

STRATEGIC PLANNING

Tuesday, April 16, 2019 – 5:30 p.m.

Police Training Room – Olean Municipal Building

Present: Members: Chairman Gonzalez, Vice Chairman Andreano, Alderman Witte, and Alderman Crawford. Others: Alderman Gonzalez; Alderman George; Mayor William Aiello; Bob Ring, Director of Public Works; Bob Bell, Fire Chief; Jeff Rowley, Police Chief, and Tiffany Taylor, Managerial Confidential Administrative Secretary.

1. Roll Call

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

2. Approval of Minutes of the Previous Committee Meetings (Tuesday, March 19, 2019)

A motion to approve the minutes of the March 19, 2019 meeting was made by Alderman Gonzalez, seconded by Alderman Andreano. Voice vote, ayes all. Motion carried.

3. Unfinished Business

None

4. New Referrals for Consideration

- a. PL #34-19: (Dougherty) To grant Sunny Olean, LLC permission (pursuant to Olean City Code of Ordinances Section 27-7) to install an open loop geothermal water well at the premises located at 106-116 West State Street, Olean.

Alderman Dougherty explained that Jeff Belt had previously met with the Council discuss the possibility of installing an open loop geothermal well at his 106-116 West State Street properties. He explained that he has submitted the PL to get the ball rolling on the discussion. Alderman Gonzalez explained that the City is concerned about the digging of wells; however, in this case, the well does not deplete the aquifer, it does not provide drinking water, and it does not discharge into the sewer system.

Jim Snyder, the President of Snyder Manufacturing, Inc., explained that the proposed project is actually comprised of two wells – one for supply, one for discharge. He explained that he had done a large installation in Salamanca recently. He explained that pure water comes up from the ground, the heat is removed, and cold water is returned to the ground where the earth reheats it. He explained that this is an economical way to heat, especially in larger, older structures.

Minnie Ringland of Sol Epoxy presented a PowerPoint to the committee about the wells. She explained that these are ground source heat pumps that heat the buildings in the winter and cool it in the summer when the water from the aquifer is warmer than the air temperature or colder than the air temperature, respectively. She explained that a lot of the buildings in Olean's downtown are not economical to heat, and the wells are five times more efficient and half the cost of a gas furnace alternative.

Ms. Ringland explained that Sunny Olean, LLC is proposing a feasibility demonstration at the West State Street apartments. She explained that Mr. Snyder is a certified designer and installer, and Mr. Belt is willing to undertake this at his cost and share the data with the City. She added that they are also willing to aid in the preparation of legislation if the decision is made to allow this on a larger scale.

Alderman Gonzalez explained that he understands that one well will not affect the aquifer, but he questions how many will. Mr. Snyder responded that while 500 probably would not be an issue, 1,000 or more within the City may. Alderman Gonzalez asked if these wells are scalable, and Mr. Snyder replied that they definitely are. He explained that the size of a structure and use of the heat can help determine how many wells to use and how many gallons per minute will need to be used.

Ms. Ringland explained that these systems are actually actively promoted by the New York State Energy Research and Development Authority (NYSERDA) as a renewable energy resource.

Alderman Gonzalez asked if the system is inspected by the DEC annually, and Mr. Snyder replied that although they typically are not, it can be requested. He explained that the well driller submits a report to the DEC, and it is up to the DEC whether or not they want to inspect the system.

Alderman Dougherty asked if legislation can be drafted in a way that does not affect the Council's decisions when other organizations have approached them to request permission to dig a well. Mr. DiCerbo replied that it can be differentiated that this is a resource that is harvesting heat and cooling, not harvesting water. It also does not affect the aquifer. He explained that essentially, industrial users who use City water are "contaminating" the water when they take it out of the ground, so it cannot be put back into the ground.

Alderman Crawford explained that his concern is that allowing this will open Pandora's Box, creating issues that will cause costs to trickle down to other users. He explained that he wants there to be a clear differentiation between geothermal wells and wells in general.

Alderman Crawford explained that he feels that things like these need to be considered on a case by case basis. He explained that just because the Council may allow this does not mean

that everyone can do this. He explained that he does not feel that the City needs to worry about losing revenue with this sort of system. He explained that he would be worried if he were with NYSEG, but from the City of Olean standpoint, he is not.

Alderman Dougherty asked about the cost of the system, and Mr. Snyder replied that a larger system such as this costs between \$30,000 and \$40,000. He explained that he did a two well system for a residence that cost \$,000, which is around the same cost of a boiler.

Alderman Witte asked if Mr. Ring sees any issues with this, and Mr. Ring replied that he would like to do more research before making a determination.

Alderman Gonzalez asked if it is in the scope of the Council's ability to grant this permit with conditions that DEC inspections must occur periodically, and Mr. DiCerbo replied that they could. Alderman Gonzalez asked if this sort of condition is unheard of in this field, and Mr. Snyder replied that it is not at all. He explained that he would welcome the DEC at any time and that they are not an undue burden.

A motion to postpone PL #34-19 to the next City Operations meeting for additional discussion with Mr. Ring was made by Alderman Witte, seconded by Alderman Crawford. Voice vote, ayes all. Motion carried.

b. Discussion – Bonding for Washington Street Water Line

Mr. Ring explained that early next week, he plans on submitting an application to the New York State Department of Health for the Washington Street Water Line Project. He explained that we need to discuss if the Council would like to bond for this project and try to get it all done at once. He explained that the City would bond for around \$800,000, and that he feels that it is a good option to include milling and paving in the bond (which he did include in the \$800,000 total).

Alderman Crawford explained that he does not doubt that this needs to be done. He asked if the plan is to still do the work on the water line this year, and the street repairs next year. Mr. Ring explained that this is still the plan, unless a very ambitious contractor is hired that begin immediately and do all the work in one year.

Mayor Aiello asked if this Project will include the upgrading of hydrants, and Mr. Ring replied that it does. Alderman Crawford explained that this eliminates a public safety issue.

Alderman Crawford asked how long the project should take, and Mr. Ring replied that it could take several months. He explained that based on previous conversation, he believes that several debt payments are falling off in the next few years, which will aid in the payback of this

bond. He explained that he does not see a more important water line project needed in the City, and we just need to get this done.

Alderman Witte explained that when there was a fire on the street, hydrant pressure was low and water had to be run from Sullivan Street. She explained that this is a public safety issue, and public safety issues are top priority.

Alderman Gonzalez asked if Mayor Aiello and Mr. Ring would rather piecemeal this project or do it all at once, and they both replied that they would like to see it done all at once.

Alderman Dougherty explained that the biggest complaint that he gets is about the Washington Street “minefield”. Alderman Crawford explained that he hopes that the street can get done this year as well.

Mayor Aiello asked if the water lines are in the public right of way, and Mr. Ring replied that they are about two feet into the road, just south of the north curb line. Mayor Aiello responded that the street will be opened up, and there may be inconvenience, but this is needed.

Mr. Ring explained that he will move forward to get bids out for the work to be done.

c. Discussion – LED Conversion, Letter of Intent for National Grid

Mr. Ring explained that this was discussed previously, and he has been thinking more about this potential conversion. He explained that the next step is for the Mayor to sign and submit a Letter of Intent to National Grid. He explained that this does not commit the City to anything, but it does allow National Grid to begin inventorying the City’s lights. He explained that the City will need to spend \$40,000 for the upgrade and will receive back \$80,000.

Alderman Crawford asked if this is City wide, and Mr. Ring replied that the City can do 500 lights, 1,000 lights, or all 1,300 in the City. He explained that National Grid will provide to the City, in writing, the confirmation that the City will receive \$80,000 after spending \$40,000, as well as the date of reimbursement.

Alderman Crawford asked what the downside to this is, and Mayor Aiello replied that it is unknown when the \$80,000 will be refunded, and the City has to front \$40,000. Mr. Ring explained that hopefully the money would be sent as soon as the project is complete, and that National Grid has been adamant about putting into writing the rebate information as well as the date it is to be sent to the City.

Alderman Crawford explained that he feels that this is absolutely worth pursuing. The Committee agreed, and directed the Mayor to submit the Letter of Intent to National Grid.

5. Approval of Committee Reports

None

6. Adjournment

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