

**CITY COUNCIL WORK SESSION
CITY OF WATERTOWN
October 14, 2025
7:00 p.m.**

Mayor Sarah V.C. Pierce Presiding

Present: Council Member Robert O. Kimball
Council Member Clifford G. Olney III
Council Member Lisa A. Ruggiero
Council Member Benjamin P. Shoen
Mayor Sarah V.C. Pierce

Also Present: Eric F. Wagenaar, City Manager

City staff present: Thomas Compo, Dana Aikins, James Mills, Erica Anderson, Aaron Harvill

DISCUSSION

Hydropower Proposal

Prior to the meeting, Council Member Olney had provided Council with a detailed copy of his Hydropower Revenue Proposal for a Watertown Energy Service Company (ESCO), which he suggests can address the hydro revenue fall-off in 2030.

Council Member Olney introduced Hemant Jain of A2A Energy via videoconference, a consultant with whom he shared his proposal for review and guidance. He requested Mr. Jain inform Council of his recommendations for the future of the City's hydropower plant.

Mr. Jain explained his background and advised that he had experience with small hydropower facilities like the City of Watertown's. He explained to Council why, in his opinion, this option is not feasible for the City of Watertown. He noted there were too many risks with an ESCO, and the City's energy asset is too small. He indicated the startup costs for such a plan could cost approximately \$100-\$200 million and the volatility of the market was too risky for a City with an asset the size of the City's Hydro Plant.

Mr. Jain proposed instead a Community Choice Aggregation (CCA) which would provide a very good revenue source for the City provided the City could sell to 20,000 customers. He noted the City would not have to wait for the National Grid contract to expire in 2030 to begin work on the CCA. He explained the first step would be to sign up customers and, once the City had 20,000, to search for a supplier. He noted that the suppliers will be interested in working with the City because of the clean power that hydro provides.

Council Member Olney asked for assurance that the CCA could work alongside the current power agreement and what the initial investment would be.

Mr. Jain explained that the initial investment would be finding methods to acquire the 20,000 customers required to begin shopping for a supplier, noting this would take time.

In response to Mayor Pierce's request for confirmation that Mr. Jain's opinion was that an ESCO, like the one suggested by Council Member Olney, was too risky for the City of Watertown, Mr. Jain replied this was correct and that it was also much too expensive.

Mayor Pierce noted that Mr. Jain's proposal mirrored that of the Hydro Committee's findings from three years ago. She asked if a CCA would be working with an existing ESCO.

Mr. Jain indicated that it was correct and that the City should have no trouble locating a supplier, mentioning they will appreciate that the City will be its own administrator.

Mayor Pierce asked questions about the procedure and whether the City would issue a Request For Proposal (RFP).

Mr. Jain said the City would use an RFI (Request For Information) first and then develop an RFP.

In response to Mayor Pierce's question about potential revenues, Mr. Jain said he could not say without knowing the City's customer base.

Council Member Kimball asked about pricing and how the City would attract customers.

Mr. Jain advised that a CCA was not a savings program but would provide clean, carbon-free energy which is good for the community. He suggested the City sell the program holistically and stress the preservation of the hydro resource.

In response to Council Member Olney's question of whether an ESCO makes a lot of money, Mr. Jain stated that they do, but they do so by being a player in a wholesale market, which is a business of scale and capital that the City does not have.

There was discussion about the capacity of the hydroelectric facility and whether that would affect the CCA.

Council Member Kimball noted that 10,000 to 20,000 customers could be difficult to obtain and that the City would certainly have to include outside buyers.

Assemblyman Scott Gray, who was in attendance, noted that the CCA is an opt-out program and suggested the City ask for information about low-income customers.

Council Member Kimball expressed concern that the City soliciting future customers might harm the City's current agreement with National Grid. He also noted his concerns that the City might not be able to achieve the suggested level of customers.

Mr. Jain reiterated that it makes financial sense for the City to work on signing up customers now rather than waiting until 2030. He noted that this is the best way to avoid a shortfall.

In response to Council Member Olney's request for confirmation that every \$100,000 shortfall will equal an increase of 1% in City taxes, so a \$2.5 million shortfall would result in a 25% increase in City taxes, City Comptroller James Mills agreed that he was roughly accurate.

Mayor Pierce noted that the information provided by Mr. Jain aligns with the information provided by the previous consultant that the path forward is a CCA.

Council Member Kimball asked what portion of the power output of the hydro facility is used by the City for water and sewer.

Mr. Mills explained that the facility generates 23.2 million kilowatts, and the City uses 10.8 million KW with water and sewer accounting for 7 million KW of that amount.

In response to Council Member Shoen's question regarding how much money the City could make if they just sold the power generated by the hydroelectric facility, Mr. Jain said between \$50,000 and \$60,000 with the plant running at 40% capacity.

Council Member Ruggiero inquired how much power Fort Drum uses and whether or not they could be a customer of the City's CCA.

Mr. Jain did not have an answer to that and suggested the City talk with NYSERDA.

In response to Council Member Olney's question about what the City's next step should be, Mr. Jain replied that it would be to build a customer base. He asked whether Council was confident they could reach 10,000 to 20,000 customers.

Council Member Olney said he was very confident in the possibility.

Mr. Jain indicated the first step in the process would be to get approval to be a Community Choice Aggregation and then see how many customers the City can acquire. He noted that once the City got the appropriate number of customers (between 10-20,000), they then could shop for a supplier.

Council Member Shoen noted that the City of Watertown uses a lot of its own power and questioned whether that would affect the amount of power available to sell and whether the City would be a customer of the CCA.

Mr. Jain seemed taken aback by discussion of the City's use of its own electricity and asked for clarification on the amount of power used by the City of Watertown.

Mr. Mills informed him that National Grid is contractually bound to sell the City's excess power, which is whatever portion the City does not use.

Council Member Kimball, noting that the hydro is operating at around 40% capacity, asked if the City could get more out of it.

City Engineer Tom Compo indicated that the facility could run at higher capacity if there was more water and indicated that it had not been running at all lately due to a lack of rainfall.

Demolition Project – Various Structures Bid #2005-19

City Engineer Thomas Compo provided Council with a report on the process staff had used to identify the structures to be demolished. He reviewed photographs of the condition of the garage at 518 Coffeen Street in detail and noted that he had revisited the structure in person as well. He informed Council that he stands by the decision to demolish the building, despite concerns raised at the October 6 Council meeting by a member of the public and Council. He noted that material from the garage could be used to fill in the hole left behind once the house is torn down, which could cut costs. Mr. Compo stressed that

City staff cannot perform the demolition due to several factors including asbestos mitigation, and it makes little sense to wait two to three years and do the work then.

Council Member Olney informed the City Engineer and Council that Frank Battista wished to buy the property and preferred the garage remain.

Mr. Compo advised that Mr. Battista could renovate the structure if that was in his skill set, but he would still need to come to the Code Enforcement Office for permits and the City would compel him to perform the hazardous material removal himself, so he might want to take that into consideration.

Council Member Olney wondered how houses got to the condition the Coffeen Street structure is in and expressed dismay that it is a four-family house that four families could be occupying.

Mr. Compo reminded Council that the City does not own any of the properties on the list for demolition and therefore are not in a legal position to be selling them.

Council Member Ruggiero advised that she had heard that a daughter of the estate had given permission to Mr. Battista to go on the property for inspection. She asked if the Coffeen Street property abuts City property.

Mr. Compo indicated it does.

Council Member Ruggiero asked whether the City would want to tear down the garage once they eventually took over the property.

City Manager Wagenaar advised that any answer given now would be based on assumptions and guessing.

In response to Council Member Olney's question of whether the City taking over the property would satisfy the debt the estate owes the City, Mr. Wagenaar replied that it did not, and they still owe all their back taxes among other costs.

Council Member Kimball commented that however the situation works out with the Coffeen Street property, the City would most likely not receive any compensation for the demolition and asked if there was a legal way for owners to donate property to the City.

City Manager Wagenaar indicated that might be possible.

Council Member Ruggiero inquired whether the two properties on the list damaged by fire had been insured.

Code Enforcement Supervisor Dana Aikins replied that at least one was not. He explained to Council that it is his understanding that when insurance pays off on a property, there are two payment structures: one for demolition and one for rebuild.

Council Member Shoen suggested that he would not be surprised to learn that the property owner on Main Street had pocketed the insurance money and walked away. Returning to the Coffeen Street property discussion, he noted that, although he was not usually an optimist, he believed the garage was not beyond repair and opposed razing it.

City Manager Wagenaar asked where the Council would like to start if not at this property. He noted Council had requested this, and a lot of City staff's time and effort had gone into preparing the list and choosing the properties to be demolished. He asked if Council would only consent to tearing down buildings on property the City owns.

Council Member Shoen offered his opinion that the City is falling apart and that the City is complicit in allowing it to happen.

City Manager Wagenaar noted that this is the first time that he has heard anything about someone wanting to buy this property or donate it to the City.

Council Member Olney said he spoke to the daughter in charge of the estate, and she wants to turn the property over to the City immediately.

Mayor Pierce noted the daughter should communicate with her attorney and suggested Council not make decisions based on hearsay.

Mr. Compo read the entirety of a letter from Attorney Tim Farley, representative of the estate, which indicated there were no funds available to make any payments to the City of Watertown, but suggested there may be some in the future. Mr. Compo stressed that the City is working with the information available to them and is following the legal process.

In response to Council Member Ruggiero's question of how long the taxes had been unpaid, Mr. Mills replied they had not been paid since 2023. Mr. Mills went on to explain there is a new tax sale process which will be presented to Council at the next meeting but noted the demolition costs, if unpaid, would not be re-levied until July of 2026 and this property could be in the tax sale process until June of 2029.

Council Member Kimball advised Council that he believed everyone is feeling the same frustration watching properties decay for years but suggested that it might be worthwhile to investigate the legal possibility of donating property to the City.

City Manager Wagenaar apologized for interrupting Council Member Shoen earlier but noted the property on Coffeen Street will still need to be demolished when the City takes ownership.

Mr. Aikins informed Council that when the list of properties was prepared, everything was considered holistically. He mentioned that you hear a lot about "kicking the can down the road" and he does not want to have a future Council ask him in a year or two why the building was not demolished two years ago. He also explained that they must pursue demolition using the legal method and that their hands are tied by legal constraints and staff is doing what they can.

City Manager's Update

City Manager Wagenaar informed Council of the following: Brandi Smith has been hired as the new Transit Director, staff has been working with a broker regarding the health benefits program, the RFP for the new City Attorney is being finalized and the Chair of the ZBA has resigned.

Work session ended at 8:58 p.m.

Lisa M. Carr
Deputy City Clerk