

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, April 24, 2007, at 3:00 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. Pillitteri	X	
Anthony Prinzi	X	
Wayne Rishell	X	
Mayor Samuel Teresi (arrived at 3:15PM)	X	
John Zabrodsky	X	
STAFF:		
General Manager, Walter W. Haase, P.E.	X	
Deputy General Mgr., Randall S. Peterson, PE		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	
Accounting Supr., Dawn Scarsone	X	
Power Plant Supr., Steve Kulig	X	
District Heat Supr., Jim Butler	X	
IT Supr., Chris Rodgers	X	
Electric & Gas Res Mgr., Dave Gustafson	X	

The media was notified of this meeting and was represented by Patrick Fanale, Post Journal and Sawyer Vanhorn, Cable 8 News.

On motion of Dr. Ney, seconded by Mr. Gullotti, the minutes of the previous meeting were approved.

#070401 By Mr. Gullotti:

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 #070401A-H be, and hereby are approved as written.

ADOPTED. Ayes: 8 Nays: 0
April 24, 2007

#070401A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending April 24, 2007 as follows:

ELECTRIC LIGHT FUND	\$2,027,470.92
WATER RENT FUND	312,623.51
DISTRICT HEATING FUND	201,589.79
WASTEWATER OPERATING FUND	166,954.14
SOLID WASTE OPERATING FUND	208,186.26
Total	\$2,916,824.62

itemized copies of such audits to be placed on file in the office of this Board; and be it further

Resolved, that the action of the executive officers of this Board in drawing warrants on the Electric Light Fund in March, 2007 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 9	\$122,950.42
Weekly Payroll No. 10	108,102.91
Weekly Payroll No. 11	116,356.19
Weekly Payroll No. 12	106,635.97
Weekly Payroll No. 13	104,978.61
Social Security	42,055.45
Sam's Club Direct	560.95
National Grid (Trans Agreement)	189,230.55
NYS Sales Tax	136,765.22
Candelanet – CEMS switch	102.96
Utility Petty Cash Fund	10,578.78
Walter Haase – Travel	127.00
Office Petty Cash Fund	759.02
Constellation New Energy	4,371.50
NY Power Authority	75,000.00
NYS Environmental Conservation	3,300.00

American Express – Corp. Card	9,769.36
Citi Business – Corp. Card	4,481.55
Total	\$1,036,126.44

and the action of said executive officers in drawing warrants on the Water Rent Fund in March, 2007 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 9	\$28,116.99
Weekly Payroll No. 10	22,058.70
Weekly Payroll No. 11	22,557.38
Weekly Payroll No. 12	22,730.84
Weekly Payroll No. 13	21,943.27
Social Security	8,816.26
National Grid	2,048.71
Todd Saracki – Reimbursement	1,716.67
Utility Petty Cash Fund	5,976.20
Total	\$135,965.02

and the action of said executive officers in drawing warrants on the Wastewater Operating Fund in March, 2007 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 9	\$21,991.59
Weekly Payroll No. 10	19,603.66
Weekly Payroll No. 11	19,610.17
Weekly Payroll No. 12	19,889.85
Weekly Payroll No. 13	19,563.69
Social Security	7,556.12
Total	\$108,215.08

and the action of said executive officers in drawing warrants on the Solid Waste Operating Fund in March, 2007 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 9	\$9,781.29
Weekly Payroll No. 10	9,606.12
Weekly Payroll No. 11	9,706.03
Weekly Payroll No. 12	10,232.46
Weekly Payroll No. 13	8,876.26
Social Security	3,612.62
NYS Teamsters Health Insurance	12,011.68
NYS Teamsters Retirement Fund	3,994.71
Total	\$67,821.17

#070401B:

Resolved, That unpaid utility accounts as shown on Statement of Delinquent Accounts No. 4-07 on file in the office of the Board of Public Utilities be certified to the City Treasurer of the City of Jamestown for inclusion in the tax records of the City of Jamestown as provided in the 1923 City Charter and in accordance with the terms of this Board's resolution of December 13, 1934.

#070401C:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company, New York, New York, for \$491,990.63 to pay six months interest at 4.04 percentum per annum due May 15, 2007 on \$23,150,000 on Public Improvement Serial bonds, Series 1999A.

Discussion: The final payment will be made on November 15, 2019.

#070401D:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company, New York, New York, for \$19,029.38 to pay six months interest at 4.04 percentum per annum due May 15, 2007 on \$875,000 on Public Improvement Serial bonds, Series 2000B.

Discussion: The final payment will be made on November 15, 2019.

#070401E:

Resolved, That a warrant be drawn on the Wastewater Operating Fund to M & T Bank., Buffalo, New York for \$5,452.44 to pay six months interest at 3.18 percentum per annum due May 1, 2007, on \$382,000 New York State Revolving Fund Reserve Bonds, Series 2002L.

Discussion: The final payment will be made November, 2012.

#070401F:

Resolved, That the bid of Jamestown Electric Supply of Jamestown, NY, on BD-2-07 opened February 1, 2007, in the amount of \$98,300 for Underground Electric Power Cable, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Jamestown Electric Supply for this cable.

Discussion: Upon review of the only bid received, staff has determined that Jamestown Electric Supply Co. met all the requirements of the specifications. The underground power cable will be used for general construction and replacement. This is budgeted for \$97,000 in the Capital Electric Budget.

#070401G :

Resolved, That the bid of Chautauqua Metal Finishng of Jamestown, NY, on BD-5-07 opened April 17, 2007, for liquid sodium hypochlorite solution at a cost of \$1.24/gal. be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Chautauqua Metal Finishng for this sodium hypochlorite solution.

Discussion: This is the low bid of two received and meets all the required specifications. The liquid sodium hypochlorite will be used on a daily basis for water treatment in the power plant. The solution is ordered multiple times from the successful bidder as needed in the course of one year.

#070401H:

Resolved, that the Board does hereby adopt the American Public Power Association Safety Manual, Thirteenth Edition, as its safety manual for the Electric Division.

Discussion: The Electric Division has been using the APPA Safety Manual for approximately seven years, but has not, until now, officially adopted the APPA Manual. Each Electric Division employee has been issued a manual.

#070402 **By Mr. Calamunci:**

Whereas, the City of Jamestown Board of Public Utilities (BPU) is subject to the requirements of the 1990 Federal Clean Air Act Amendments (CAAA), Public Law No. 101-549, 104 Stat. 2399 (1990), and specifically Title IV of the CAAA, and

Whereas, Title IV of the CAAA requires that each regulated utility identify a “Designated Representative” (DR) and, optionally, an alternate “Designated Representative” (ADR) to communicate with the Federal Environmental Protection Agency regarding compliance with Title IV of the CAAA, and

Whereas, the BPU desires to designate Steven B. Kulig in place of John Oelbracht as the BPU’s ADR, and

Whereas, in consideration of the extensive statutory responsibilities mandated by the CAAA to be associated with the DR position, the BPU desires to assure indemnification of the DR and ADR for all liabilities, costs and expenses, including reasonable attorney’s fees, resulting from acts or omissions of the BPU, the City, or any employee, occurring or arising while the DR or alternate DR is performing his duties, to the fullest extent permitted by law,

Now, Therefore, Be It

Resolved, that Steven B. Kulig in place of John Oelbracht is hereby designated the ADR for the BPU; and be it further

Resolved, that the BPU is authorized to indemnify, and hereby assures the indemnification of the DR and ADR for all liabilities, claims, judgments, costs and expenses, including reasonable attorney’s fees, resulting from acts or omissions occurring or arising while the DR or ADR are performing their duties, to the fullest extent permitted by law.

ADOPTED. Ayes: 8 Nays: 0
April 24, 2007

Mayor Teresi arrived.

#070403 By Dr. Ney:

Whereas, the City of Jamestown Board of Public Utilities (BPU) is subject to the requirements of the 1990 Federal Clean Air Act Amendments (CAAA), Public Law No. 101-549, 104 Stat. 2399 (1990), and specifically Title I of the CAAA, and is being implemented by the New York State DEC as the NOx Budget Program, and

Whereas, the NOx Budget Program requires that each regulated facility identify an Authorized Account Representative (AAR) and has the option to appoint an alternate Authorized Account Representative (AAAR) to communicate with the Federal Environmental Protection Agency in New York State's Department of Environmental Conservation regarding compliance with Title I of the CAAA and the NOx Budget Program, and

Whereas, the BPU wishes to designate Steven B. Kulig in place of John Oelbracht as the BPU's AAAR, and

Whereas, in consideration of the extensive statutory responsibilities mandated by the CAAA and NOx Budget Program to be associated with the AAR position, the BPU desires to assure indemnification of the AAR and an alternate AAR for all liabilities, costs and expenses, including reasonable attorney's fees, resulting from acts or omissions of the BPU, the City, or any employee, occurring or arising while the AAR or AAAR are performing their duties, to the fullest extent permitted by law,

Now, Therefore, Be It

Resolved, That Steven B. Kulig in place of John Oelbracht is hereby designated as AAAR, and be it further

Resolved, That the BPU is authorized to indemnify, and hereby assures the indemnification of the AAR and AAAR for all liabilities, claims, judgments, costs and expenses, including reasonable attorney's fees, resulting from acts or omissions occurring or arising while the AAR or AAAR are performing their duties to the fullest extent permitted by law.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070404 **By Mr. Prinzi:**

Whereas, the City of Jamestown Board of Public Utilities (BPU) is subject to the requirements of the Acid Deposition Reduction NOx Budget Trading Program, NYCRR 237, and Acid Deposition Reduction SO2 Budget Trading Program, NYCRR 238, being implemented by the New York State Department of Environmental Conservation as the Acid Deposition Reduction Budget Programs, and

Whereas, the Acid Deposition Reduction Budget Programs require that each regulated facility identify an Authorized Account Representative (AAR) and has the option to appoint an alternate Authorized Account Representative (AAAR) to communicate with the New York State's Department of Environmental Conservation regarding compliance with the Acid Deposition Reduction Budget Programs, and

Whereas, the BPU wishes to designate Steven B. Kulig in place of John Oelbracht as the BPU's AAAR, and

Whereas, in consideration of the extensive statutory responsibilities mandated by the Acid Deposition Reduction Budget Programs to be associated with the AAR position, the BPU desires to assure indemnification of the AAR and an alternate AAR for all liabilities, costs and expenses, including reasonable attorney's fees, resulting from acts or omissions of the BPU, the City, or any employee, occurring or arising while the AAR or AAAR are performing their duties, to the fullest extent permitted by law,

Now, Therefore, Be It

Resolved, That Steven B. Kulig in place of John Oelbracht is hereby designated as AAAR, and be it further

Resolved, That the BPU is authorized to indemnify, and hereby assures the indemnification of the AAR and AAAR for all liabilities, claims, judgments, costs and expenses, including reasonable attorney's fees, resulting from acts or omissions occurring or arising while the AAR or AAAR are performing their duties to the fullest extent permitted by law.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070405 By Mr. Pillitteri:

Resolved, That the General Manager be authorized to enter into an agreement with Antares Group, Inc. of Landover, MD, to provide professional services to perform Biomass Supply Assessment Services, for a sum not to exceed \$25,000.

Discussion: These services will consist of two phases: Phase 1 will include preliminary effort in identifying feedstock supply types, supply regions and sources within those regions, incorporate information from past studies to provide a range of likely pricing, and prepare characteristic data for use in preliminary engineering calculations. Phase 2 will consist of contacting local, regional suppliers to build a biomass fuel supply database, extend research on other non-biomass fuels such as TDF and petroleum coke, and detailed evaluation of biomass fuel supplies including fuel supply/price curves. The Antares Group Inc. is uniquely qualified to perform this study based upon their previous experience in this field and they have performed this type of study for numerous clients throughout the Northeast region, including preparing the NYS Renewable Portfolio Standard, Biomass Guidebook for NYSERDA. The costs for these services are Phase 1, \$7,000.00 and Phase 2, \$18,000.00, for a total not to exceed price of \$25,000.00.

Antares Group Inc. is based out of Landover, Maryland with offices located within New York State. This was reviewed and recommended by the Finance and Capital Projects Committee.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070406 By Mr. Rishell:

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

Now, Therefore, Be It

Resolved, That the Board does hereby approve an increase in the work scope to Contract BD-32-06 to Elliott Company of Donora, PA, and authorizes the General Manager to execute Change Orders #3 through #5 to cover the additional repair work discovered during the internal inspection of Steam Turbine/Generator Unit #6 and add these repair costs totaling \$243,353.00 to the previously approved scope of the contract.

General Discussion: The 2007 capital budget included \$1.0 million to complete this project. The base contract amount for Elliott to inspect the unit was approved at \$256,856 and change orders totaling approximately \$100,000 were also previously approved. These approved amounts were known to not include actual repair costs to worn/damaged components found within the unit because the extent of such repairs is not known until the unit is disassembled and thoroughly inspected. Through the approval of Change Orders #1 through #5 the contract price with Elliott has now increased to approximately \$600,000. Additional repair items/change orders have been

identified which still must be approved to return the unit to service. However, these repairs have not yet been completely analyzed and therefore cannot be submitted for approval at this time. These changes, when approved, are currently expected to increase the Elliott contract to approximately \$800,000. The overall budget of \$1.0 million is expected to be expended on this project once other items such as BPU labor and other parts costs are also included.

Change Order #3 Discussion: During the 1999 inspection on this unit GE determined that a problem was developing with the integrity of the foundation plates that support the electrical generator. As the problem was noted late in the 1999 outage period it was determined that a more detailed evaluation of the problem would be scheduled for the next major inspection on the unit. The work included in this \$3,000 change order is to perform this evaluation and to make recommendations on how a repair should be performed if needed. The initial approval of this change order does not include the repair work itself. If repairs are found to be necessary another change order is anticipated to complete them.

Change Order #4 Discussion: When the unit was disassembled it was discovered that the rotating buckets for stages 2, 3, and 4 had been heavily damaged by a foreign object passing through the steam path during unit operation. Additionally, it was discovered that the long term wear/corrosion condition of the stage 9 buckets was similar to that found on stages 6, 7, and 8 which had already been scheduled for replacement in this outage. The work included in this \$137,078 change order is to manufacture and install new buckets for stages 2, 3, 4, and 9. This work is essential to the safe return the unit to service. Elliott has expedited this work and it is currently believed that the outage completion date will only be impacted by approximately one week.

Change Order #5 Discussion: Going into the outage it was known from previous inspection(s) that there would be a need to perform major shop repairs to the steam path diaphragms. These components direct the flow of steam through the rotating buckets which power the unit. The repair costs were estimated at \$150,000 and were part of the overall budget for the project. The work included in this \$103,275 change order is within the expected budget level and includes complete repairs to the diaphragms for stages 2-14.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070407 By Mr. Gullotti:

Whereas, the Board has undertaken the evaluation of a new clean-coal power plant to be built within the City, and

Whereas, staff has involved contractors to perform incidental services for which specific resolutions have not previously been made,

Now, Therefore, Be It

Resolved, That the Board does hereby ratify the actions of the General Manager in issuing a purchase order to Harris Beach, PLLC of Pittsford, NY, for \$25,161.06 in 2006 for supplying support for the new CFB Power Plant.

Discussion: At the beginning of the project the Board authorized project-specific amounts for several contractors to the BPU, but did not pass resolutions for companies providing incidental services on an as-assigned basis. Harris Beach has provided the Board with legal services and legislative support specific to the project.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070408 **By Mr. Prinzi:**

Resolved, That the Board of Public Utilities' Roster Sheets dated November 16, 1976 as heretofore adopted, amended, and continued, be and the same are hereby further amended as follows, subject to the approval of the Civil Service Commission:

Add one Environmental Compliance Technician

Discussion: The BPU continues to face increasing environmental monitoring and reporting requirements. This function has historically been performed by an Environmental Compliance Administrator, which required educational and experience qualifications beyond the skills necessary to perform the job. Creation of the new position allows the BPU to hire individuals with relevant qualifications and has lower pay scale. The Salary Range is originally set at \$32,500 - \$41,000.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070409 **By Dr. Ney:**

Whereas, The Board has previously entered into a lease agreement with DFT Communications to lease surplus fiber optic cable to DFT on a per-mile basis, and

Whereas, the original term of the lease agreement has expired, and has been extended on a month-to-month basis, and

Whereas, the parties desire to enter into a new lease agreement for a period of ten years

Now, Therefore, Be It

Resolved that the Board does hereby authorize the General Manager to execute a ten-year lease agreement with DFT Communications for the lease of surplus BPU fiber, subject to final review by counsel.

Discussion: The new lease agreement follows the basic structure of the original lease agreement, but incorporates a new rate structure and additional protections for the BPU.

ADOPTED. Ayes: 9 Nays: 0
April 24, 2007

#070410 By Mr. Rishell:

Resolved, That the General Manager be authorized to enter into an agreement with Washington Group, Princeton, NJ, to provide professional engineering services to perform Task 1 of the Clean Coal Project , for a sum not to exceed \$183,000.

Discussion: It is the recommendation from the Project Team¹ that the JBPU award Task 1 of the Clean Coal Project to the Washington Group. The decision to move forward and award Task 2 will be made at the conclusion of Task 1. This affords the JBPU ability to expedite the start of Task 1 and to assess the function of the Washington Group and the JBPU working effectively as a team. The main points for this recommendation are listed below.

- 1 Washington Group's technical expertise and quality of their work has been independently verified through other firms we do business with. A statement made was "Their engineers are among the best there is in the field, sometimes arrogant, but they have the ability to back it up."
- 2 Washington Group's outline for project management and design is the most closely aligned with the JBPU's overall project goals and they are willing to put their fee at risk to ensure the project comes in on time and on budget.
- 3 Washington Group was the most agreeable for guaranteeing the project with respect to Target Price, heat rate, output, and emissions.

- 4 Washington Groups pricing for Tasks 1 (and Task 2) were the most cost effective, 183k and 769k respectively, totaling 952k. The next closest was LD Constructors with 450k & 700k, totaling 1,150k.
- 5 Washington Group has for an outcome of Task 1, a +/-10 – 15% budgetary estimate for the overall project cost. This was the best of those responding.
- 6 Washington Group has considerable marketplace presence, maintaining positive relationships with all potential major equipment suppliers and are willing to leverage that presence for the Projects’ benefit.

	TASK1	TASK 2	TOTAL
Washington Group	\$183,000	\$769,000	\$952,000
Worley Parsons	\$222,823	\$1,360,779	\$1,583,602
LD Constructors	\$450,000	\$700,000	\$1,150,000

ADOPTED. Ayes: 9 Nays: 0
 April 24, 2007

#070411 By Mr. Prinzi:

Resolved, That the Chairman is authorized to enter into a Consulting Agreement with NYROK Partners, LLC of New York, NY, to provide consulting services related to CO2 emissions reductions technologies for utilization at the proposed clean coal plant, for a sum not to exceed \$30,000.

Discussion: NYROK will assist the BPU in identifying potential technologies, funding sources and information contacts related to CO2 emissions.

ADOPTED. Ayes: 9 Nays: 0
 April 24, 2007

An update of the District Heating/Cooling Division Strategic Plan was given by Jim Butler, District Heating Supervisor.

On motion of Mr. Rishell, seconded by Mr. Lehman, the Board convened into executive session to discuss a personnel issue.

In open session.

On motion of Mr. Lehman, seconded by Dr. Ney, the Board meeting was declared adjourned at 8:30 PM.

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