

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, July 9, 2012
AT 4:00 PM

Members Present: John Montone, Acting Chairperson, Mike Luksa, Krste Biljanoski, and Luke Rybarczyk

Members Absent: Jim Wride, Bill Graney, Krste Biljanoski Mayor Michael Quill, Nancy Hussey and Denny Zach

Staff Present: Bill Lupien, Doug Selby, Anthony DeCaro, Andy Fusco and Vicky Murphy

Staff Absent:

Acting Chairperson John Montone called the meeting to order on Monday, June 11, 2012 at 4:00 pm.

Approval of meeting minutes – The minutes were not approved as there was no quorum.

Public to be heard:

None.

Hydroelectric Facilities:

Bill Lupien reported that we now have two energy performance consultants, Siemans will be the one that's going to be doing the Mill Street Dam hydroelectric. We are in the process of identifying what is going to be in the extra contract doing the Water Treatment Plant, lower pump station, the Mill Street hydroelectric including the Power Purchase Agreement. We'll also be renegotiating the North Division Street's Purchase Power Agreement, we'll look into that and see if there's anything they can do. We'll look at the North Division Street hydroelectric site and see if there's any economical improvements that can be done there. Because we're about ready to start the renovation of the State Dam, after the dam's built we'll probably be looking at hydroelectric power there as well. And, because we'll use the grant by ourselves, we will stay under DEC's control not FERC's. So, Sieman's will probably be doing three hydroelectric sites, the two existing and the State Dam plus those other facilities. Bill asked them to start preparing some cost estimates.

Wendell is the other consultant and they will be doing all of the Sewage Treatment Plant, landfill, co-generation site, the Evans Street distribution line and the Public Works facilities. Each of the energy performance consultants will do energy, building audits and site audits. Siemans is doing upper pump, lower pump, water filtration and hydro sites. Wendell will do almost all of the other sites including City Hall, Parking Garage, Police

and Fire and Public Works. They are inter-related and we want one consultant to do them all. Wendell will be doing that portion.

There was discussion on the distribution of work relating to the two consultants.

John Montone inquired if the two contract had been approved by City Council.

Doug Selby confirmed that they had been approved by the Council and that the terms had to be negotiated.

John Montone suggested inviting the two consultants to attend the Agency meetings and explain a few things to the rest of the Agency.

Mike Luksa inquired as to the status of remote net metering.

John Montone responded that the Public Service Commission has a tariff set already for the net metering. He talked with Mike Warden from the PSC and he said it was in place.

Doug Selby advised that he had heard the same thing but was attempting to confirm this with Assemblyman Finch's office. There is a payment due later this month, another \$5,000 to stay in that program. He thought that one of the request would be for Siemens to take a look at the independent or remote net metering and see what the payback is on it.

John Montone advised that a woman named Denise Farrell did that a while back and it come out negative. The other way it's in the area of \$600,000 a year or something like that.

Dough Selby advised that remote net metering pays back.

Anthony DeCaro advised that they haven't been running because they haven't had the water. Tony also advised that the net metering is extremely important. He also inquired as to what the avoided cost is going to be for the North Division Street.

John Montone advised the avoided cost would be what the market is.

There was discussion on the numbers, remote net metering and parasitic loads.

Bill Lupien asked if there was anything that was stopping us from asking the gas and electric to run a line over to North Division Street with a meter.

John Montone advised that there were two things we could do. We can request a service to the building.

Anthony DeCaro advised that he has requested it and they did not comply.

John Montone advised that we need to do that again. He advised that we could take an electrical line through the tunnel underneath North Division Street to the Fire House property and tap in behind the meter. It's a small amount of power but it would take care of the Fire House. At that point we would have a meter to be behind so the satellite meters could be read from there.

Anthony DeCaro inquire if this would also take us out from FERC's jurisdiction.

John Montone advised that he had heard that's it's going to be out of there anyway because it's less than two megawatts. John will get more information and bring it in next meeting.

LFGTE Facility:

Vicky Murphy advised that Greenfield did begin supplementing natural gas in June. She also provided a handout showing the power generated at the co-gen as well as the kilowatt hour average per month. There has been an increase probably due to the new wellheads and all the work that Mark's crew has been doing out in the well field.

John Montone inquired if the contract for the natural gas went to Northeast Energy.

Vicky did not think so, they were just buying it from NYSEG.

John Montone questioned the rate.

Vicky Murphy advised that Mark is looking into this.

John Montone advised that if we can make them maintain the 60/40, 40% natural gas, we can figure that out very easily.

Vicky Murphy advised that when something happens, we don't want them to supplement more natural gas.

John Montone advised that locking in the rate was one thing but just to a day ahead then it wouldn't matter.

Vicky Murphy advised that there is no plan to do 3 megs. There are only two engines running. The other one is still down.

John Montone inquired as to why it was down.

Vicky Murphy advised that they blew it up. Apparently they are waiting for their insurance to give them whatever they're going to give them. It's all in Mark's report.

Vicky Murphy advised that we're taking sludge out of the landfill which will help someday the methane. Right now we're putting it in an open cell.

Andy Fusco inquired as to how many new wells were opened in May.

Vicky Murphy advised that we repaired all of the well heads. She advised that there are wells that were watered, we got probably one or two of them back on line and we're watching them. We're getting some gas from some of those that were not producing.

There was some discussion regarding well heads and the wells that Barton & Loguidice have recommended. Vicky advised that the first bid meeting will be next week. She also advised that it's up to six vertical and either two or four horizontal.

Andy observed that there's about a 90% increase in power generated from May 2011 compared to May 2012 and we're on natural gas. Vicky advised that they're probably using a little bit because they had to do the back testing but she doesn't count that because it's four hours here and four hours there.

John Montone advised that there's about 32 well heads that are active. Andy observed that that number is up from 28. There was more discussion regarding the well heads. John advised that the City was now advertising for bids for drillers.

Andy inquired if the sludge was going in Cell 4 or Cell 3. Vicky advised that it was Cell 4 because it is open. She said she would verify that with Mike. She advised that they are loading up to 10 tons per day. They just started two weeks ago so they're anywhere in the range from seven to 9.81.

John Montone questioned if the DEC would let us do this because before they wouldn't. Vicky said we could thank B&L for that. She advised that she is going to let this go for three months and see how it goes and then go back to asking to do 20 tons per day. She said it was going great. Ten tons isn't much. They immediately cover it right away because it stinks.

Bill Lupien asked if they mixed it and Vicky replied in the affirmative. John Montone advised that it's going to create more methane.

Andy Fusco commented on Mark Storr's "sludge must be magic". The downside is that where we've had the wells, water is where we experimented with sludge in the past.

Vicky advised that what they did in the past was that when the incinerator went down and they stockpiled a bunch of our sludge then they took it all at once up there and put it in one big huge pile and then they'd mix it. We're taking one tiny half dump truck a day and mixing it with the big dozers. There was discussion on what happened the last time and how the situation is being handled now.

Andy Fusco advised that in the meeting with Barton & Loguidice they warned us against too much sludge. The consensus was that we didn't to create a regulatory problem or a smell problem. Ratios were discussed.

Andy Fusco asked for a confirmation that two of the three engines are operating. Vicky confirmed. In May, only one engine was running.

John Montone advised that we need to document that when the plant goes down it should automatically mean we should know what the reason is. Vicky concurred. John Montone said they are trying to push it to two megawatts. Vicky advised that they won't get because it's too hot. When it gets cooler they might but right now it's too hot. She clarified that the engines are running too hot. She was advised that they can't come up to 100%, they can only run 90%. John advised that they're 80-something % efficient when they're running. There was more discussion on this.

John Montone advised Doug that in the contract he gave him there's some information about what they can and can't do, what they're capable of doing. There was discussion on the current problems regarding the lack of proper power generation.

Engineering Energy Updates:

None.

Planning Board & CEDA Updates:

None.

Other Business

John Montone reported that he has been talking with Dr. Ollicker regarding waste heat. He's also talking with the County about this. John is on the Committee for Central New York Regional Development on the sustainability for energy. This is one of the things that they want to look at. There's \$12,000,000 in funds out there and Dr. Ollicker is going after some of it. He discussed Dr. Ollicker's ideas with the Agency.

John Montone also reported that he had spoken to Terry Matheson regarding New Visions on high-speed internet. They also provide telephone and tv service just like FIOS does. They have been coming to the west area. They're over Solvay and Fairmount. Terry is talking to them about getting it into the rural area and they're willing to do that.