

CITY OPERATIONS

Tuesday, August 21, 2018 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Smith, Vice Chair Witte, Alderman Dougherty, Alderman Crawford, and Alderman George. Others: Alderman Gonzalez; Mayor William Aiello; Nicholas DiCerbo, Jr., City Attorney; Fred Saradin, City Auditor; Bob Ring, Director of Public Works; Jeff Rowley, Police Chief; Bob Bell, Fire Chief; Tiffany Taylor, Managerial Confidential Administrative Secretary; Don Hittner, Indeck, and Kevin McClelland, Indeck.

1. Roll Call

Alderman Smith called the meeting to order at 5:30 p.m. and asked that the record show that all committee members were present.

2. Approval of Minutes of the Previous Committee Meeting (Tuesday, July 17, 2018)

A motion to approve the minutes of the July 17, 2018 meeting was made by Alderman Smith, seconded by Alderman George. Voice vote, ayes all. Motion carried.

3. Presentation – Indeck

Mr. Hittner introduced himself as the Plant Manager of Indeck in Olean. He explained that there is a proposal in place to install a full scale production well on their site. The well would be 10 to 18 inches in diameter and 100 to 110 feet deep. The goal is to create a secondary water source for the plant, which will serve as a cooling source only. Indeck will remain connected to the City water supply, as a pure water source will still be needed.

Mr. Hittner continued that Indeck not only has Dresser Rand's steam turbine, they are also a commercial power plant and sell power to the grid. He explained that grid markets in New York State are like the Stock Market. He explained that the well will be in no way connected to the City's sewer system or potable water system. He presented photographs of the draft plans to the committee, as well as of Indeck's buildings and operations. He explained that the well site was chosen for its proximity to the basin to prevent freezing issues in cold weather, as well as its proximity to an electric source. He explained that through their SPDES permit, outfall will go into the river at Gargoyle Park.

Mr. Hittner explained that water is reused until it is too hard, or has an incorrect mineral content, when it is then mixed with a SPDES-approved corrosion inhibitor and biocide prior to being sent into the river.

Alderman Dougherty asked how electric is generated at the plant, and Mr. Hittner explained that a combustion gas turbine is used, which is essentially a large jet engine. It can produce up to 45 megawatts per hour, and the Dresser Rand steam turbine can produce up to 45 megawatts per hour. On a cold day, he explained, the plant can create up to 90 megawatts per hour.

Mayor Aiello asked how many gallons of water are used per day. Mr. Hittner responded that the plant is usually run between 6 a.m. and 10 p.m., and approximately 500 gallons per minute are used out of the aquifer.

Mr. Saradin asked if conversion to a well would allow Indeck to reach markets that they really aren't now, and Mr. Hittner replied that sales are down now because of the Five Mile project in Allegany. This allows power plants in Pennsylvania to sell directly to New York, which are cheaper because they are not required to pay the Regional Greenhouse Gas Tax (RGGT).

Alderman Gonzalez asked what impact the building of the well would have on the City's aquifer. Mr. Hittner replied that the aquifer in the City of Olean is one of the largest in the state. A geologist has described the well as sticking a straw into the ocean. He explained that after the well is completed, DEC testing must be done before it is used, which includes testing on three nearby wells to determine the effect the well has on the aquifer. Indeck will also be required to obtain a New York State Water Well Permit each year.

Alderman Crawford explained that it is his understanding that Indeck had attempted this before, but it did not work out. He questions why this is. Mr. Hittler replied that there were concerns regarding the nearby brownfields. They have since been guaranteed to the State that hazardous materials will not seep into the surrounding area, and if something is found during water testing (which, he stated, will be occurring a lot), then the company involved with the brownfield will have to remedy the situation.

Mr. Saradin explained that the City received approximately \$198,000 in water revenue from Indeck last year, and he asked how this will be affected with the installation of a well. Mr. Hittner replied that he estimates that this amount will go down approximately 60%. Alderman Crawford asked why this would be a good deal for the City of Olean, and Mr. Hittner replied that it is not. He explained that since Indeck competes on the open market, they are struggling. If they do not control costs, bad things could happen.

Alderman Witte questioned how many employees work at Indeck, and Mr. Hittner replied that they have two employees who live in the local area, and they are looking into adding two more.

Mr. Ring questioned if there would be backflow preventers to prevent the well water from entering the City's system. Mr. Hittner replied that Anderson Shortell tests their backflow preventers every year, and the new system will be airgapped.

Alderman Witte asked how much the solar panels have affected Indeck's business, and Mr. Hittner replied that they really haven't. Windmills do, but only on windy days.

Alderman George asked if permitting the well could lead to future job growth or other hidden benefits, and Mr. Hittner replied that these issues have really not been discussed. They are not a part of definite plans for the future.

Alderman Crawford asked if anyone could recall if this has ever been done before, and Alderman Witte replied that Olean General Hospital had discussions regarding a well but doesn't believe it went anywhere. Mayor Aiello added that the City had the prohibition on private wells at that time as well, and Alderman Witte added that the DEC could have found issues as well.

Mr. Ring asked if there will be outfalls into the Two Mile Creek, and Mr. Hittner replied that there are, but it is stormwater sewer only. This has not been done in the time that he has been with Indeck, but it is possible that it could happen in the future. Mr. Ring asked if Indeck pays for the storm discharge, and Mr. Hittner replied that they do pay about \$50,000 per year.

Alderman Smith asked if the well need to be completely installed prior to testing, and Mr. Hittner replied that it does. Alderman Smith asked if Indeck has considered the consequences of putting in a well that may not pass DEC testing, and Mr. Hittner replied that it is a risk. However, geologists do not have any concern regarding the brownfields or the aquifer. Alderman Crawford asked what the cost of the well would be, and Mr. Hittner replied that it would be around \$150,000.

Alderman Smith let Mr. Hittner know that the committee will take some time to absorb this information, and will be in contact in the near future.

4. Unfinished Business

- a. PL #65-18: (Smith) To amend the City of Olean Code of Ordinances Chapter 21, Article III, and Chapter 22, Article VI, Section 22-141, to amend requirements for the tree board and tree planting rules and regulations.

Ms. Taylor explained that the handout provided includes all of the changes previously discussed in a cleaned up format, and the only change is the section highlighted regarding the removal of dangerous trees.

Alderman Smith read the new section and summarized that a property owner will have the option to either have the tree removed by the contractor of their choice at their own expense, or they could allow the City to remove the tree with their contractor, and pay half of the cost.

Alderman Crawford explained that in the past, the City really took full responsibility for removing dangerous trees in the right of way. The Council had discussed getting away from that, and many residents provided negative feedback regarding this option. Splitting the cost of the removal, if the Tree Board determines the tree to be dangerous, seems like a fair compromise. This wording also allows for the property owner to use their own insured contractor if they can find one cheaper, but entirely at their own expense.

Alderman Witte explained that there are a couple of medium sized trees in the avenues, and asked why the property owner couldn't remove the trees themselves. Alderman Smith explained that a homeowner cannot remove a tree in their right of way as the law currently states. Alderman Dougherty added that this is to protect the City and other residents, and that the contractor that removes a tree in the right of way does not need to be licensed with the City, only insured.

Alderman Dougherty added that if we do change this legislation, the City will need to be sure to utilize the tree board. Alderman Crawford asked Mayor Aiello if he could put together the tree board, and Mayor Aiello replied that he could. Alderman Smith explained that the tree board, as the legislation is proposed, would consist of two members of the Council, the DPW Director, the Mayor, and one member of the public.

Alderman Crawford explained that this gives us some structure in a situation that we currently don't have any.

Alderman Smith asked what the procedure would be if someone came to the Tree Board requesting permission to remove a healthy tree. He explained that he doesn't see a contingency in the proposed legislation dealing with the removal of trees that have not been deemed dangerous. Mr. Ring explained that currently, to remove a tree in the right of way that is not dangerous, a property owner must apply for a right of way permit with DPW and receive permission from the Council.

A motion to amend the PL to deem that in order to remove a tree that has not been determined to be dangerous, a property owner must request permission from the Tree Board, and may appeal the Tree Board's decision to the Common Council within fifteen days of the decision, with the entire cost of removal for a non-dangerous tree to be the responsibility of the property owner, was made by Alderman Smith, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried.

A motion to refer PL #89-18 to the Committee of the Whole Tuesday, August 28, 2018 was made by Alderman Smith, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried.

5. New Referrals for Consideration

- a. PL #89-18: (Crawford) To amend and replace the City of Olean Code of Ordinances Chapter 27, Article 5, Plumbing.

A motion to refer PL #89-18 to the next City Operations meeting was made by Alderman Crawford, seconded by Alderman Smith. Voice vote, ayes all. Motion carried.

- b. Discussion – Sale of City-Owned Property

- i. 313 South Seventh Street

Alderman Crawford explained that this is an empty parcel where the City previously demolished a house. The neighbor across the street would like to purchase the vacant lot. Alderman Crawford added that he has reached out to the other neighbors in the area, who have not responded that they are interested in the property. The potential buyer is aware that he will not be able to construct a driveway, an area for permanent parking, or get a curb cut. He has offered \$100.00 for the property.

A PL and Resolution will be introduced at the next Regular Meeting.

- ii. 616 West Henley Street

Alderman Crawford explained that the City has worked out a deal with the neighbor. The City will perform the asbestos abatement (approximate cost \$7,000), will sell the property for \$1 to the neighbor, and the neighbor will in turn have the property demolished. This is a win for the City as well as the neighborhood which the home is located in. He reminded that there was another offer to rehab the property into apartments, but the neighborhood was not interested in that option. The neighbor also has a vested interest in this property.

Alderman Crawford asked what the cost to demolish the property would be, and Mayor Aiello replied that is it between \$20,000 and \$28,000 clean, and \$35,000 hot.

Alderman Crawford explained that we need to look at these on a case by case basis. Alderman Smith agreed, and thanked Alderman Crawford for putting in the time and effort on this.

A PL and Resolution will be introduced at the next Regular Meeting.

- iii. 128 West Green Street

Alderman Gonzalez explained that he had previously discussed this with the Council, and forwarded an email from the neighbor to Council members earlier this week. He explained that the City has already demolished this structure a well, and the neighbor on the left, who is the owner occupant of that home, is interested in purchasing the lot for a larger yard. He would like to use the property for just green space, and has offered the City \$500 for the property.

Alderman Dougherty asked if the neighbor would be adding a driveway to the lot, and Alderman Gonzalez replied that he believes that there is already a driveway there. If it is already there, then he could certainly continue to use it; however, if there is not currently a driveway in place, he would need to go through the curb cut process.

A PL and Resolution will be introduced at the next Regular Meeting.

6. Approval of Committee Reports

None

7. Adjournment

A motion to adjourn was made by Alderman Smith, seconded by Alderman George. Voice vote, ayes all. Motion carried. Meeting adjourned at approximately 6:15 p.m.