

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 **Friday, October 26, 2007, at 12:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
John Calamunci (arrived at 12:10PM)	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	

The media was notified of this meeting and was represented by Jade Boice.

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

#071003 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 #071003A-E be, and hereby are approved as written.

ADOPTED. Ayes: 7 Nays: 0
October 26, 2007

#071003A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending October 23, 2007 as follows:

ELECTRIC LIGHT FUND	\$1,963,260.69
WATER RENT FUND	368,275.81
DISTRICT HEATING FUND	84,481.86
WASTEWATER OPERATING FUND	153,592.19
SOLID WASTE OPERATING FUND	73,434.17
Total	\$2,643,044.72

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

Weekly Payroll No. 36	\$105,640.84
Weekly Payroll No. 37	112,119.84
Weekly Payroll No. 38	107,833.22
Weekly Payroll No. 39	115,319.16
Social Security	33,176.62
Sam's Club Direct	1,551.32
National Grid (Trans Agreement)	121,850.59
Commissioner of Labor – Asbestos License	100.00
Constellation New Energy	6,933.30
NYS Sales Tax	92,063.72
JHS Marching Band Boosters	80.00
Office Petty Cash Fund	320.61
Integrays Energy Services	341,884.80
Intechra LLC – Ethernet	564.95
Diane Hilton – Damage Claim	577.72
American Express – Corp. Card	17,506.31
Citi Business – Corp. Card	3,590.21
Total	\$1,061,113.21

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

Weekly Payroll No. 36	\$21,458.72
Weekly Payroll No. 37	21,883.84
Weekly Payroll No. 38	21,891.74
Weekly Payroll No. 39	24,713.34
Social Security	6,748.72
National Grid	2,098.60
Total	\$98,794.96

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

Weekly Payroll No. 36	\$17,010.47
Weekly Payroll No. 37	18,992.35
Weekly Payroll No. 38	17,374.32
Weekly Payroll No. 39	17,601.91
Social Security	5,335.60
Office Petty Cash Fund	60.83
Total	\$76,375.48

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

Weekly Payroll No. 36	\$8,789.57
Weekly Payroll No. 37	10,145.48
Weekly Payroll No. 38	9,171.00
Weekly Payroll No. 39	8,897.57
Social Security	2,774.43
Office Petty Cash Fund	16.00
Disability Management Assoc.	1,826.31
NYS Teamsters Health Insurance	12,622.39
NYS Teamsters Retirement Fund	3,384.00
Total	\$57,626.75

#071003B:

Resolved, That unpaid utility accounts as shown on Statement of Delinquent Accounts No. 10-07 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.

#071003C:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company of New York, New York for \$1,766,990.63 to pay principal of \$1,275,000 and interest of \$491,990.63 for six months interest at 5.09 percentum per annum due November 15, 2007 on \$23,150,000 Public Improvement Serial Bonds, Series 1999A.

Discussion: This is for the Gas Turbine Project and the final payment will be November 15, 2019.

#071003D:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company of New York, New York for \$69,029.38 to pay principal of \$50,000 and interest of \$19,029.38 for six months interest at 5.09 percentum per annum due November 15, 2007 on \$875,000 Public Improvement Serial Bonds, Series 2000B.

Discussion: This is for the Gas Turbine Project and the final payment will be November 15, 2019.

#071003E:

Resolved, That a warrant be drawn on the Wastewater Operating Fund to M & T Bank., Buffalo, New York, for \$62,552.03 to pay principal of \$57,000 and six months interest of \$5,552.03 at 2.38 percentum per annum due November 1, 2007, on \$382,000 New York State Revolving Fund Reserve Bonds, Series 2002L.

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

#071004 **By Mr. Rishell:**

Whereas, three-quarters of this Board concurs that it is impractical to take bids for parts and labor for tap changer work to be performed at Allen Street Substation,

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an electric division purchase order to GE Energy, Tallmadge, OH, for GE Proposal #Q08152007-6736 in the amount of \$28,660 for this tap changer work is hereby approved and ratified.

Discussion: The rate at which the tap changer is leaking oil between the main transformer compartment and the tap changer unit is rapidly getting worse. This migration of oil between the two compartments is contaminating both compartments as well as leaking out of the unit and will eventually lead to serious damage within the transformer and tap changer. Due to the emergency nature of these repairs, requests for proposals were sent to the three transformer repair vendors that staff felt could complete this work during a fall outage.

General Electric Energy Substation Services was the lowest of the three quotes received. The price of \$23,860 to perform the work and a price for option one (complete testing of unit) is \$4,800. Their grand total price to complete the work on the Allen Street tap changer is \$28,660. This includes the draining and storage of oil from the transformer and tap changer, the replacement of the bad barrier board unit, inspection and testing of the internals of the tap changer and transformer and the processing and vacuum filling of the oil back into both units. The work should take about three to four days to complete barring there are no other problems within the unit that we find when it comes off line. Staff will be providing manpower support for this project with the electricians.

ADOPTED. Ayes: 7 Nays: 0
October 26, 2007

Mr. Calamunci arrived.

#071005 By Mr. Pillitteri:

Whereas, three-quarters of this Board has determined that it is impractical to contract for the supply of coal and the removal and disposal of ash pursuant to the provisions of public bidding procedures set forth in the General Municipal Law for reasons set forth in the memorandum of the General Manager dated July 7, 1995; and

Whereas, the BPU has advertised for bids to provide coal and to dispose of ash,
and

Whereas, it has been recommended to this Board that the lowest cost and most reliable ash disposal can be achieved if the General Manager is authorized to contract for the disposal of ash by Alpha Coal Sales Co., LLC,

Now, Therefore, Be It

Resolved, That the General Manager is hereby authorized to issue a purchase order to Alpha Coal Sales Co., LLC to receive and dispose of flyash produced by the Carlson Generating Station at a cost of \$14.25/ton for an eight month term beginning 10/1/07.

Ash Discussion: The BPU ash disposal needs are optimally met by having two ash disposal outlets to allow the utility to manage contingencies and varying ash disposal demand. The award of a purchase order to Alpha will add redundancy to the previous award made to Bradford Coal for his service. Alpha was awarded a coal purchase order in February of 2007 and is thereby already supplying the Carlson Station with coal. That order is uneffected by the proposed ash disposal order. The desired ash disposal redundancy was most recently provided by Energy Resources, Inc. Energy Resources has announced that it will discontinue operations in Pennsylvania effective November 1, 2007. The order to Alpha will allow the BPU to maintain ash disposal stability at the lowest cost currently available.

ADOPTED. Ayes: 8 Nays: 0
October 26, 2007

#071006 By Mr. Gullotti:

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with Washington Group of Princeton, NJ, to provide professional services to include projecting operating and capital costs as they relate to the Clean Coal Project, for a sum not to exceed \$21,000.

Discussion: The Washington Group has offered to provide professional services that were previously within the scope of services provided by Foster and Associates for the Clean Coal Project. These services include projecting operating and capital costs for the Clean Coal Project so as they may be used in the rate forecasting models currently being compiled by RJ Rudden Associates. The Washington Group has the required knowledge and expertise to complete this added scope expeditiously and at a reasonable cost.

ADOPTED. Ayes: 8 Nays: 0
October 26, 2007

#071007 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 #8 and #9 to cover the additional repair work discovered during the internal inspection and restart of Steam Turbine/Generator Unit #6 and to add these repair costs totaling \$166,270.33 to the previously approved scope of the contract.

Discussion: This is the final change order for this contract and brings the total work scope cost will Elliott Company to \$874,298.80. All repairs to the unit were completed in early July and the unit has been operating satisfactorily since that time. The overall project including these changes has been completed for \$1.023 million compared to \$1.4 million budgeted for this project.

ADOPTED. Ayes: 8 Nays: 0
October 26, 2007

An update of the Wastewater Division Strategic Plan was given by Jim Cooper, Wastewater Plant Supervisor.

Mike Anderson presented the proposed 2008 Wastewater Division Budget, the proposed 2008 Solid Waste Division Budget and the proposed 2008 District Heating Division Budget. There will be prepared resolutions at the next Board meeting on November 6th for award of these budgets.

Dave Leathers gave a brief General Manager's report on the Clean Coal CFB Project Budget.

Dr. Ney thanked the BPU for assisting the City/Gebbie Foundation in the purchase of new benches and receptacles for the downtown area approximately two years ago. She said the BPU will have been fully reimbursed for this project as of the end of November.

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

In open session.

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

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