

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, May 29, 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. Pillittieri	X	
Anthony Prinzi	X	
Wayne Rishell		X
Mayor Samuel Teresi	X	
John Zabrodsky	X	
STAFF:		
Interim General Manager, David Leathers	X	
Deputy General Mgr., Randall S. Peterson, PE	X	
Business Manager, Michael A. Anderson	X	
Counsel, William Wright	X	
Sec of the Board, Julie M. Breen	X	
Communications Coordinator, Becky Robbins	X	
Assoc. Power Plant Supr., Steve Kulig	X	
Wastewater Supr., Jim Cooper	X	

The media was notified of this meeting and was represented by Pat Fanelli.

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

#070505 By Mr. Pillittieri:

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 #070505A-F be, and hereby are approved as written.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

#070401A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending May 29, 2007 as follows:

ELECTRIC LIGHT FUND	\$1,888,419.36
WATER RENT FUND	357,793.20
DISTRICT HEATING FUND	173,871.64
WASTEWATER OPERATING FUND	178,881.62
SOLID WASTE OPERATING FUND	104,151.75
Total	\$2,703,117.57

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 April, 2007 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 14	\$109,445.08
Weekly Payroll No. 15	106,165.28
Weekly Payroll No. 16	104,287.51
Weekly Payroll No. 17	106,129.01
Social Security	32,028.17
Sam's Club Direct	1,015.49
National Grid (Trans Agreement)	147,118.55
NYS Sales Tax	99,766.32
NYS DEC	625.00
Commissioner of Labor – Asbestos License	775.00
Walter Haase – Travel	389.16
Office Petty Cash Fund	226.08
Candela Network – Fiber Converter	176.85
Stonexus – Fiber Converters	363.06
American Express – Corp. Card	15,746.00
Citi Business – Corp. Card	662.61
Total	\$724,919.17

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

Weekly Payroll No. 14	\$21,567.77
Weekly Payroll No. 15	21,971.30
Weekly Payroll No. 16	21,910.92
Weekly Payroll No. 17	21,685.98
Social Security	6,533.60
National Grid	2,315.71
Total	\$95,985.28

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

Weekly Payroll No. 14	\$19,196.80
Weekly Payroll No. 15	20,844.58
Weekly Payroll No. 16	19,317.32
Weekly Payroll No. 17	19,821.07
Social Security	5,941.78
Total	\$85,121.55

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

Weekly Payroll No. 14	\$8,629.37
Weekly Payroll No. 15	8,825.69
Weekly Payroll No. 16	9,321.69
Weekly Payroll No. 17	9,668.57
Social Security	2,728.21
NYS Teamsters Health Insurance	12,011.68
NYS Teamsters Retirement Fund	4,230.00
Total	\$55,415.21

#070505B:

Resolved, That unpaid utility accounts as shown on Statement of Delinquent Accounts No. 5-07 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.

#070505C :

Resolved, That the bid of Jones Chemicals, Inc. of Caledonia, NY, on BD-07-07 opened May 8, 2007, in the amount of \$37.50 per 100 lbs. for liquid chlorine, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division Purchase Order to Jones Chemicals, Inc. for this liquid chlorine .

Discussion: This was the low bid of two received and meets all specifications.

#070505D :

Resolved, That the bid of Tri-James Service of Lakewood, NY, on BD-08-07 opened May 8, 2007, for Item 1 in the amount of \$6.20/ton, for Item 2 in the amount of \$6.25/ton, for Item 3 in the amount of \$10.25/ton, for Item 4 in the amount of \$5.25/ton, for Item 5 in the amount of \$4.25/ton and for Item 8 in the amount of \$3.50/ton for screen gravel, coarse sand, pea size stone, bankrun gravel, screen gravel pickup, pea stone pickup and sand pickup, respectively, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Tri-James Service as needed for this screen gravel, sand and stone.

Discussion: This is the low bid of two received and meets all the required specifications. The gravel and related materials are used on a daily basis by all division crews for all construction needs. The materials are ordered over the course of one year based on the requirements of the system, storm damage, new customers, system improvements, etc. The estimated cost for this material is \$100,000.00.

#070505E :

Resolved, That the bid of Frew-Run Gravel of Frewsburg, NY, on BD-08-07 opened May 8, 2007, for Item 6 in the amount of \$7.50/ton and for Item 7 in the amount of \$3.60/ton for pea stone pickup and sand pickup, respectively, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Frew-Run Gravel as needed for this sand and stone pickup.

Discussion: This is the low bid of two received and meets all the required specifications. The gravel and related materials are used on a daily basis by all division crews for all construction needs. The materials are ordered over the course of one year based on the requirements of the system, storm damage, new customers, system improvements, etc.

#070505F:

Resolved, That the bid of Lakeshore Paving of Jamestown, NY, on BD-10-07 opened May 22, 2007, to perform utility damage repairs, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to enter into a contract with Lakeshore Paving for this utility damage repair work.

Discussion: This is the only bid received and meets all the required specifications. The road hole, sidewalk, and curb construction are utilized on a daily basis by all divisions and crews when necessary throughout the course of one year. The expected value of this contract is \$100,000.

#070506 By Mr. Zabrodsky:

Whereas, General Manager, Walter Haase, has resigned his employment effective May 11, 2007, and

Whereas the Board will immediately commence a search for a new General Manager, and

Whereas the Board restates its commitments to customer service in all BPU divisions, and to the CFB project, during the search period,

Now, Therefore, Be It

Resolved, That the Board does hereby appoint David Leathers as Interim General Manager of the Board of Public Utilities effective May 12, 2007, and be it further

Resolved, that the actions of Mr. Leathers in fulfilling his duties as Interim General Manager between May 12, 2007 and the date of this resolution are hereby confirmed and ratified.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

#070507 By Mr. Pillitteri:

Whereas the BPU has previously resolved to enter into options to purchase real property in the vicinity of Harrison and Winsor Streets in the City of Jamestown which options expire on the first day of June, 2007,

Whereas, the Board determines that renewing those options is in the best interest of the BPU,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to enter into agreements to extend the existing real property options for a period of 18 months, for a sum not to exceed \$7,600.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

On motion of Mr. Lehman, seconded by Mr. Pillittieri, the Board convened into executive session to discuss a contract negotiation issue and a potential litigation issue.

On motion of Mr. Lehman, seconded by Mr. Prinzi, the Board convened into open session.

#070508 By Mr. Lehman:

Whereas, the BPU, has been seeking ways to operate its gas turbine generator in a profitable manner, and

Whereas, Sempra Energy Trading Corp. (Sempra) of Stamford Connecticut and the BPU are negotiating a Transaction Confirmation conforming to the agreed to terms and conditions of a NAESB Purchase Agreement for Natural Gas, which will pay the BPU a fixed monthly rate for the months of June 2007 through and including December 2007 to have the right to call upon the BPU operation of BPU gas turbine generator Unit #7 resulting in the BPU purchase of gas from that company as defined in the Transaction Confirmation, and

Whereas, management believes that this is a profitable, low-risk way to operate the gas turbine generator,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to enter into a "Base Contract for Sale and Purchase of Natural Gas" with Sempra Energy Trading Corp., of Stamford Connecticut and further authorizes the General Manager or

his designee to enter into conforming Transaction Confirmations for gas purchase from that company subject to review by counsel as to form.

Discussion: Sempra is an active trader and marketer of electricity and natural gas in New York State. The NAESB Purchase Agreement for Natural Gas is intended to allow the BPU to utilize Sempra trading and marketing skills to find increased opportunities to profitably operate the LM6000 gas turbine and the Heat Recovery Steam Generator.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

#070509 **By Mr. Prinzi:**

Whereas, the BPU, by Resolution 030215, previously authorized the General Manager to enter into contractual agreements with several counterparties for the sale of electricity to those counterparties, and

Whereas, Sempra Energy Trading Corp. has expressed an interest entering into a contract with the BPU for the purpose of purchasing electricity from the BPU on a regular basis, and Staff desires to enter into agreements with Sempra Energy Trading Corp. for this purpose,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager or his designee to enter into long form confirmation agreements with Sempra Energy Trading Corp., of Stamford Connecticut, with the intention of executing an International Swaps and Derivatives Association (“ISDA”) agreement for electricity sales to that company subject to review by counsel as to form.

Discussion: Sempra has demonstrated a strong interest in working with the BPU to help the BPU maximize the value of its power generation facilities. The addition of Sempra to the list of active BPU power marketer counterparties will allow the BPU to more competitively enter forward power sale transactions. No immediate transactions which will fall under this resolution are currently pending. Legal review of the long form confirmation agreements will be performed by counsel prior to execution of any such transactions. Legal review of the more comprehensive full ISDA agreement is being initiated.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

#070510 **By Dr. Ney:**

WHEREAS, the Board of Public Utilities (BPU or Board) has completed a Power Supply Study and selected as its preferred power supply option construction of a 43 MW Circulating Fluidized Bed Power Plant (Clean Coal Project);

WHEREAS, the BPU has undertaken a comprehensive review of the Clean Coal Project under the State Environmental Quality Review Act (SEQR);

WHEREAS, the BPU prepared three scoping documents regarding the Clean Coal Project, including the Operations Center;

WHEREAS, the BPU has conducted four scoping meetings and over 50 public meetings regarding the Project;

WHEREAS, the BPU has prepared and implemented an Environmental Justice Public Participation Plan regarding the Project;

WHEREAS, based on this public input, the BPU prepared and issued a Draft Environmental Impact Statement (DEIS) in October 2006;

WHEREAS, the BPU held two public meetings regarding the DEIS on November 30, 2006 and December 7, 2006;

WHEREAS, the DEIS was available for public comment from October 24, 2006 to December 21, 2006, and, pursuant to requests from the public, the period for public comment was further extended to January 19, 2007;

WHEREAS, the BPU has reviewed public comments on the DEIS and has prepared a Final Environmental Impact Statement (FEIS);

Now, Therefore, Be It

Resolved, That the Board has determined that the FEIS is complete and accepts the FEIS.

ADOPTED. Ayes: 6 Nays: 0
May 29, 2007

The Wastewater Division Strategic Plan update was postponed until the next Board meeting on June 5th.

Dave Leathers mentioned he received a letter dated May 8, 2007 from Arthur Bailey for electrical work performed on the Furniture Mart Office Building. This letter recognized the excellent “switch over” work that Jeff Ohlsson and Chris Fitzpatrick performed on the new service/transformer that was installed on March 10 and 11 of this year.

Dave Leathers reported on the power outage that occurred on May 27th. This outage affected two-thirds of the BPU service territory. Line crews worked on Sunday into Monday morning until all power was restored. The majority of our customers were back on within 25 minutes of the outage. Mayor Teresi commented on the great job that BPU staff and City departments did in working together during this Sunday afternoon storm.

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

In open session.

On motion of Mr. Prinzi, seconded by Dr. Ney, the Board meeting was declared adjourned.

David L. Leathers, Interim General Manager
Michael A. Anderson, Business Manager