

BOARD OF PUBLIC UTILITIES—Proceedings by Authority

State of New York :

Office of the Board: ss.

City of Jamestown:

Regular meeting of the Board of Public Utilities, City of Jamestown, New York, held **Tuesday, February 6, 2007**, at 12:00 P.M. in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
John Calamunci	X	
William S. Gullotti	X	
Jeffrey A. Lehman, PE		X
Lillian Vitanza Ney	X	
Carl P. Pillittieri	X	
Anthony Prinzi	X	
Wayne Rishell		X
Mayor Samuel Teresi	X	
John Zabrodsky	X	
STAFF:		
General Manager, Walter W. Haase, PE	X	
Deputy General Mgr., Randall S. Peterson, PE		X
Deputy General Manager, John Oelbracht	X	
Deputy General Manager, Dave Leathers	X	
Business Manager, Michael A. Anderson	X	
Counsel, William Wright	X	
Sec of the Board, Julie M. Breen	X	
Communications Coordinator, Becky Robbins	X	
E & G Resource Mgr., Dave Gustafson	X	

The media was notified of this meeting and was represented by Manley Anderson.

On motion of Mr. Gullotti, seconded by Mr. Calamunci, the minutes of the previous meeting's were approved.

#070201 By Mr. Prinzi:

Whereas, the Board has been provided with proposed written resolutions prior to this meeting and,

Whereas, each Board Member has been given adequate opportunity to discuss each resolution,

Now, Therefore, Be It

Resolved, that proposed resolutions #070201A-D be, and hereby are approved as written.

ADOPTED. Ayes: 7 Nays: 0
February 6, 2007

#070201A:

Resolved, That the Board does ratify the payment of a warrant drawn on the Electric Light Fund to Depository Trust Co., New York, New York, to pay \$102,343.75 for six months interest at 4.125 percentum per annum due February 1, 2007 on \$5,000,000 Serial Electric Bonds.

Discussion: This is for the CFB Project permitting and engineering costs and various infrastructure improvements with final payment to be made in August, 2025.

#070201B:

Resolved, That a warrant be drawn on the District Heating Fund to Depository Trust Co., New York, New York for \$44,234.44 to pay principal of \$10,000 and \$34,234.44 for one year interest at 4.0 percentum per annum due February 15, 2007 on \$800,000 Serial District Chilling Bonds.

Discussion: This is for the BPU Chiller Unit with final payment to be made in February, 2025.

#070201C:

Resolved, That the bid of Vellano Bros. of Lancaster, NY, on BD-03-07 opened January 24, 2007, for Items 1 and 2 for ductile iron pipe and fittings be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Vellano Bros. for this material.

Discussion: This is the low bid of three received and meets all specifications. The bid was for unit pricing and will be ordered as needed throughout the course of one year.

#070201D:

Resolved, That the bid of Lock City Supply of Lockport, NY, on BD-03-07 opened January 24, 2007, for Items 3, 4, 5, 6, 7, 8, 9, 10, 11A, 11B, 12, 13 & 14 for hydrants and fittings, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Lock City Supply for this material.

Discussion: This is the low bid of three received and meets all specifications. The bid was for unit pricing and will be ordered as needed throughout the course of one year with a total estimated cost of \$120,000 for all items from both vendors.

#070202 By Mr. Pillitteri:

Resolved, That the bid of Elliott Company of Donora, PA, on BD-32-06 opened on January 25, 2007, for the furnishing of labor, equipment, and technical direction to perform the maintenance overhaul of steam turbine/generator Unit #6, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to enter into a contract with Elliott Company for this turbine overhaul for a sum of \$256,856 subject to review by counsel.

Discussion: The two steam turbine generating units at the power plant are complex pieces of equipment that are extremely important to the overall operation of the BPU system. Until recent years this type of work has always been performed by General Electric, the OEM (original equipment manufacturer). In an effort to reduce costs, the overhaul work was opened to competitive bidding with the last major overhaul performed at the Power Plant on Unit #5 in 2003. The 2003 overhaul was successfully performed by Elliott Company. A total of four bids were received to perform the work currently planned for Unit #6. Elliott was the low bidder. Based on Elliott's low bid for the upcoming work, along with their excellent performance on work they performed to Unit #5 in 2003, it is recommended that they be awarded the labor and technical direction component of the upcoming overhaul of Unit #6. Note that the total budget for the work on Unit #6 is \$1.0 million. The BD-32-06 award to Elliott is only a portion of the work expected and it does not include the parts and additional repairs that are expected to be required to return the unit to good condition.

ADOPTED. Ayes: 7 Nays: 0
February 6, 2007

#070203 By Mr. Pillitteri:

Resolved, That the Board does hereby approve an increase in work scope of \$91,600 to Contract BD-32-06 to Elliott Company of Donora, PA, and authorizes the General Manager to execute Change Order #1 to cover the addition of steam turbine bucket parts and materials for stages 6, 7, and 8 to the original scope of the contract.

Discussion: The scope of work under BD-32-06 includes the labor and equipment needed to install new steam turbine buckets for stages 6, 7, and 8. However, the actual parts supply of the buckets and other materials themselves, was not included in the work scope because most of the expected bidders are not capable of supplying these items, nor does the BPU have the detailed information needed to correctly specify them. Elliott Company is unusual in that they have the diversity to supply the turbine buckets, and they have quoted a price considerably lower than the price of \$140,729 received from GE for these items. In addition, since Elliott has been awarded the contract to install the buckets under BD-32-06, staff believes that there are liability advantages to the BPU to have the overall responsibility for the supply and installation of the turbine buckets rest with a single entity.

ADOPTED. Ayes: 7 Nays: 0
February 6, 2007

#070204 By Mr. Gullotti:

Whereas, three-quarters of this Board concurs that it is impractical to take bids for proprietary repair parts and maintenance,

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an Electric Division purchase order to GE Energy of Liverpool, NY, at a cost of \$33,631.91 for the repair and inspection of #6 turbine at the Samuel A. Carlson Generating Station is hereby approved and ratified.

Discussion: This project is included in the 2006 capitol budget, work order 4264. This is the initial order for replacement parts expected to be consumed during the upcoming #6 turbine overhaul. These are proprietary parts specifically for our turbine and are being supplied by the OEM, GE Energy. As previously stated this is the initial parts order and depending on what is discovered when disassembly begins, additional parts may be required.

ADOPTED. Ayes: 7 Nays: 0
February 6, 2007

On motion of Mr. Pillitteri, seconded by Mr. Prinzi, the Board convened into executive session to discuss two personnel issues.

On motion of Mr. Gullotti, seconded by Mr. Calamunci, the Board convened into open session.

There being no further business, the Board meeting was declared adjourned.

Walter W. Haase, P.E., General Manager
Michael A. Anderson, Business Manager