

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, August 5, 2008**, at **12:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
Vince DeJoy	X	
William S. Gullotti	X	
Fred Larson	X	
Jeffrey A. Lehman, PE		X
Carl P. Pillitteri (arrived at 12:20)	X	
Gregory Rabb	X	
Wayne Rishell	X	
Mayor Samuel Teresi (arrived at 12:10)	X	
John Zabrodsky	X	
STAFF:		
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	
T & D Mgr., Chris Rodgers	X	
Oper. Mgr., Steve Kulig	X	
I/S Mgr., Frank Galeazzo	X	

OTHERS: Pete Morgante, 134 Euclid Ave., Becky Nystrom, 93 Beech St., Al Cala, 1302 Mile Creek Rd., Kennedy, Colin Shaffer, 51 Pennsylvania Ave.

The media was notified of this meeting and was represented by Pat Fanelli, P-J.

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

Mr. Morgante commented that there appears to be a lack of proper street lighting in residential areas in the City. Mr. Zabrodsky said the board has made responses back to Mr. Morgante on his continued request for more street lighting. Dave Leathers said he appreciates the feed back and any concerns the public may have. Dave asked Mr. Morgante to please use the process that is already in place for the request of any additional street lighting on residential streets. Locations for new street lights may be requested in writing at the City Clerk's Office at City Hall. The City's Public Safety Committee approves all requests and orders light installation from the BPU.

Mr. Cala said he has been an environmentalist for 25 years and is employed at the DPW Engineering Department. He said he would like to see the BPU use the same incentives and rebates already being provided by NYSERDA for energy conservation programs.

Mrs. Nystrom said she cares very deeply for the earth and our community and thanked the board and staff for all they do for the community. She expressed her appreciation for the energy conservation work being done by the BPU and said that conserving is the best way to protect our community. Mrs. Nystrom made a request to have Walter Simpsons do a presentation at a future board meeting. Mayor Teresi said he recently met in length with Mr. Simpson and, further, that the BPU meetings are open to the public. Mr. Zabrodsky said there have been over 210 public meetings held since the beginning of the project and noted that she is the first member of the local environmental community to attend a BPU meeting to express her concerns.

Mr. Shaffer said he is a strong believer in solar power and he would like to see incentives for his use in the future.

Mr. Larson commented that the BPU is an environmental steward of the community and has a long-standing commitment to improving our environment.

Dave Leathers said there is a BPU Energy Conservation Team that has been active for the past 18 months. They are constantly seeking new ideas for energy conservation in the community and have provided a link on the BPU web site to "Energy Depot for Homes".

#080801 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 #080801A-D be, and hereby are approved as written.

ADOPTED. Ayes: 8 Nays: 0
August 5, 2008

#080801A:

Resolved, That the bid of Vellano Bros. of Lancaster, NY, on BD-16-08 opened July 17, 2008, for Items 1 and 2 for ductile iron pipe and fittings be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Vellano Bros. for this material.

Discussion: This is the low bid of three received and meets all specifications. The bid was for unit pricing and will be ordered as needed throughout the course of one year with a total estimated cost of \$160,000 for all items from both vendors under resolutions 080801A & B.

#080801B:

Resolved, That the bid of Lock City Supply of Lockport, NY, on BD-16-08 opened July 17, 2008, for Items 3, 4, 5, 6, 7, 8, 9, 10, 11A, 11B, 12, & 13 for hydrants and fittings, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Lock City Supply for this material.

Discussion: This is the low bid of three received and meets all specifications. The bid was for unit pricing and will be ordered as needed throughout the course of one year with a total estimated cost of \$160,000 for all items from both vendors under resolutions 080801A & B.

#080801C:

Resolved, That the bid of Gerard Chimney Co. of St. Louis, MO, on BD-15-08 opened July 29, 2008, in the amount of \$141,000 for exterior rehabilitation of the 200' x 12' by-pass stack be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division purchase order to Gerard Chimney Co. for this by-pass stack resurfacing.

Discussion: This is the low bid of three received and meets all specifications. This work involves sand blasting and repainting of the exterior surface on the simple cycle stack which exhausts combustion byproducts from the gas turbine. The stack is 12 feet in diameter and 200 feet tall. The work is scheduled to take place in late September and early October.

#080801D:

Resolved, That a warrant be drawn on the District Heating Fund to Depository Trust Co., New York, New York for \$16,706.25 for six months interest at 4.0 percentum per annum due August 15, 2008 on \$760,000 Serial District Chilling Bonds.

Discussion: This is for the BPU Chiller Unit with final payment to be made in February, 2025.

#080802 **By Mr. Pillitteri:**

Whereas, three-quarters of this Board has determined that it is impractical to contract for the supply of coal 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 generally solicits for coal bids on a six month basis awarding purchase orders to suppliers offering coal at the lowest price meeting BPU specifications,

Whereas, from time to time it is necessary for the BPU to solicit for additional quantities of spot coal between its normal coal bids to supplement the fuel supplies necessary for the operation of the Carlson Generating Plant,

NOW, THEREFORE, upon concurrence of three quarters of this Board, it is resolved that the actions of the General Manager in issuing a purchase order to RFI Energy of Indiana, PA, for the purchase of spot coal to be delivered to the Carlson Generating Plant at a price of \$104.50/ton is hereby approved and ratified.

Discussion: The purchase of this 3000 tons of coal will supplement supplies previously ordered for July, August, and September. Off system power markets have been strong and have supported higher than planned power generation. The additional 1000 tons/month of spot coal will allow the BPU to more fully capitalize on this upturn.

ADOPTED. Ayes: 8 Nays: 0
August 5, 2008

#080803 By Mr. Rishell:

Whereas, three-quarters of this Board concurs that it is impractical to take bids for proprietary repair parts for new membranes for replacement into the reverse osmosis (RO) water treatment unit at the Samuel A. Carlson Generating Station;

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an Electric Division Purchase Order to Siemens Water Technologies Corp. of Syracuse, NY, in the amount of \$14,520 for this repair of the RO water treatment unit is hereby approved and ratified.

Discussion: This unit supplies water to the demineralization water treatment system which then goes to the water storage tank for the gas turbine. The membranes have a life span of approximately 5 years; the ones in use are 6 years old. The water quality of the RO has deteriorated to the point that staff needs to regenerate the demineralizer after about 80,000 gallons; normally it would be 350,000 gallons. The cost of the chemicals to regenerate the demineralizer are growing and Seimens has these in stock. This replacement is critical to maintain the redundancy levels required for reliable power plant operation, therefore, emergency repairs were authorized. This repair will be charged to the plant O & M budget, account number #703.22.

ADOPTED. Ayes: 8 Nays: 0
August 5, 2008

#080804 By Mr. Rabb:

Whereas, the City of Jamestown Board of Public Utilities (BPU) is subject to the requirements of the Regional Greenhouse Gas Initiative (RGGI) which creates a multi-state cap-and-trade CO2 Allowance Tracking System (COATS), and

Whereas, RGGI COATS requires that each regulated utility identify an "Authorized Account Representative" and an "Authorized Auction Representative", and optionally, an alternate "Authorized Account Representative" and "Authorized Auction Representative" to electronically sign future certification statements with respect to CO2

allowances held in a general account and to enter bids to procure CO2 allowances from electronic auctions periodically performed under the RGGI program, and

Whereas, the BPU desires to designate David A. Gustafson as the Authorized Account/Auction Representative and Kyle Joesel as the Alternate Authorized Account/Auction Representative;

Now, Therefore, Be It

Resolved, That David A. Gustafson is hereby designated the Authorized Account/Auction Representative for the BPU; and be it further

Resolved, That Kyle Joesel is hereby designated the Alternate Authorized Account/Auction Representative for the BPU; and be it further

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

ADOPTED. Ayes: 8 Nays: 0
August 5, 2008

A 2008 half-year financial summary update for all five BPU divisions was presented by Mike Anderson.

Dave Leathers introduced Frank Galeazzo as the new I/S Manager. The Jamestown resident comes to our organization from the Warren County School District where he has served as Coordinator of Technology/Information Management for the past six years.

Dave Leathers gave a brief update on the CFB Project.

On motion of Mr. Rishell, seconded by Mr. Pillitteri, the Board convened into executive session to discuss three contract negotiation issues and two potential litigation issues.

In open session.

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

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