In The Matter Of:

WEST OF HUDSON HYDROELECTRIC PROJECT

FERC PROJECT NO. 13287

December 16, 2009

9 A.M.

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In the Matter of:

WEST OF HUDSON HYDROELECTRIC PROJECT
FERC PROJECT NO. 13287

Wednesday, December 16, 2009

9 A.M.

MINUTES OF JOINT MEETING

NEW YORK CITY DEPARTMENT OF ENVIRONMENTAL PROTECTION
71 SMITH STREET
KINGSTON, NEW YORK

REPORTED BY: ROBYN HARRELL

9 A.M.

APPEARANCES:

ANTHONY J. FIORE, Director of Planning and Sustainability

TINA JOHNSTONE, Director of Operations

ROBERT CRAIG, ESQ., Assistant Counsel

ALSO PRESENT:

GOMEZ AND SULLIVAN ENGINEERS, P.C.
BY: MARK J. WAMSER, P.E.

COUCH WHITE, LLP
BY: KEVIN M. LANG, ESQ.

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MS. JOHNSTONE: Morning, everybody. My name is Tina Johnstone. I'm Director of Operations for the Bureau of Water Supply, DEP, and welcome to our Kingston offices.

Real quick, first take care of some housekeeping. If anybody needs to use the bathroom, grab these doors, make a right, make a left and a right in that little hallway there (Indicating).

And in case of an emergency in the building, there is an evacuation alarm which will go off. If that happens, just leave the way you came, down the hallway, out the door, down the lobby and out in the parking lot. Please don't drive away because we take a head count. We have a sign-in sheet. So we don't want anybody in here looking for anybody whose not in here.

So today we're here for the joint meeting required for by the

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Federal Energy Regulatory Commission to talk about our New York City's West of the Hudson Hydro Project.

The hydro project includes four dam sites, Cannonsville, Pepacton, Neversink and Gilboa, and the purpose of this meeting is to give you an overview of the proposed hydro project, as well as an overview of the time line and the current status where we are with the project and the permit applications with FERC, and also to solicit any feedback from you, any studies you feel should be undertaken as a part of the application process, any comments or concerns you may have on the project.

So we're going to give a presentation covering everything that I just spoke about, and then we'll open up the floor for any questions or comments.

If you have any questions or comments, before you make them, please

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state your name and affiliation. We have a stenographer here today to record all of that information.

So at this time, I'd like to introduce the panel that will be here to assist today in the meeting: Myself, Tina Johnson; Anthony Fiore, our Director of Planning and Sustainability for DEP; Mark Wamser with Gomez and Sullivan, our engineering consultant; and Kevin Lang, our legal consultant.

With that, I'm going to turn it over to Anthony to give us the presentation.

MR. FIORE: Thank you, Tina. As Tina mentioned, the agenda for this meeting this morning is to give you an overview of the project. We are going to start by just giving a pretty quick overview of the water supply system, some of the post facility plans, post operations, and then an overview of the

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FERC licensing process, an overview of our pre-application document, and then, as Tina said, we'll open up for comments. And that's really the main focus of the meeting today to hear back from you all.

MR. LANG: Anthony, if anyone needs any copies, it's back by the door.

MR. FIORE: Where are they?

MR. LANG: Right in front of the door, we have extra copies.

MR. FIORE: Okay. The pre-application document.

MR. LANG: The presentation. We have copies right here.

MR. FIORE: There are some copies, if you want to take a quick review of the pre-application document.

So I want to just get in -- and I'm sure a lot of people in the room are very familiar with our system, but I'd like to just go over some of the

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characteristics of it to set the stage for the project. It is an unfiltered water supply system consisting of 22 impoundments in total, ranging in size from.2 billion gallons to over 140 billion gallons. We deliver over 1 billion gallons a day serving approximately nine million people, one million of those residing in counties outside of New York City.

It's spread, our water supply system is spread over a large geographical area. It's a 2000-square mile watershed. The system is broken up into three subsystems. We have our Croton system, which is on the east side of the Hudson River. Our Catskill system here (Indicating) -- and I realize I'm pointing at one side, but can everybody see over here? And then the Delaware system here (Indicating).

The Croton system is our -- is

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the oldest part of the system. It consists of 12 reservoirs and three controlled lakes, and it has a total capacity of 88 billion gallons.

The Catskill subsystem was the next to come on line. It's made up of Schoharie Reservoir and Ashokan Reservoir here (Indicating), and it has a total capacity of approximately 140 billion gallons.

The Delaware subsystem was the last to come on line. It consists of Cannonsville, Pepacton, Neversink and Roundout, and that has a total capacity of approximately 320 billion gallons.

It's important to note that these three subsystems are operated in concert with one another to deliver a high quality of water to the customers.

Okay. So I'm going to start with our Cannonsville reservoir and dam. This was placed in service in 1964.

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I just want to give you a few characteristics of the dam, and the facilities themselves.

It's a rolled, earth-filled embankment. It's 2,800 feet long. This is the dam here (Indicating), and here is the spillway. Now, the dam is 1100 feet wide at the toe and approximately 45 feet wide up top and there is 175-foot difference in elevation from the bottom to the top.

The spillway, as can be seen, is a split-level spillway. So this is a lower level and this is the upper spillway (Indicating). The lower portion of that is 240 feet long and then an elevation of 1150 feet. The upper portion of that is 550 feet long and an elevation of 1158 feet approximately.

The impoundment reservoir itself is 13 miles long and it has a storage

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capacity of approximately 96 billion gallons. The watershed area, the drainage area towards this reservoir is 450 square miles.

So our proposal now, as of today, for this facility is to locate a new powerhouse which would be adjacent to the existing release chamber which is right here (Indicating). This is our existing intake structure, approximate location out of the reservoir. The intake structure sits at the bottom of the reservoir. There's a tunnel that comes through and overlooks the feet and diameter and comes down to the existing release chamber with a series of valves. So, the proposal here would be to, one, tee off of this tunnel to a new powerhouse serving two turbines to generators. In addition to that, in the existing release chamber we would tee off of the manifold system with another

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line serving two additional generators, one of the same size as the other two that comes off the 11-foot line and then a smaller minimum flow turbine.

Right now, we're looking at about 750 feet of transmission line. We'll say that this is all very early in the process. We have not conducted a interconnection study, but from our preliminary screening, that's what we're looking at.

So moving on to Pepacton. This reservoir was put in operation in 1965, and it's an earth-embankment dam. The dam itself is 2400 feet long. The dam is here (Indicating). The spillway is over here (Indicating). It's 1,200 feet wide at the toe of the dam and then again about 45 feet wide at the top. And the elevation difference from the crest of the dam is approximately 204 feet. The spillway -- come over the

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spillway and then there's a tunnel here (Indicating). It's a four-foot diameter tunnel that's built underground which discharges into a stilling pool down below. The crest elevation of that spillway is 1,280 feet. The impoundment is 18 miles long and has a net storage capacity of a normal pool of approximately 140 billion gallons. The watershed drainage area for this reservoir is 372 square miles. So the proposal here is to replace -- well, let me just say this, this dam is a little bit different from the previous dam where I showed you at Cannonsville in that the release work is located up top here (Indicating). In Cannonsville, the release works was located down at the bottom.

The proposal here would be to replace one of two existing valves with a turbine in the existing release

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chamber. This is still being evaluated because we still need to make sure that we can meet our release requirements under our current release operating plan. So we are looking at that now to know whether or not there needs to be a bypass that goes around the turbine or some other alternative, but that is an important component to this particular location moving forward. So that's still being done. And here (Indicating) is a much shorter transmission run, we believe, about 50 feet.

So then there's the Neversink Reservoir, moving on to this, was placed in 1964. Again, the dam is an earth-embankment dam. It is 2,800 feet long, 1800 feet wide at the toe, and about a 200-foot elevation gain from the bottom of the dam to the crest. The impoundment itself is five miles long with a net storage capacity at normal

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full of about 35 billion gallons. The watershed drainage area for this reservoir is 93 square miles. And the proposal here, similar to the Pepacton site, would be to replace one of two valves in the existing release chamber with a turbine. So this dam, again, is slightly different than the others. The release chamber is located here (Indicating), and this facility pictured here (Indicating) actually serves two purposes. It's both an intake structure and a release chamber. The other reservoirs, the intake structure that pulls water in, convey it down to the city, is located in a separate part of the reservoir.

In this one (Indicating), the intake chamber and the release chamber are common facilities. However, the water that comes in for releasing downstream, the intake for that is also

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at the bottom of the reservoir. I know that there were some questions that came up yesterday on the site work about that. So I just want to clarify that that is the case.

The difficulty with this site is the space constraints within the facility. So we're still, you know, speaking to turbine vendors, generator vendors, and looking to see what turbine we can get to fit into the facility and so forth. So that is still presenting a bit of a tight space here. And, again, this is -- right now we're looking at about 800 feet of transmission.

So the Schoharie Development was placed in service in 1926. It's a mixed earthen and cyclopean masonry dam. It's 2030 feet long. The masonry width is approximately 700 feet at the toe, and earthen about 150 feet. It's 155 feet high. And that elevation is

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approximately 1,448 feet. The dam is currently under rehabilitation, as I think many of you in the room know. It's five phases. The first phase was the crest gate installation where a notch was carved out of the systems spillway. That was completed. Site preparation was the second phase. That is ongoing now. The third phase of this will be to install a low-level outlet at this dam. Currently there is no low-level outlet. The fourth part of the project which would work simultaneously with the third part of the project is refurbishing the Shandaken Tunnel and intake chambers, and then finally the site restoration.

So, as I said, right now this is the spillway here (Indicating). The dam comes over here and continues off the screen. An intake chamber would be located here (Indicating). This intake

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chamber would sit at the bottom of the reservoir again with the tunnel out to a gate chamber and then another tunnel down to a release chamber at this approximate location. The idea here would be to tee off of this new tunnel from the gate chamber to the release chamber.

This particular development, the alternatives that we looked at so far doesn't look promising. We're going forward. We are continuing to look at some other alternatives to see if we could make a viable project here. But the alternatives that we reviewed so far make this a real tough case.

Okay. That's an overview of the proposed project. I'd like to get into the FERC regulatory framework a bit by talking about the preliminary permit which is really the first step in considering hydroelectric generation.

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The permit is not an indication of FERC's approval of the project and it does not permit construction. What it does do is it maintains priority while we do studies in support of filing a license application.

With the permit, once we have that, and we do have that now, we can begin collecting data around the project including the environmental setting of the project areas, engineering data, economic information, and who the stakeholders are, that information is all compiled into what's called a pre-application document. Using the pre-application document as a baseline and engage in the stakeholders, then additional data that might be required to support a license application is put together.

This is a very simple overview of the licensing process, a simple

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block-flow diagram. Some are a bit more technical than what is presented here, but in order to apply a kind of easy visual look at the major components of the process, we begin with a permit application and then the pre-application document, or PAD, which again is up front here, and I'll just say now, the pre-application document is also available on our web site. So if you go to www.NYC.GOV/DEP, you'll come to our home page, on the left side of that page, there is something that says "A to Z index," click on that. Click on "H" for hydro, and the PAD is added there. Okay.

So beginning now using the information that we've already gathered that's out there about the projects and, you know, since DEP operates these reservoirs, there's a wealth of data out there, collecting that, compiling it

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together, and bringing in stakeholders that we can identify and putting that pre-application document together, we can then begin to develop what study plans might be necessary to support that license application. So this is the step in the process where we are today.

After study plans are developed, then we can file for a draft license application. After a license application is approved by the Federal Energy Regulatory Commission, that begins the environmental review process that's led by the Federal Energy Regulatory Commission. Once that environmental review component is completed, FERC approves that and then approves a final license application at that point, then are authorized to begin your plans for construction of the project.

Okay. Proposed operations, I'd

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like to, you know, point out at this point that the primary mission for us is to supply high quality drinking water to customers. That is the primary mission. That will continue to be the primary mission. The hydro power would be secondary to that.

On the Delaware development, the operation of the Delaware basin developments will fit into the operating regime, wherever that may be. You know, currently it's the Flexible Flow Management Program. Releases will remain consistent with whatever the current protocol is. The magnitude, the timing for the frequency of downstream releases are not going to be altered for hydroelectric generators, and currently the existing conservation and direct releases are the water that will be captured to generate power.

Under the Schoharie Development,

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what we looked at is capturing the water that would be available from our Snowpack Management Program. Again, the pre-application document -- we went over this a bit, but I will just say again -- it provides background information on the existing projects, the reservoirs and the dams. It discusses again the economics, the engineering, the environmental and operational information and then by compiling that, it helps identify potential impact. It goes through a number of environmental impacts and they're listed on the screen here (Indicating). It's quite comprehensive; geology and soils, water resources, fish and aquatic resources, wildlife and botanical resources, wetlands, Riparian and Littoral habitats, rare, threatened and endangered species, recreation and land use, aesthetic, cultural, socioeconomic

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and tribal resources. Based on this look, proposed studies answers to support the license application are developed. For us, right now, there's a way that we're envisioning a lot of those developments. The proposed studies that we've identified really center around construction-related activities.

The Project Feasibility Evaluation, we are conducting a feasibility analysis. I've alluded to that as I discussed each of the proposed project sites. I'm looking at design alternatives. Really the conveyance system from the powerhouse locations to the release sites, the number and size of the turbines, estimated average annual generation, developmental costs, and some other key factors.

This is a time line for the pre-licensing process. And just to go

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back to this point, we are in the pre-licensing period here. All the work that we're doing now is to support a submission of a draft license application.

Where we are today, there -- it's -- by February 15, any written comments that anybody might have, request for studies needs to be submitted by that date. And then between February and March, we'll take that information and we'll develop study plans based on that. Approximate time, April, we'll have draft study plans completed and we'll finalize our plans by May so that we can get out and conduct whatever studies might be required during that field season. That will last through that field season, then we'll submit a draft license application in the fall of 2011, then they'll be another opportunity for

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comments on that draft license application. Those need to be submitted to DEP and the Federal Energy Regulatory Commission, and then we'll submit our finalized pre-application in the spring of 2012.

So as I mentioned before, after we submit our draft license application, that's when the environmental review part of the Federal Energy Regulatory Commission's framework begins. FERC will review the application. If they accept the application, then they will begin the NEPA scoping process. They'll come out with a Ready For Environmental Analysis Notice, there will be a comment period on that, and then FERC will take that information, they'll review it, and then they'll issue a Final Environmental Assessment or Environmental Impact Statement, depending on the scope of the final project, and after that they'll

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make a final decision on the license application.

So that concludes what I have to say about the project today, with the application document and overview of the FERC process. And at this time, I would like to open it up to the floor and take comments and get some input.

MS. JOHNSTONE: One piece of information I neglected to say was that in addition to this required joint meeting today for the licensing permit project, we've also chosen to conduct a couple of public meetings. One occurred last night in Sullivan County. One is tonight at Schoharie County. And also the site visit, the Delaware Basin Reservoir site visits took place yesterday. The Schoharie Development is taking place today. So we decided to have two additional public meetings, one last night and one tonight, in order to

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give an increased opportunity for feedback and information on the project.

MR. FIORE: Just to add to that, the tour of the Schoharie site begins at 2:30 this afternoon. There is via shuttle bus to go from Gilboa Town Hall over to the site. And then this evening, the public meeting begins at 7 p.m. at Schoharie County Office Building up in the Town of Schoharie, not in Gilboa.

Just please, again, when you speak, say your name and your affiliation for the court reporter.

MR. LEONARD: Hi. My name is Ron Leonard. I'm with Eco-NRG and a couple of other non-profit groups.

I'd like to just get a background of this city which has been in the hydro business for a while, what your existing operations are on this side of the Hudson, what their power

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availability has been and what they're present status is.

MR. FIORE: Well, what I'm going to tell you about that is there are currently hydro developments on the system. DEP owns two of those. That's on the Neversink tunnel outlet and the East Delaware tunnel outlet. There's five in total. They are all on conveyance systems. None of them are at dams on releases, so this is different than our existing ones. As far as specific capacities, I don't have that.

MR. LEONARD: You don't know if they're operating there?

MS. JOHNSTONE: Yes. Absolutely.

MR. FIORE: They're all operating. There is one generator in Valhalla that NYPA owns and they are removing that one.

MR. LEONARD: You said all of

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those are sort of different including the Ashokan one?

MR. FIORE: Yes.

MR. LEONARD: At the bottom of the dam, there's a difference.

MR. FIORE: Yes. Those are all on the water conveyance tunnels. Those are under a different FERC regulatory process and the operation is different in that they're in these tunnels rather than on a route release to downstream.

MR. LEONARD: Can I ask something different about the -- two of the existing projects. It's sort of somewhat unusual, from my experience as a previous developer of hydro, where you have Neversink and Pepacton as the one of three megawatts, those are really not economically viable projects. In my past experience in the amount of dollars that you're going to have to invest in environmental impact, infrastructure

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studies, et cetera, requires those projects like that one --

MR. FIORE: You know, we worked very hard to manage our system not to lose water. And so for any water supply system, building hydroelectric on the release side is a challenge, because of the amount of water that is available. But we are looking at what water is available and how frequently that water will be available and that will then determine what the -- how viable the project is. What I'll say also is that we are looking at this project differently than an investor-owned developer may look at it. Typically they look for a seven-year payback period. And in that framework, we would not make any sense, but we have the ability to look further out.

MR. LEONARD: So a follow-up to that: Is there any commitment with

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these projects that has a public benefit aspect as a local fisherman and member of Trout Unlimited, I'm interested in, you know, releases just like you are, but I'm also interested in things that benefit the reservoir system, that help temperature in terms of releases, as you are aware, that you're renovating or revamping Schoharie, I believe, and you have problems with releases from the reservoir through the Shandaken Tunnel down to the Ashokan Reservoir in terms of temperatures. I recommended this years ago that the city invest in something like this and then take the money from production of a 12-megawatt facility and put it into multiple releases stages and reservoir. Is there any public benefit aspect of any of those projects?

MR. FIORE: In general, I would say yes, there's a public benefit to

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these projects. To answer your specific question on Schoharie, this project itself is looking at releases from the dam side and not releases south to --

MR. LEONARD: Infrastructure improvements that occur because you're getting into problems, there's nothing outside of the project to benefit the public?

MR. FIORE: I'm not sure I know what you're really saying.

MR. LEONARD: Okay. For example, New York City, when they were originally putting in the reservoir system in the Ashokan area, promised that the local communities would benefit from that; besides fishing and other amenities, that they would actually be able to get a reduced cost of energy. Is that a commitment that you could make in any of these systems that will be a public benefit?

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MR. FIORE: I mean, the Shokan one, the city doesn't own, so I'm not sure how that was made.

MR. LEONARD: Holistically.

MR. FIORE: So you understand that we don't own that. That's a NYPA --

MR. LEONARD: I understand that.

MR. FIORE: How the generation is to be used is still under investigation, but it will have to be consistent with both state and city law.

MR. LANG: And federal requirements as well.

MS. BARTHOLOMEW: Can you ask the people in the front to speak up so we can hear in the back. Thank you.

MR. FIORE: I'll try to do that. There is a sign-in sheet that has been going around. Please, if you haven't signed that yet, please sign that before you leave.

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MR. LANG: There's other people --

MR. FIORE: So if you came in after we started and you haven't signed in, please do that.

MR. BARTHOLOMEW: Howard Bartholomew, from Dam Concerned Citizens.

I have a question regarding the Schoharie Reservoir, the hydroelectric.

Page 34 of the preliminary application document, we have some figures regarding the potential for hydroelectric generation. The Schoharie says 23,535,000 kwh. In Cannonsville supposed to had 25 million. So what are the serious problems that we are -- perhaps prevent you from utilizing Schoharie water, since that is such a productive township?

MR. FIORE: When you look at hydroelectric development -- and, Mark,

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you can jump in anytime you want -- but what you're looking at is how much water is available and how often that water is available. That really determines kind of a sweet spot of how you would build your hydroelectric. That combined with what the capital cost would be to develop the project along with what the energy forecasts are, really determine whether or not the project is viable.

So at this point, from what we looked at, the order that is available and the frequency that it would be available, currently does not look like it's a real good project.

MR. BARTHOLOMEW: We would be aware that the problem would be spillage that would occur and a conscious snowmelt, and we have surplus water that develops and then becomes waste water, discharged north though the Schoharie and Mohawk branches. But this passes

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only through Cannonsville. In terms of overall annual output to obtain it for three months of the year, that could be utilized.

Are there any other engineering difficulties regarding soils and rocks and geologic issues that you are aware of, or encountered, in terms of location of that powerhouse?

MR. WAMSER: Yeah. There is a big grade difference between where the outlet would be and where the powerhouse would be. There's what you don't see in the cost of construction. There's a lot of topographic differences in elevation that have to be accounted for. And as Anthony said earlier, the biggest thing is there's very little flow that comes out of Schoharie, and when it does come out, it comes out in a big flood. So you don't always want to design a hydro plant to only be operating, you know,

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two months of the year.

MR. BARTHOLOMEW: And then the second thing regarding the back tunnels, the 5, 10, 15 tunnels, has any consideration been given to mow that service? As you were aware of the 1065 elevation out in Portal (sic) and whether, roughly about a 1134 pool in Schoharie, so you don't have a big reservoir, tunnel. Has any consideration been given to some kind of low-head because that is a continuous discharge of water there?

MR. FIORE: It's not part of this project.

MR. BARTHOLOMEW: Then why hasn't it been considered? That's obviously an area where it runs constantly.

MR. FIORE: That may be something that we consider in the future, but part of this -- part of this

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is the project of design. Thank you.

MR. BARTHOLOMEW: Thank you.

RON LEONARD: Ron Leonard, again. I was wondering if there are other environmental aspects to those projects that are not stated. Obviously these projects probably can't be evaluated by the low-head hydro institutes. Are there other environmental registrations that you would go through in the project above and beyond the FERC low-impact hydro?

MR. WAMSER: Low-impact hydro is something that they haven't applied for, but it could be something they look into.

MR. LEONARD: Is there any other environmental registrations or other things that you're going to go after in construction of those projects?

MR. WAMSER: No. Not that we're aware of. Again, I will say, you know,

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that the projects, you have to get a 401 Water Quality Certificate through the state, Environmental Conservation Agency. So, in terms of that, yes, but no.

MR. FIORE: What Kevin mentioned that on the Delaware Basin, the Delaware River Basin Commission, that you have to work with as well. Thank you.

MR. ZIMMERMAN: I'm Jeff Zimmerman. I'm representing Delaware River Basin Commission. On the Delaware Reservoir, there has been some questions and issues raised on the Delaware system, whether the release works at the three reservoirs, Neversink, Pepacton and Cannonsville, could be increased in size to have a greater release capability. Has any consideration been given to document that kind of activity to this project?

MR. FIORE: No. I mean, as I

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had said earlier on the Pepacton project, we're still evaluating. Remove one of those release values that existed and we substitute that with a turbine, how that impacts our release capacity, and so we're working to solve that, whether there is a bypass that's put around that, or the other remaining valve is increased in size. But that's really it.

MR. ZIMMERMAN: Has anybody taken a look at the dam to see whether there is room available to add additional release valves, for example?

MR. FIORE: I can tell you that the space is extremely tight and that's one of the real challenges at the Neversink site.

MR. ZIMMERMAN: That's the case at Cannonsville as well as Pepacton?

MR. FIORE: All the facilities are pretty tight with space.

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MS. KNUTSON: Hi. This is Lingard Knutson from EPA. I would say just say if you write down the FERC web site, kind of go through it where people kind of register themselves. You could register through the FERC web site using their project number, which I believe is actually on they're agenda. You can register yourself and actually get all the updates from FERC whenever he keys in on something, or someone makes a comment, or FERC talks to the DEP, it's actually on that site. So it can be emailed to you. You get each letter as it comes through. It's very helpful when you're trying to stay abreast of this stuff.

MR. HAYES: Jack Hayes, Ulster County Legislator.

I'm going to refer to a Times Record article, which is not a very safe thing to do in regards to veracity, but

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there's a big difference between --

MS. JOHNSTONE: Sir, could you just speak up so everyone else can hear you? They can't hear you in the back.

MR. HAYES: I was just wondering what the difference was in the proposed outputs. There was one stated as 63 megawatts, and then yours is 38. Does that have to do with your limitations of your site?

MR. FIORE: The question was difference in total megawatt capacities. The way that we decide the projects was look at how much water is available, how often that water is available, and that would give you a capacity factor for the development. That then combined with what the type of cost would be to develop that set along, obviously, with energy forecast pricing, really is the best way to size that project.

MR. WAMSER: On the proposal we

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have not every ounce of water is going through a turbine. There may be times when spillage is occurring in the spillway in addition to the amount of water going through a turbine. If you were to try to capture every ounce of water going through, you may have six to four turbines at a site, one of those turbines may be operating only at -- to capture that high flow. It's just not economic to have -- to capture all of the flow.

MR. HAYES: Thank you.

MR. BARTHOLOMEW: Howard Bartholomew, Dam Concerned Citizens, and we represent Schoharie Reservoir.

The Delaware County Electric Cooperative last year proposed, almost two years now, using the site and type of spillage that go on, that outset is going to be taken out shortly, but that type of inner spillage from the

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spillmills developing for maximum generation. And since, perhaps, DEP doesn't find it economically feasible to develop hydropower itself, would they be open to discussions of the Delaware County Electric Cooperative to exploring these possibilities?

MR. FIORE: What I'll say, that we're exploring all options to make this a viable project.

MR. BARTHOLOMEW: If you didn't find it viable, would you allow some other entity? Because, the Catskills, in looking through your book, and see that 35 percent of the people employed are employed by the government, we know what the economic conditions are overall on the watershed and immediate area on both sides of the watershed. Which would be amenable to allowing some other body to develop a hydroelectric patch under the water system because we know

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what the primary magnet is, because this would be a benefit of lower costs and energy costs.

MR. FIORE: What I'll say is that, whether we developed it or someone else develops it, that mission does not change. So the primary mission is to supply that water for the customers for good drinking water.

MR. BARTHOLOMEW: We know that.

MR. FIORE: Right. I want to make it clear that it doesn't matter who develops it, that's the primary mission.

MR. BARTHOLOMEW: It's a basic feeling of cynicism that this whole project, the preliminary application document, you know, was drawn up to simply shut out the Delaware County Electric Cooperative Cooperative for the development of the Schoharie Project. That's the tenor feeling and sentiment of the people who agreed to Delaware,

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agreed to Schoharie County, adjacent reservoirs. I just wanted to let you know that.

MR. FIORE: And thank you. And the practicality of the matter is that we don't develop a project. It's open. It's an open FERC regulatory process. I mean, there is not this thing where the city can stop somebody from looking at the development of a project. It's -- that's under the control of the Federal Energy Regulatory Commission. But I will just say again we are looking at all alternatives to try to make these viable projects. And being a municipality, as I had spoken about earlier, we look at project developments in a little bit different way than investor-owned or other utility might be able to do.

MR. BARTHOLOMEW: Thank you.

MR. LEONARD: Ron Leonard again.

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I'm curious as to who takes possession of the power output.

MR. FIORE: That's yet to be determined.

The question was about power output from the facility. You know, the power, that we haven't gotten to yet, how exactly that would happen, but again I would say it has to be consistent with state, city and federal laws.

MR. LEONARD: So what number are you using in your evaluation for power outputs?

MR. FIORE: For what?

MR. LEONARD: What's the number? In other words, where you discuss payback or what's the number you're using for your power output values?

MR. WAMSER: We're looking at a time horizon, so we're looking at a range. So it's varying every single year.

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MR. LEONARD: So, starting with project completion, what's the number?

MR. LANG: The starting point we're looking at what the current market price is. And right now, in these zones, I believe, it's in the five to six dollar range, or I think it's lower.

MR. WAMSER: Lower.

MR. LANG: A little bit lower than that. But that's where our starting point is, what the liquid market price is today.

MR. LEONARD: So based on that, what is your payback, your one and a half megawatt system?

MR. FIORE: Just a correction to that. I think we're looking at the range of energy forecast prices in the time that the project possibly could be constructed and out from there, so not really at today's prices.

But we're still in the early

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stages of that feasibility analysis. We're not prepared to talk about the details of that yet.

MR. LEONARD: Well, we just discussed that you could, you know, look at your economics in a different manner because you're a city agency, but basically you're spending taxpayers dollars, so you must have some justification for doing those projects. So if you can't get a payback, you shouldn't be doing it. You have a 30-year payback? You have a 50-year payback? What's the range?

MR. FIORE: I'm sorry. I understand exactly what you're looking at.

MR. WAMSER: We're looking at over a 30 or 50-year time frame.

MR. BOSCH: I'm Adam Bosch, reporter with Times Herald Record newspaper, and I have two questions;

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one, do you guys have a rough idea how much construction this project will cost; and two, if I understand you correctly, because these turbines will be placed in the sections of the reservoirs that make releases, is what you're saying that the production of these turbines will depend on, for instance, drought signs, non-drought signs which determine how much water you release downstream? I just want to make sure.

MR. FIORE: I think there are still a lot of factors that we have to analyze in order to present a definitive number on the capital construction side. But, I'm not sure I understood your second question. What I'll say is what I said before, is that you have to look at how much water is available and how often that water is available.

MR. BOSCH: What I'm asking is

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what factors determine how much water is available?

MR. FIORE: Oh, I mean, it's a historical record of the in-flows and releases from the reservoir systems and we, you know, have models to analyze that and analyze that into the future.

MR. MURPHY: Tom Murphy, New York City DEP. I suspect he's inquiring that's what the minimum low-cost procedures would be governed by current operating rules, so drought conditions and drought releases would apply. That would be your available water.

MR. FIORE: Okay. Thank you.

MR. ZIMMERMAN: Jeff Zimmerman again. This may be a question for Tom. I'm not sure. During the construction of any of these particular works at the Delaware Reservoirs, for example, how -- is there a plan for how the city will continue to maintain the release

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requirements for downstream releases?

MR. WAMSER: Water construction conveyance, during construction, the FFMP and the requirements downstream will be met that haven't been.

MR. ZIMMERMAN: So you'd put in some sort of bypass?

MR. WAMSER: We have to construct something to maintain a water flow downstream that meets the FFMP.

MR. LEONARD: I'm having fun. Ron Leonard again. I'm curious as to how you're going to proceed with construction if this proves to be viable. Are you going to put out an RFP, put it up for bids, petitions, how the city will do construction?

UNIDENTIFIED SPEAKER: Can you speak up so we can hear you back here?

MR. FIORE: The question was if we get to construction, how would that process take place?

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We would have to follow city protocol, so yeah, that's a -- either a competitive bid or we would put out a request for proposal, an RFP.

MR. LEONARD: So the City would not do the construction?

MR. FIORE: The --

MR. LEONARD: City would not --

MR. FIORE: City employees?

MR. LEONARD: City, yes, whatever, outside.

MR. FIORE: Yes. Did you hear that in the back?

MR. BARTHOLOMEW: No.

MS. BARTHOLOMEW: We can't hear what he's saying.

MR. FIORE: Okay. He just asked again would it be city staff basically doing the construction. The answer is no. We put out a competitive bid or a request for proposal process to select contractors to do the construction.

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MR. BOSCH: Adam Bosch, for The Record one more time. When this first gentleman here asked this first question about what the electricity would be used for. You said it would be consistent with state and federal laws. I'm curious, what do those state and federal laws allow you to do? Do those state and federal laws allow you to then sell that electricity back to the public and the houses that surround the communities that surround the reservoirs? What do those statutes allow you to do? What actions would be consistent with those laws?

MR. LANG: What we're looking at is the city would be a generator that would be subject to regulation under the Federal Energy Regulatory Commission in the wholesale market. The New York Independent System Operator controls the sale of electricity in the markets

unless you have what's known as a bilateral sale, a direct contract between the city and someone that is purchasing the power. We haven't gotten to that stage yet to determine exactly what we're going to be doing to the output. It will either be sold into the NYISO market or the city could consider entering it into some type of bilateral arrangement for a direct sale from someone else. Anyway you do it, you need to comply with federal requirements, in terms of how those sales occur, pricing, things like that. This plant probably will not be subject to public service commission jurisdiction. In a general sense, that is still an issue we are looking at. In part, it will also depend on the design of it. As you could see, for those of you that looked through the pre-application document, in two of the

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sites, we're considering connecting into NYSEG distribution system rather than the transmission system. The distribution system is subject to PSC jurisdiction. So we're still looking at what implications that has for us in terms of what PSC requirements that we would need to comply with. Like, you know, whether there's some safety requirements, this would apply to anybody that's interconnecting into the electric system. That's one example, to say the least.

MR. BOSCH: Okay. Thank you. Thank you very much.

MR. CHACE: Phil Chace, Upper Delaware Council and I represent the Town of Deer Park. I was an intervener in 1991, with the law once being licensed for a short time. FERC was very much involved. They came up with -- from zero releases to 100 CFS for

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Stony Bridge Reservoir. The bottom reservoir, while 100 CFS, which goes into the Delaware. A few years later, maybe a decade later, Pennsylvania Power and Light was being re-licensed on the Lackawaxen River, and this had two generators on that one. And FERC was very much involved with the meetings with the Upper Delaware Council. We went through four years of meetings that FERC was involved, FERC engineers. And in both cases, one was in Rockland and the Lackawaxen River, recreation was considered and given a highest releases as well as fishery requirements.

My question is: What is going to be the involvement of FERC in relation as to this? That's one question.

I thought I heard you say just a minute ago something about drought releases. And I've been involved with

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this since the early '60s, and the releases that we got were drought releases. And there was like this 10 million gallons a day. If you multiply that by 1.5, that gives you the CFS, 15 CFS during the summer and one-third of that in the wintertime, just about nothing. And the same as Pepacton. The same as Cannonsville. When I hear drought releases, that's always been New York City DEP's philosophy. You can't have drought releases and have any infrequent environment on any of those rivers. They have to be effective. We live in the Catskills. New York City may not realize that we exist. It's very important to us to have these resources and that's the way it should be.

So I'll go back to that question. What will be the involvement with FERC? Will we be able to sit down

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with FERC and listen to the adds and discussions on what the outcomes will be?

MR. LANG: Right now, as Anthony has said during the presentation, we're in the pre-application phase, and we're doing it under something called the traditional licensing process. What that means, this is an informational and exchange process that is run by the City as the developer. The FERC does not have a direct role in the process at this time. They're aware of what's going on. They were aware of the meetings yesterday and today. We will continue to keep them apprised of what we're doing through this pre-application process. They're role comes in once we file the license application. And once we file the license application, it is then and their domain and they will be controlling the process. Specifically

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as to what they're going to be doing, I can't answer that. None of us can answer that, and that's really a question you need to defer to FERC for a direct answer from them. We suspect, as there have been in other cases, that they will be actively involved once we file the application. In terms of the process, that they will use the number of meetings, the types of interactions they have, that is something outside of our control, and it's really a question that has to go to the FERC staff directly.

MS. JOHNSTONE: As far as the releases go, we are currently referring to the Delaware River Basin Reservoirs. New York City cannot unilaterally decide what we're going to release out of reservoir. It's a Decree party unanimous agreement that we're all involved in. Currently we are operating

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under the Flexible Flow Management Plan, which is what we will continue to operate under. There are provisions in there, and Tom can help me on the specifics, or if we get into drought conditions, this energy that you're referring to is under a previous flow regime for this Delaware Basin Reservoir at Neversink. The current release regime under the Flexible Flow Management plan is based on storage, existing storage in the reservoirs, the seasons, and percentage, percentage stored in the reservoirs.

Tom, do you want to add to that?

MR. DeJOHN: I think you pretty well covered it.

The only other aspect to that is drought conditions, both releases and diversions all get cut back to manage the river and New York City's water needs through a difficult time. So it's

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not just on the release side. You also need the reduction on the diversion side.

MS. JOHNSTONE: And that is all through a unanimous agreement by all of the Decree parties, New York City, New York State, New Jersey, Delaware and Pennsylvania.

MR. BARTHOLOMEW: Howard Bartholomew, Dam Concerned Citizens. Regarding the previous comments concerning FERC, we know that FERC's requirements such as safety specifications for dam safety and construction are somewhat higher than those mandated by the present New York State Department of Environmental Conservation for reservoir rehabilitation. So if you were to adopt a generating scheme at the Schoharie Reservoir, you would then be subject not only to cancellations, you then have to

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have a higher factor of safety against failure of those issues, you would be subject to FERC inspection, and you weren't to have hydroelectric facilities located there because that's also what's considered to be a reason for your denial of housing hydropower from Schoharie Reservoir as the second highest.

And secondly, people feel like part of the survey that -- regarding the requirements from the Catskill residents from the Catskill magazine, 1972, '73 -- this article is certainly older than some of the people in this room.

This article says: Half of New York City's water reservoirs were viewed as being described as some of the finest fishing mass. Now the pattern of water release from these reservoirs are disgusting and is responsible for almost impossible fishing conditions. With

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cooperation, we could have the finest fishery in the Delaware facility. It won't cost anyone. In the case of New York City, realizing New York City's drinking water is a prime resource of importance.

So that is the sound of people 35 years, 36 years ago regarding the operation. In some instances, if you know you have to release water under the Delaware River Basin, that kind of thing, but specifically in the Schoharie system, we could use continuous release in some form during periods of multiple, in Schoharie, conservation releases. And you think they would be viable and work in concert with hydropower generation. So that's one of the reasons we like to take a sort of holistic or symbiotic approach to supply water. We think, when possible, power should be generated, and restricted.

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Mostly, it should be given first priority, after all, we are the host community for your reservoir system for years. We think that we should get first dibs at cheap power. That's only a certain payback for you not having to substitute water based on regulations. So I just wanted to make a point.

MR. FIORE: Tom, you want to talk to dam safety?

MR. DeJOHN: My name is Tom DeJohn, ~~DEC~~ DEP Western Operations, dam safety.

The current facilities in New York State right now, west of the Hudson, are designed to meet an existing ~~DEP~~ DEC dam safety regulation, ongoing projects, and plant projects and rehabilitation throughout the watershed. Obviously, the one you're most familiar with is up in Schoharie County.

The FERC regulations we're just

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starting to review -- at least I'm just starting to review those at this time. I had comments written on some of them, but there are differences between the existing facilities and new construction facilities, that you're alluding to, concerns with different factors in safety overturned, and whatnot. That probably may or may not be appropriate in some of these instances, but it's my understanding that if a project were to come to fruition at any of these facilities, that we would have to abide by the FERC regulations as they stand.

MR. BARTHOLOMEW: Thank you.

MR. DeJOHN: You're welcome.

MR. LEONARD: Ron Leonard. It wasn't clear from your description of the projects when certain decision processes are going to be made. For example, you're describing that Pepacton needs possibly to replace more than two

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valves, interject certain valves in other systems. I'm not sure how the numbers jive. For example, when you describe Neversink has a 200-foot elevation and Neversink, in the description on page 34, says the average height, hydraulic height is 166 feet, can you give us an idea in the process that you're going through right now when you make decisions, when you finalize connections, when you pick a vendor for the turbines, what's the process like?

MR. FIORE: For those that couldn't hear the question, it's really asking about when we make decisions about specific project components, you know, in design of the projects, what's the vendors, and so forth.

MR. WAMSER: We're in the very initial stages. This is coming with really both the licensing and the feasibility at the same time. We've

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just gone to vendors now to get information on costs. We want to tighten things up a little bit by getting vendor quotes. But in terms of the length of timing, it's still -- you know, we're still a year off.

MR. LEONARD: So in terms of the process, when do you think you would finalize the engineering? You know, how would -- what time frame are we talking about here because you have to do something by 2012, as I understand it?

MR. WAMSER: I think by 2012, we have to make a decision as to whether we consider going forward with that. So roughly in that time frame is when we'll make a decision.

MR. LANG: Well, wait. Let's be clear about decisions. There's different decisions. There's designing decisions and these engineering decisions, and then going out and doing

procurement. The procurement likely will not be done until we actually have a license. Because to go out and buy turbines and generators before we've actually gotten the license, if we don't get the license, then what are we going to do with the equipment. So those decisions are years away. In terms of the design and engineering, when we file our application for the license, we need to present these projects that we propose to build and that will all be laid out. What we're doing now and what we will be doing over the next year or so, is the studies, not just the environmental studies, but also the design studies and analyses to look at the different options that Anthony talked about earlier, to see what is the best equipment to use that would satisfy the flow requirements, the other requirements for operation. We look at

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maintenance issues. You know, we have existing facilities there, what is going to be the most compatible with those facilities. So those decisions in terms of the design of the units and the engineering of the units will be made in the next year or year and a half, you will see those in 2012 when we file our final application. You'll actually see them in 2011 when we file a draft application which you'll all have the opportunity to review. So that's really the time frame that we're looking at for the preliminaries.

As Anthony said, with respect to the vendors, because this is the City of New York, they have procurement guidelines and procurement requirements. That will all be a very public process as required to be, but we're -- I think -- I can't even say by about how many years, but we're probably at least four

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or five years down the road for that.

MR. SULLIVAN: If I could just add something. My name is Tom Sullivan. I'm with Gomez and Sullivan.

What Kevin and Mark just explained is absolutely correct. Beyond that, you know, when we get ready to file the license application, we're going to have a very educated, you know, opinion as to what these developments should look like. That opinion would be informed by the actual Order Issuing License from FERC. That order will have conditions on it that may influence our design one way or another. Once we have that in hand together with the 401 Water Quality Certificate from the state, then the design could be finalized, bid packaging could be put together, and vendors, turbine generator vendors, you know, construction contractors, they could all be sourced at that time.

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So as Kevin says, I mean some of that, you know, we know though where we are for 2012, and then it goes into FERC's hands, and then after FERC's hands, we go onto a finalized design and bidding process. That's very typical for a FERC project.

MR. LEONARD: As a follow-up, is there any other decisional instructions, is there any other instructions that are connected with these projects that are going on or connected to things like maintenance, other projects that are ongoing? Is there any connection between these projects and other ongoing work?

MR. FIORE: No. The question was are these projects connected with any other ongoing construction projects and maintenance.

MR. LANG: Anthony, the only caveat on that is that at Schoharie, the

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city is already looking at doing a low level -- as you mentioned earlier, a low-level release and it's -- when we had the picture up of it, the concept that we're looking at is to tap off with that line for a plant.

MR. FIORE: Right. All I'll say is the low-level release project is independent.

MR. LANG: Right. That's all I wanted to mention.

MR. LEONARD: That hydro development --

MR. LANG: That's still being looked at whether the project or how the project is going.

MR. LEONARD: The low-level release would be connected to the Shandaken Tunnel?

MS. JOHNSTONE: No. No.

MR. LEONARD: Just wanted to make sure.

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MS. JOHNSTONE: Schoharie Creek.

MR. FIORE: Again, we're talking about Schoharie, we're talking about the dam side and the construction related to building an intake with, or a release, a release chamber.

MR. LEONARD: Okay.

MR. PLUMMER: Dan Plummer with Friends of the Upper Delaware River and Trout Unlimited. I just wondered if you guys have any idea if and when this actually -- the work is completed, and if you have some systems installed in any of the reservoirs that would be future consideration for new release plans to meet energy demands?

MR. FIORE: I think, as I said before, you know, the development of this project is to put in what our current release operating plan is. And as that plan evolves over time, the hydroelectric will be secondary to that.

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It will fit into whatever that operating scheme is.

MR. PLUMMER: Yes, sir.

MR. DARROW: I'm Bert Darrow. One quick question, and you must have discovered this. If this goes, what will be the effect of temperatures on rivers below those turbines?

MR. WAMSER: Well, currently as we -- right now, as we propose, most of you are utilizing the existing low-level outlet work, so it should not change the temperatures, even if you're seeing right now, releases should be the same with a turbine in place. We're just tapping off the existing structure that's taking the water out of the reservoir and down the stream.

MR. DARROW: I understand that.

MR. WAMSER: I mean, it's just a pass-through of water through a blade. Any heat is really -- you can see it in

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a powerhouse, it can get very hot from a generator, but you're not going to see an increase in heat because of turbine.

MR. BARTHOLOMEW: Howard Bartholomew again. Going back to high school physics, maybe some of us remember what Joule was, J-o-u-l-e, was the final propeller, you could incrementally in such -- in accessible amounts measure increase in water temperature effectively. And temperatures would become -- it will be some, and probably be less than 10 degree -- centimeters. It would be the most inconsequential. Only thing it will do is slow the flow down to the water. Other than that, turbines won't effect temperatures.

MR. CHASE: Phil Chase, I like to just bring in a little history which it still relates to that, that is Neversink was constructed, they had the

power plant built into -- when Pepacton was constructed, the east branch tunnels had a power plant that could surround that also. Eventually Cannonsville had a low-head generator. I think it was 80, which doesn't amount to much. Now the interesting thing is I asked the FERC engineers up in Lake Wallenpaupack and Lackawaxen about the re-licensing of the Neversink Power Plant and the East River Power Plant. And the interesting answer was because they're on tunnels, it's not an involvement of FERC, your re-licensing. So they're exempt from FERC. I was hoping we didn't get into that. But in this case, the eastern tunnels, consequently, FERC should have a major involvement on that, with your help, with the power of the City on procurement matters to have involvement. The interesting thing on the Lackawaxen -- it's a three-mile aqueduct which is

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like a tunnel with a power plant at the bottom of it but that was not considered the same as the New York City tunnels, for some reason.

Anyway, this was just a little bit of information.

MR. FIORE: Thank you. I'll just say that, you know, this is a Federal Energy Regulatory Commission process. Thank you for the credit that you give to your neighbor. But, I think they're a hundred percent accurate. The Federal Energy Regulatory Commission oversees that. Make no mistake about it. We are under their regulatory framework to develop these projects. What you have alluded to, there are what's in FERC terminology it's call exemptions. That terminology is a bit of a misnomer. There are conduit exemptions and there is small hydroelectric exemptions. They're still

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under FERC jurisdiction and there are still conditions that are put on those exemptions. Again, that's a really poor term, but it is a FERC terminology. There are still conditioning terms that are associated with those.

You know, maybe, Tom, you might want to elaborate on the history of that and the purpose.

MR. SULLIVAN: The difference is on the -- there is no real re-licensing for exemptions, but the process to get an exemption, is exactly like the process to get a license. The only thing you're exempted from is like ongoing FERC reporting requirements with an exemption. So here we're going for licenses. You know, right now we're going for licenses. Even if we were going for exemptions, the process is the same. FERC involvement is the same. The conditioning authority for an

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exemption falls more on the fish and wildlife service and the DEC under the exemption that it does under a FERC license, but that's really the only thing. The process is the same process.

MR. LEONARD: Ron Leonard. My question is, who is the entity that's going to operate this facility if it comes to construction and could these facilities be sold off to other entities in the future if they did construct it?

MR. FIORE: Whose going to operate it, we don't know yet. That will come later in the process, you know, after the procurement for construction. We'll look for the same with operations of it, or maybe operated by city staff. We don't know that answer, yet. The sale of the developments would have to be consistent with tax laws. These are developments that will be bonded by the City, and so

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there is requirements around the private use of facilities bonded by the taxpayers.

MR. LANG: You'll have to meet FERC requirements as well.

MR. LEONARD: Can you go through the process of funding the construction of these facilities and the bonding of it?

MR. FIORE: In terms of?

MR. LEONARD: How it works, what type of bond they go for or what is the process? You know, how does the money flow?

MR. FIORE: You don't have the right guy here for that.

MR. LEONARD: But you have your whole staff there.

MR. FIORE: That's our office of management and budget. That's our office of management and budget, a separate city agency. They're the ones

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that do that. I can't answer that question. It's very early in this process as well, but that's the office of management and budget.

MR. BARTHOLOMEW: I have in my hand an article from The Record, I read something in the paper last week. I have to agree with Paul Rush, that the current stage of water temperatures was, I guess, raised by hydroelectric generation at the time of the Delaware County Electric Cooperative applied for a permit. Upon this article shortly after DEP's announcement plan, DEP's deputy commissioner, Paul Rush honored that water temperature would be a chief concern for developing fish population.

Once the City was in the driver's seat, if the city occupied the driver's seat, no habitat studies were needed. So that's an apparent contradiction reported in the newspapers

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just last week. This perceived, ingenuous hydro flip-flop is embarrassing, in Delaware. But we have respect for the engineers and professionals, and sometimes we think that you're put out in a very uncomfortable position of saying one thing and then having to say something else. How would your response be accurate when you start hydrogeneration thermal regulation -- when the cooperative wants to apply for the preliminary document, now it's an issue?

MR. FIORE: So the proposal by the Delaware County Electric Cooperative, a huge site, and that would be taking water from higher off the reservoir where there's warmer water. So that's why there would be concerns about the impact of thermal regulation downstream.

In our pre-application document,

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we said that we were going to look at alternatives sites, including leveraging the existing infrastructure, and that depending on the design, thermal regulation would be of concern even in our application. Because we're proposing to use the existing infrastructure of where the intake drips where the lower releases are at the bottom of the reservoir, that's where the cold water is. And based on that design and based on what we discussed here about not having the turbine increase the temperature of that water, we don't have the same concern.

MR. BARTHOLOMEW: They call it stream of water Schoharie Creek because of its depth. It's higher than your lower levels, first of all. Secondly, any water coming north over the Schoharie Reservoir, when you have surplus water, would be cool and the

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condition exists that there is no water -- water on spillways and -- months of the year -- six months of the year, we have a very strange phenomenon hydraulically or hydrologically occurring having more water going under the bridge at Prattsville, New York, which is 29 miles from dam water. In Burtonsville, 75 miles from dam water. There's more water going in the reservoir than it is 60 miles downstream, 60 miles downstream in a dam. So --

MS. JOHNSTONE: I think that the concern specifically on thermal, the state confirms the Delaware, where there's already a cold water fishery established, where there's already a release regime established with cold water releases. We don't have a release regime established at Schoharie and that is where, you know, habitat studies

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would have to occur before anything could be put in there referring to thermal temperatures of the water before anything is put in there and how that would affect downstream of Schoharie.

MR. FIORE: Thank you, Tina.

MR. BARTHOLOMEW: I have a copy of the Stipulation of Discontinuance with DEP, by historian Robert E. Platt (Phonetic Spelling), 1980, advised the City at this time when it was so unwilling, it applied the basins with Cannonsville Reservoir with Delaware, that they sued DEC. DEC finally stated in that agreement, that they would release water into Delaware. Thank God. The worse problems than you were alluded to. But at the same time, releases from the Schoharie Reservoir were sort of a Cinderella cap including ones for, you know, all West of Hudson reservoirs. We don't get any water north of Gilboa Dam

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six months of the year. I have pictures with me, two 15-inch -- not thought of very previously until a couple years ago -- a viable fishery for releases to work, that from the London Bridge up to the Gilboa dam. So this is a viable fishing dam that was neglected, but people are aware of this, becoming increasingly aware of it now. So I suspect you know that. Thank you.

MR. LEONARD: Ron Leonard. Can you give us an idea whether the FERC process you will have numbers, cost numbers to be present?

MR. WAMSER: I would say we are probably a year away of being better accurate, getting better numbers, yes.

MR. LEONARD: But in 2010, 2012 when will you have some -- have some reasonable numbers?

MR. WAMSER: I'll say probably the latter part of 2011.

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MR. FIORE: I just want to point out, before anybody leaves, you know, if you didn't say what you wanted to say here or if you want to add to whatever you have said, this is the contact information. You can send any comments to us and we'll get these.

MR. DEBROSKY: Glenn Debrosky, TU. Is there any consideration on releases on the Roundout Reservoir, if you know? If at all?

MR. FIORE: That's not part of this project.

MR. DEBROSKY: I believe there is a release. I don't know if it's 10 million gallons a day or what.

MS. KNUTSON: It's 10 million gallons a day and 15 million gallons a day depending -- and 14 million gallons a day depending on the season.

MR. PLUMMER: Dan Plummer again. I'm just curious, when this work here

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takes place, how transparent this process would be. I know when we found out that there was going to be aqueduct closures for repairs, and when we realized the volume of water that should have been converted for those aqueducts and saw that there was extra water, and the FUDR submitted a proposal at that time to try to get those releases into the rivers for conservation purposes and the fishery, we were told by Paul Rush that there were reasons, and he couldn't get into it at the time as to why we couldn't have that water released at that time before the work was actually happening because we weren't sure whether closures were happening, or at least they couldn't give us that information for national security reasons, and we wondered if this would be kind of under the same type of rules and such, what the transparency will be?

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MR. FIORE: The Federal Energy Regulatory Commission is in the process, an open and published process. There may be critical infrastructure components for that, you know, certain engineering details.

MR. PLUMMER: I mean, that can be revealed, documenting when this will take place.

MR. FIORE: Absolutely. Absolutely.

MR. LANG: And I would just add to that, for this meeting, for earlier things that we've done, we have published notice in five papers in the region where the hydro proposed projects are located. We are also maintaining an email distribution list, another reason we would encourage folks today to please sign in on the sign-in sheet, which hopefully is still circulating around the room. We will also send out an

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email to people on our distribution list of events that are occurring, indicated to help ensure that folks are aware of what's going on.

MR. FIORE: All right. Well, I'd like to thank everybody for coming, and if there's no further questions, again, I want to re-emphasize that if, for some reason, you didn't get to speak today, or voice your concerns, or whatever, you can send in comments, this is the contact information.

MR. BARTHOLOMEW: Could you give us some idea of what this afternoon's program is of because you have given the hour, because of the drive home?

MR. FIORE: Yes. We covered that at the very beginning. I'm sorry. So I'll just re-state that: This afternoon, beginning at 2:30, we will be having ~~visit~~ the site visit for Schoharie to Gilboa dam itself. There will be a shuttle bus

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to carry people from the Gilboa Town Hall over to the site. And then, this evening, there will be another meeting at the Schoharie County Office Building in the Town of Schoharie beginning at 7:30 this evening -- 7 O'clock this evening. It will be the same presentation that I just gave you.

Thank you again everyone. I appreciate you being here.

(Time noted: 11:40 A.M.)

9 A.M.

C E R T I F I C A T E

I, ROBYN HARRELL, a Notary Public within and for the State of New York, do hereby certify that the within is a true and accurate transcript of the proceedings held on December 16, 2009.

That I am not related to any of the parties to this action by blood or marriage; and that I am in no way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto set my hand.

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