

MINUTES OF THE AUBURN MUNICIPAL POWER AGENCY
MONDAY, MARCH 10, 2014
AT 4:00 PM

Members Present: Denny Zach, Chairperson, John Montone, Krste Biljanoski, Jim Wride, Mike Luksa and Nancy Hussey

Members Absent: Mike Quill

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

Staff Absent:

Chairperson Denny Zach called the meeting to order on Monday, March 10, 2014 at 4:00 pm.

Approval of meeting minutes for November, December, January and February – Motion by John Montone, seconded by Krste.

Public to be heard:

None

Presentations:

Seemans:

Seemans reported on the progress of the Mill Street Dam. The turbine arrived today and it will be put in over the next week or two. Once that is all in the generator will be delivered and the engines installed and wired. They reported that they are on track for the schedule that they delivered. We're on the home stretch. There was discussion on the delivery schedule of the equipment. They have been in contact with many of the electrical contractors in Auburn and have four who are interested in bidding on the project and they will be advised that they will get the packages in the next week or so for the station service lights, the compressor, etc., and also for the interconnect. John inquired as to the kind of switchgear would be used as far as breakers and such were concerned. That information will be provided at a later date as the documentation was not readily available. Krste inquired as to what kind of protection there was on the switchgear. He was advised that it was electric – an SCL20.

There were questions raised regarding the generator and bearings. This was discussed. There was also a question raised regarding communication. Seemans advised that they are providing the software that the new system will be able to interconnect with so that anything that an operator right at the station can do, someone who is remote can also do it via computer interconnect. There was some discussion on this. Everything reports from the SCADA and you can see SCADA at the water treatment plant and at the station. This

was discussed as well. Anthony DeCaro spoke regarding the emergency plan. It was reported that Seemans is working with Odyssey to integrate all of the systems. There was further discussion on this. A meeting with Odyssey is planned to discuss this integration.

John Montone had a question regarding the interconnect and the remote net metering scenario. We would have to create a host account, one of the meters at that site has to be the host account. There was discussion on how this would be accomplished.

It was reported that NYSEG planned on extending the poles to accommodate the potential upgrade in power generation. There was a discussion on the change in voltage and the effects of that change.

Anthony DeCaro advised that there are a couple of other issues that have gotten some significant discussions pertaining to the trash rack. The trash rack will have further discussion down the line. As of right now, it is what it is.

Wendel:

Tim Dietrich, the construction manager for the energy performance contracts presented a project report. He expanded on the agenda items outlined in his handout. There was a discussion on the ramifications to the homeowner regarding the replacement of water meters for homeowners with galvanized piping. There was a question and discussion period following the presentation.

Hydroelectric Facilities:

North Division: Anthony reported that Seth has done all the groundwork, the only thing that we need to do now is budget for the amount of money it would take to do the hookup for net metering. Krste wondered when everything would be up and running. Anthony again reiterated what the damages were to the turbine. The cost of the crane was discussed. There was more discussion on the loss of income. Options for repairs, as well as the cost of the repairs, was discussed.

Denny advised that he had contacted NYSEG and asked for a special meeting to see what their proposal would be on our existing contract with possible upgrade. This was discussed at length. Doug advised that NYSEG has a lien hold interest on the project. We can't do anything without their approval. It was discussed that if we went to them with a proposal that the upgrade is going to generate more than the contract, then we may be in a position to negotiate.

Doug advised that the Power Utility Fund has the hydro projects in it, it has the Landfill Gas Project in it. The Landfill Gas Project has dragged everything down so the Power Utility Fund is in debt to the General Fund to the tune of \$2.5 million. Hopefully with the purchase of the landfill gas facility, we'll be able to break even and that operation may even make money. That money probably should stay in the Power Utility Fund but we have Councilors that say no, they'd like to see it repaid to the General Fund. To some

degree, he'd like to see that too. Maybe not as quickly but that was a big hit on the General Fund at a time when we can't afford it. Hydro projects may make a lot of sense but it has to pencil out for us. We're so upside down with all of our energy projects in whole that he'd like to see Mill Street get up and running, that will be a success story to be able to show that it is paying for itself. We need Seemans or Chant to really take a close look at Division Street with regard to an upgrade to make substantial improvements to it. When we have a viable plan we'll go to NYSEG and pitch the idea to them to modify our agreement. There was discussion on future projects having energy service agreements. North Division, as a whole, was discussed.

LFGTE Facility:

Doug provided an update on the landfill gas project and advised that there were loose ends being tied up. The City has an agreement to purchase the whole thing for \$4.9 million plus one engine which Auburn Energy wants to keep, as part of the negotiations. April 1st is the target date for closing. The plan is to contract Innovative Energy Systems to run the system for at least 15 months. During that period of time we will educate ourselves and our staff on the operation of the facility and make a determination whether after 15 months we feel like it's something we want to take on and would be economical for the City to operate or continue to use Innovative Energy to operate. Options were discussed regarding the time lapse between the City buying the facility and when Innovative Energy would take over.

Doug further advised that the RTU has been installed but there was a programming issue but there is no current status on that.

There was discussion on any changes in production. Denny inquired regarding the Recs. This was discussed. There was a discussion regarding on whether the sludge could be increased.

There was some concern voiced regarding the lapse in time from the purchase of the facility until Innovative Energy could operate the facility. There was also discussion on being able to power the Wastewater Plant. Doug advised that it's probably more a regulatory issue than it is anything else. If we blend the natural gas to give us enough energy production that we can power the Wastewater Plant and sell at least a megawatt on the grid, the best way to do that is by blending the fuel and operating the two engines. He also advised that we don't want to operate the engines below 600 kilowatts on each one. Blending makes the most sense but the question is, is this still green energy? There was some discussion on this.

Engineering Energy Updates:

Old Business:

Denny inquired of Doug if we were set to make appointments. Doug advised that Mike Daly has agreed to serve. It's Doug's appointment but it needs the confirmation by the

City Council. Councilor Ruzicka is interested in serving the Council seat, so the City Council needs to appoint him. Both those items are on the March 20th agenda. Reappointments were discussed.

Motion to adjourn made by Mike Luksa, seconded by Nancy. Meeting adjourned.