

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, July 3, 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:		
Interim General Manager, Dave 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

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

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

#070701 **By Mr. Pillittieri:**

Whereas, the Board of Public Utilities (“BPU”), by Resolution #030215, previously authorized the General Manager to enter into contractual agreements with three counterparties for the sale of electricity to those counterparties through “Swap Transactions” under which one party agrees to pay a fixed price for a commodity in return for the other party’s agreement to pay a floating price established by the New York Independent System Operator (“NYISO”) electricity market,

Whereas, it is useful for the BPU to be able to enter into Swap Transactions to purchase and sell electricity in order for the BPU to stabilize the revenues it receives for the electricity it produces and thereby maximize the benefit the BPU rate-payers receive from the Samuel A. Carlson Generating Station,

Whereas, Swap Transactions are generally governed by a lengthy agreement form created by the International Swaps and Derivatives Association (“ISDA”),

Whereas, the BPU desires to enter into Swap Transactions with Fortis Energy Marketing & Trading GP (“Fortis”) of Houston, Texas and such an agreement has been reviewed and approved by BPU counsel,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to enter into an “ISDA Master Agreement” with Fortis Energy Marketing & Trading GP for the purchase and sale of electricity through Swap Transactions and the Board further authorizes the General Manager or his designee(s) to enter into conforming Transaction Confirmations governed by that Agreement.

ADOPTED. Ayes: 7 Nays: 0
July 3, 2007

The General Manager’s report consisted of an update of the trickling filters at the Wastewater Treatment Plant by Randy Peterson. Randy also updated the Board on the Lakewood Water Tank. He said the painting of the tank is a little behind schedule and it will be tested before water can be put back in.

Dave Leathers said the geotechnical study by the Washington Group, as part of Task 1 for the CFB Project, has begun and will be completed by September 1.

Dave Leathers said he is working with Lakewood Mayor Tony Caprino and Joe Johnson on completing signage for the Lakewood SMSI Grant Contract.

On motion of Mr. Pillittieri, seconded by Mr. Prinzi, the Board convened into executive session to discuss three contract negotiation issues, one potential litigation issue and three personnel issues.

Mr. Prinzi left.

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

#070702 **By Mr. Gullotti:**

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); and

Whereas, the BPU has undertaken a comprehensive review of the Clean Coal Project under the State Environmental Quality Review Act; and

Whereas, the Final Environmental Impact Statement for the Clean Coal Project states that the project will be carbon capture ready; and

Whereas, the BPU is interested in further exploring carbon capture technologies for the Clean Coal Project; and

Whereas, Praxair has expertise in industrial oxy-fuel use and is interested in utilizing oxy-fuel to reduce carbon emissions from coal plants;

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to enter into a contract with Praxair for a feasibility and engineering study for oxy-coal technology for the Clean Coal Project subject to review by counsel as directed by the BPU Board.

Discussion: John Zabrodsky, on behalf of the Board, expressed his thanks to the staff on the progress of this agreement.

ADOPTED. Ayes: 6 Nays: 0
July 3, 2007

#070702A **By Mr. Zabrodsky:**

Resolved, That the Board does hereby approve a monthly stipend in the amount of \$850 for David Leathers from August 1, 2007, for such time as he serves in the capacity as Interim General Manager.

Discussion: The Board acknowledges the effort and commitment that Mr. Leathers is making during this period.

ADOPTED. Ayes: 6 Nays: 0
July 3, 2007

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

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