think Denny's question is right on. I think we've got to start moving on it.

Mr. Montone: I think so too. I'll talk with Mike Hubain just to get a feel (xx) Power Authority to see where they're going. If it's just geared for an individual private customers then the only thing the County and the City can do is (xx). The other way, which would be good for us, is to offer a hydro profit to the City, to whoever, like putting it on the website, stuff like that. That would be (xx).

Mr. Masterson: That's apples and oranges but when I worked in Westchester, Westchester County had a (xx) too and got them a lot and were able to work with them. So if we could get that, that would be a great thing.

Mr. Zach: Well, I would think...we've got two industrial parks right here pretty close together that even though there may not something set up immediately to use it, but why don't you think we should be applying for some kind, you know like you just said, have some sort of allotment set aside for the two parks at least. I think that stuff's going to disappear quick because the people in the know are going to be the ones that get it.

Mr. Masterson: I agree.

Mr. Zach: Do you want to try to set up a combination meeting asap. I have not read the legislation itself but I was told it was a done deal, it was passed. Is that true?

Mr. Quill: I'm pretty sure it is.

Mr. Masterson: The announcement for the budget that was sent out by the Business Council has it in there.

Mr. Zach: Right.

Mr. Masterson: I'll have to e-mail you, there's a great article in the Halsey Chamber of Commerce magazine that the Senator was the Chairman of the action committee and in an interview he went on the whole breakdown, the allocations, it was a very, very informative interview. There's more information I've read about the program than anywhere else. So, I made a pdf of it and I'll get it out to you.

Mr. Quill: Terry, (xx) for any information or other, what the name of that Bill was?

Mr. Masterson: I do from one of Mike Hubain's e-mails.

Mr. Quill: Could you forward that on to me? I'll use my sources to (xx).

Mr. Masterson: Okay.

Mr. Montone: Ignite New York but I don't know the number.

Mr. Zach: Recharge, right? I've got Restart down there but it's Recharge.

Mr. Masterson: It passed the Senate 62 to nothing which was pretty funny considering that the Senate so divided over the last two or three years. It just went through like a sailboat and you expect the hold up in the Assembly but again, I think it passed, in fact the Chairman of Senate, of the Assembly Energy Committee is from the Hudson Valley and Kevin Chato was concerned that it was unfair to the residential customers who (xx) discounts. So, if you want to add those questions about it.

Mrs. Hussey: Do you know the name of...the number of the Bill? I could look it up and find out the legislative status and let you all know.

Mr. Zach: If you do that, let me know.

Mrs. Hussey: Yeah, if he can remember it, yeah...the Bill.

Mr. Montone: I can make a copy with (xx) budget. It's got to be out there somewhere.

Mrs. Hussey: Yeah, all I need is the number.

Mr. Zach: Well, Terry will you do that, set something up...between the two agencies (xx) we can get a planning organizational meeting? So, I'm sure that there's a lot of plans already being made for it. Now, that retention part, now that...I'm assuming that can apply then we would approach (xx) or something like that? As a matter of fact, I'll call Bob Martin tomorrow. I don't know how they...I assume they probably just purchase through (xx) down there but I'll call him tomorrow and find out they market their electric and let you know. I know they're starting to pick back up and boy that's going to put some jobs back and that might be a good thing to say. Let's get some of their retention allotment also.

Have you anything else on that?

I've got one other item on here. It say Emex power program. What this is...a gentleman called me here a while back and this is already (xx)...this is a marketing strategy for electric and gas both. Most of your big escolls of...in the beginning they had their own marketing people and then they started using brokers, there's still of them like NYSEG Solutions still have their own marketing department but they also broker through several other marketers. This is a new strategy that's been used out of State and it's coming here to New York State in the very near future, I guess. What I'm asking is to see if we'd like have a gentleman make a presentation on it? Basically what it is is an affiliate program with cooperative of Escows and what happens is that instead of the Escolls paying their own marketing department and stuff, they've got brokerage fees out there and what they would offer is if it was something that we'd like here in the City and would recommend it to everybody...we'd be able to tap into their website and there would be a list...I looked at one for Connecticut or something and there was like seven or eight electric escolls. On the program were all their fixed prices for a year and at home you could sit there and get online and sign up for fixed for a year and it would be...but the City can be affiliated with this then according to what the gentleman said, the City would get \$2.00 for each electric sign up and also \$2.00 for each gas on a monthly basis. That's basically what

they're doing. It's a marketing strategy and the utilities share some of the brokerage fee profits. I know there's been a couple of things before, we had Blue Rock at one time wanted to do something but I kind of looked at it, it looked fairly interesting from what I saw online. I'm going to ask if we'd like to listen to a presentation and I think we might want to consider that. I think the County can also do it too. Basically, just sponsor the program and maybe advertise it a little bit. We'd have to find out what anybody that's within the County or within the City would sign up for the program, the City would get a piece of the broker fees on each electric bill and each gas bill individually.

Mr. Montone: Is this fellow's name Bob Gauthier by any chance?

Mr. Zach: Who?

Mr. Montone: Bob Gauthier?

Mr. Zach: No.

Mr. Montone: From Monroe County, Rochester area?

Mr. Zach: Nope. This one was a guy that we're trying to sell us power (xx) here a while back. Barney O'Rourke.

Mr. Quill: He's Irish, don't trust him.

Mr. Zach: Yup. Well I tell you, there's a whole bunch of them out there and when this hits, they'll probably, you know, individual ones set up. I asked him, I said well there's looking at the Emex website, if you look it up I said it looks like we could just sign up on our own. But supposedly, it's set up that it doesn't matter whether the kickback would be any more if we did it straight up or we went through an existing affiliate. This question is is do you want to listen to a presentation next month or whatever, I think he said that it should be set up and online in New York State here within the next couple or three months.

Mrs. Hussey: Would this be something subject to competitive bid with other competing companies?

Mr. Zach? That's a good question, I don't know. I would assume that...

Mr. Montone: Is the City buying something?

Mr. Zach: No, they're not buying anything.

Mrs. Hussey: No, but we're committing an (xx) and you know, it depends, I mean is it an exclusive or what and I guess it's just a question for John or Andy on whether it would be subject to competitive bid.

Mr. Zach: That's a good question. I don't know whether it would be or not. Basically I think..I have listened to his proposal, he was going to stop up and see me at work here last week and we just couldn't make connection to explain the way it is but I did see, he gave me a website...I looked at some of the stuff online for other states and basically my understanding is that it's just something that we would, as the City or the County just basically sponsored and say yes, we're doing this, the City's going to benefit from it, the County's going to benefit from it, it would just be an ongoing chunk to get a \$2.00...you get a \$2.00 credit brokerage fees for each electric bill for each customer a month. I don't know. Maybe I'll call John tomorrow and run that by him.

Mr. Quill: I think Denny the only advantage to the City then would be the approximate \$2.00 chip in.

Mr. Zach: Yup.

Mr. Quill: Is that negotiable, the \$2.00, or is that a set fee?

Mr. Zach: I don't know.

Mr. Quill: And to go along with Nancy's question would another concern offer \$2.25 or something like that? I'm not saying you're wrong, I just think we need a little more information personally before we go too much further.

Mr. Zach: Well, basically I just told him I'd bring it up and see if we're interested in listening to a presentation on his part. It would probably be a good idea to get a hold of John tomorrow and see what he thinks. I totally don't understand the whole marketing strategy other than...There's already a whole bunch of guys in town trying to market power. You've got (xx), I know there's a whole bunch of them. There's probably a half a dozen, different people making actual rounds in town trying to sign you up as a customer. The thing I did like about this was the fact that when I looked at it online, there was like 8 different escolls that were involved in the one that's in Connecticut, I think it was. Each one of them listed their 12-month fixed price. You could pick out whatever one you want. The same thing would be true...I can see your gas but the same thing would be true with the gas. In most cases, supposedly, it would be cheaper with one of the escolls than it is...most people don't track that on an annual basis. You get a letter from NYSEG or you get a letter from... some of those people don't pay that much attention to it but in most cases you can save some money there. But, if people can see it online and say okay then we get a credit, I don't know. I'm willing to listen, it's up to you people but I tell you what, let me ask John and see if he thinks that's something that would have to go out for choice, that may very well be true.

Mrs. Hussey: In that case it would be inappropriate to have him come in.

Mr. Zach: But, I'll try to contact him and find out exactly what their marketing strategy is and how they're doing it in other states because I'm sure they've dealt with other municipalities but would have to do the same thing. So, if that looks like it's a thing you want to make a slot for a presentation and listen to him?

Mr. Montone: I'm in favor.

Mr. Zach: Give him a slot next month? You know, John, we'd have to find out that, I could ask him those questions too if you'd like. I'm sure if they've done municipalities...I know he's done stuff with different municipalities so he must have some idea of what would be required there.

Mr. Luksa: As long as we're clear...

Mr. Zach: Well I think we have to find out the legalities of what our responsibilities would be but if it's something that would have to go out for bid to see if there are other similar marketing strategies...if he gets to me personally first, I'll give you a holler and you can listen to it too for the County and she just...I don't know that much about it and then he called me on the phone and I looked at it on the website and I saw the list (xx). So, I'll check with Corporation Counsel and see what they think about what the legalities are as far as the City of Auburn would be and otherwise, I'll put him on the agenda for next month to do a presentation unless John says no we can't do that. Okay? I got the call and I told him I'd bring it up.

Is there any other business anybody wants to bring before the...

Mr. Montone: Yeah I gave a little update on the County project or proposed project for the biogas pipeline and the green energy at the County (xx). We interviewed 8, actually we interviewed 11 consulting engineering firms. We short-listed them down to 8 and had them all send in proposals...we went through a process last week of getting that down to a choice of possibly 3 and we should be making a decision on who's going to be used to do the feasible study probably within the next week. So that's going to be fast tracked as soon as that goes. Most of it's going to take about 6 months to do. The major portion of the study is going to be done in phases to a point of no go or go on it so there isn't a lot of money spent up front. The County receives I think it's \$70,000 from grants to do this study and obviously they're going to take at least that to report. Anyway, that's where we're at, we should have it soon.

Mr. Zach: Anything else?

I entertain a motion to adjourn. Luke Rybarczyk seconds All those in favor? *Unanimous approval by show of hands.* Carried.