

**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, June 10, 2008**, at **12:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

| <b>BOARD MEMBERS:</b>                        | <b>Present</b> | <b>Absent</b> |
|--|----------------|---------------|
| Vince DeJoy                                  | X              |               |
| William S. Gullotti                          | X              |               |
| Fred Larson                                  | X              |               |
| Jeffrey A. Lehman, PE                        | X              |               |
| Carl P. Pillitteri                           | X              |               |
| Gregory Rabb                                 | X              |               |
| Wayne Rishell                                | X              |               |
| Mayor Samuel Teresi                          | X              |               |
| John Zabrodsky                               | X              |               |
|  |                |               |
| <b>STAFF:</b>                                |                |               |
| General Manager, David L. 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, Rebecca Robbins  | X              |               |
| Assoc. PP Supr., Steve Kulig                 | X              |               |

OTHERS: Tanja Shonkwiler, Susan Stohr, Jim Slack, Susan Asquith, Al Nottage, Rick Victor, Bill Murphy, Stewart Mehlman, Dante Bonaquist, Karen Parysek, Charles McConnell, Dr. Harvey Stenger, Ron Lutwen, Paul DeCotis, Tom Congdon, George Rusk, Frank Silvestro, John Martin, Rich Alexander, Dennis Rak

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

John Zabrodsky thanked everyone for coming to the press conference this morning and introduced board members to the guests.

Dave Leathers also thanked everyone for attending the press conference and introduced all staff and guests that were present in the board room.

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

**#080601 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 #080601A-D be, and hereby are approved as written.

**ADOPTED.** Ayes: 9 Nays: 0  
June 10, 2008

**#080601A:**

Resolved, That the General Manager is hereby authorized to purchase from Fairport Ford of East Rochester, NY, under New York State Contract #PC63527, two 2008 Ford Ranger Super Cab, 4x4, trucks for a total sum of \$29,174.60 for the Water and Wastewater Divisions.

Discussion: The purchase of one truck will be used in the Water Division to replace a 2002 Chevy S-10, #13, that will be moved to the Electric Division to replace a 1998 Astro van, #14. This van will be sent to auction. The other new truck will be used in the Wastewater Divisions to replace a 2000 Chevy, #100, that will be sent to auction. The purchase of these new trucks are included in the 2008 Water and Wastewater Division Budgets.

**#080601B:**

Resolved, That the General Manager be authorized to enter into an agreement with E & M Engineers and Surveyors of Springville, NY, to provide professional engineering services for preparation of two separate reports for the NYSDEC in relation to the consent order on the BPU sanitary sewer collection system, for a sum not to exceed \$28,000, pursuant to their proposal dated May 22, 2008.

Discussion: E & M Engineers was the low proposal of three engineering companies giving pricing on service based on the NYSDEC letter dated April 29, 2008. This was reviewed and recommended at the Finance & Capital Projects Committee meeting on May 30th.

#080601C:

Resolved, That the General Manager be authorized to enter into an agreement with Stearns & Wheler, LLC, of Amherst, NY, to provide professional engineering services to evaluate the existing digester system and the alternative digester mixing and heating systems at the Jamestown Waste Water Treatment Plant, for a sum not to exceed \$15,000, pursuant to their proposal dated May 13, 2008.

Discussion: Stearns & Wheler is currently working at the WWTP on the Trickling Filter Project and has prior knowledge of the plant operations. This was reviewed and recommended at the Finance & Capital Projects Committee meeting on May 30th.

#080601D:

Resolved, That the General Manager is hereby authorized to purchase from Airgas of Erie, PA, eleven Powerheart G3 Automated External Defibrillators (AED) at a cost of \$1,255 each, three surface wall mounts at a cost of \$294.88 each, and eight wire rack for truck mounts at a cost of \$59 each for a total amount of \$15,161.64 per their quote of May 28, 2008; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division purchase order to Airgas for these AEDs.

Discussion: These AEDs will be distributed throughout the BPU divisions. Airgas will be providing the initial training. Future training will be incorporated during the annual CPR training provided to all BPU employees. The purchase price of these AEDs are lower than NYS price for the same units.

#080602 **By Mr. Rishell:**

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 as a result of which six (6) bids were received and opened on 5/14/08; and

Whereas, it has been recommended to this Board that the General Manager be authorized to make purchases of coal from the bidder submitting the lowest bid for coal meeting specifications, to be purchased in such quantities and at such times as the General Manager shall determine to be prudent in order to maintain the quantity and quality of coal necessary for operation of the Carlson Generating Plant; and

NOW, THEREFORE, upon concurrence of three quarters of this Board, it is resolved that the General Manager be and hereby is authorized to issue purchase orders covering the purchase of coal from the following bidders:

|                   |                                 |
|-------------------|---------------------------------|
| RFI Energy:       | 12-month term beginning 11/1/08 |
| Delivered Price:  | \$93.95/ton                     |
| Quantity:         | 28,000 to 32,000 tons           |
| <br>              |                                 |
| Amerikohl Mining: | 6-month term beginning 12/1/08  |
| Delivered Price:  | \$104.75/ton                    |
| Quantity:         | 8,000 to 10,000 tons            |

Coal Discussion: The BPU coal procurement strategy in recent years has been to issue bids at approximately six month intervals. The last bid was completed in March '08. Due to recent coal market escalation, it was decided to bid coal again on a shortened schedule to reassess the coal market and to allow additional volumes of fuel to be contracted for the '08-'09 winter months. The most recent Inquiry asked for offers covering the period 11/1/08 through 10/31/09. Six bids were received covering varying portions of this period. As was seen in the March '08 bid, coal prices remain very high and are continuing to climb in tandem with other energy markets. The recommended awards represent approximately 50% of our expected coal burn during the period 11/1/08 through 10/31/09. When combined with previous awards, this award will fill 100% of our coal needs through April 2009 and 50% of our coal needs for the period May 2009 through Oct 2009. Our next bid will likely be issued in October. This bid will target the additional coal we will need during the 2009 summer period.

**ADOPTED.** Ayes: 9 Nays: 0  
June 10, 2008

#080603 By Mr. Rishell:

Whereas, the BPU has previously awarded the purchase of a new bucket truck on December 4, 2007, on BD-22-07, and is in need of another truck,

Whereas, three-quarters of this Board concurs that it is impractical to take bids for a new bucket truck,

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an Electric Division Purchase Order to Altec Industries of Plains, PA, in the amount of \$180,326 for this bucket truck is hereby approved.

Discussion: Altec will honor the price from last year's bid plus \$1,900 for the new model year chassis. The last bid was in October, 2007 (BD-22-07), with identical truck specifications, for a total award of \$178,426. Last year's award material costs have only increased and re-bidding will result in a higher bid. All existing BPU line department trucks are from Altec. The 2009 budgeted amount for the new truck is \$180,000.

**ADOPTED.** Ayes: 9 Nays: 0  
June 10, 2008

Dave Leathers said he attended the 2008 NYAPP Conference in Glens Falls on June 2-5. A handout of the agenda is included in the board packet today. Dave said this conference and other APPA conferences would be good for board members to attend in the future.

Susan Stohr announced that Dave Leathers was appointed a NYAPP officer at the conference. She said it was a unanimous decision to appoint Dave as a 3<sup>rd</sup> Vice President/Secretary for the association.

Dave Leathers explained a resolution that will be brought before the board for approval at the next meeting on Long-Term Transmission Congestion Contracts (Fixed Price TCC's).

John Zabrodsky expressed his thanks and appreciation to everyone involved for their efforts for the success of today's press conference with Governor Paterson.

On motion of Mr. Rishell, seconded by Mr. Lehman, the board convened into executive session to discuss a potential litigation issue.

On motion of Mr. Rishell, seconded by Mr. Gullotti, the board convened into open session.

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

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