

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 19, 2008**, at **3:00 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
Jeffrey A. Lehman, PE	X	
Fred Larson	X	
Carl P. Pillittieri		X
Gregory Rabb	X	
Wayne Rishell	X	
Mayor Samuel Teresi	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	
Elec & Gas Res Mgr., Dave Gustafson	X	
Assoc. PP Supr., Steve Kulig	X	
Water Supr., Mike Saar	X	

OTHERS: Al Nottage, Susan Asquith and Carolyn Human of Travers Collins

The media was notified of this meeting and represented by Pat Fanelli, P-J, and Jade Boice, Cable 8 News.

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

#080805 By Mr. DeJoy:

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 #080805A-E be, and hereby are approved as written.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

#080805A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending August 19, 2008 as follows:

ELECTRIC LIGHT FUND	\$2,724,357.49
WATER RENT FUND	645,872.47
DISTRICT HEATING FUND	82,650.81
WASTEWATER OPERATING FUND	551,730.15
SOLID WASTE OPERATING FUND	103,981.37
Total	\$4,108,592.29

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 July, 2008 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 27	\$105,163.14
Weekly Payroll No. 28	105,045.47
Weekly Payroll No. 29	100,561.65
Weekly Payroll No. 30	102,131.92
Weekly Payroll No. 31	103,185.78
Social Security	38,793.38
Sam's Club Direct	531.49
National Grid (Trans Agreement)	93,382.76
NYS Sales Tax	50,000.00

Office Petty Cash Fund	237.30
Sempra Energy Trading - Allowances	135,000.00
NYISO	58,267.12
Comm of Labor – Asbestos License	50.00
American Express – Corp. Card	6,439.23
Citi Business – Corp. Card	2,826.56
Total	\$901,615.80

and the action of said executive officers in drawing warrants on the Water Rent Fund in July, 2008 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 27	\$24,291.43
Weekly Payroll No. 28	25,758.08
Weekly Payroll No. 29	26,118.87
Weekly Payroll No. 30	23,694.24
Weekly Payroll No. 31	24,095.63
Social Security	9,295.37
Total	\$133,253.62

and the action of said executive officers in drawing warrants on the Wastewater Operating Fund in July, 2008 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 27	\$18,737.08
Weekly Payroll No. 28	21,125.35
Weekly Payroll No. 29	18,215.49
Weekly Payroll No. 30	18,451.10
Weekly Payroll No. 31	18,196.84
Office Petty Cash Fund	45.00
Social Security	7,129.33
Total	\$101,900.19

and the action of said executive officers in drawing warrants on the Solid Waste Operating Fund in July, 2008 to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 27	\$9,482.20
Weekly Payroll No. 28	9,631.18
Weekly Payroll No. 29	9,224.08
Weekly Payroll No. 30	9,353.41
Weekly Payroll No. 31	9,078.19
Social Security	3,500.94
NYS Teamsters Retirement Fund	2,707.20
Total	\$52,977.20

#080805B:

Resolved, That unpaid utility accounts as shown on Statement of Delinquent Accounts No. 8-08 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.

#080805C:

Resolved, That a warrant be drawn on the Wastewater Operating Fund to M & T Bank of Buffalo, New York for \$313,108.21 to pay principal of \$295,000 and \$18,108.21 to pay six months interest at 5.69 percentum per annum due September 1, 2008, on \$1,250,000 New York State Revolving Fund Reserve Bonds, Series 1992B/2002I.

Discussion: The final payment will be in 2012.

#080805D:

Resolved, That a warrant be drawn on the Electric Light Fund to Cede & Company, New York, New York for \$157,176.25 to pay six months interest at 7.0 percentum per annum due September 15, 2008, on \$4,427,500 Serial Electric Bonds.

Discussion: This 1991 Bond Issue was for the coal silo, cooling towers and boiler retubing. The final payment will be in 2016.

#080805E:

Resolved, That a warrant be drawn on the Wastewater Operating Fund to Cede & Co., New York, New York for \$4,375 to pay six months interest at 7.0 percentum per annum due September 15, 2008, on \$125,000 Series A Serial Bonds.

Discussion: This is for the Fairmount Avenue Sewer Project. The final payment will be in 2013.

#080806 **By Mr. Rishell:**

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, the BPU Board has previously passed a resolution designating and authorizing certain BPU employees to represent the BPU to procure CO2 allowances from electronic auctions periodically performed under the RGGI program, and

Whereas, a non-profit organization called RGGI, Inc. has been established to conduct the auction processes used to sell CO2 allowances to properly qualified organizations participating in the periodic electronic auctions for CO2 allowances, and

Whereas, RGGI, Inc. requires the posting of suitable financial collateral including the depositing of cash funds to be held in an account at Mellon N. A. by RGGI, Inc. as agent for the Signatory States of the Regional Greenhouse Gas Initiative, and that the posting of this security approximately one week prior to each individual auction is a prerequisite for participation in the auction,

Now, Therefore, Be It

Resolved, That the BPU General Manager or his designate be authorized to post cash collateral of up to \$100,000 to RGGI, Inc. as needed to support BPU bids to be entered into the periodic auctions for CO2 allowances to be distributed under the RGGI program.

Discussion: Beginning in 2009 RGGI CO2 allowances will be needed to off-set CO2 emissions from the gas fired combustion turbine designated as Unit #7 and located at the Samuel A Carlson Generating Station. The requested amount of \$100,000 is estimated to be sufficient to allow the BPU to procure approximately 15,000 to 20,000 tons of CO2 allowances, sufficient to offset the expected CO2 emissions from Unit #7 in 2009. Additional CO2 allowances will likely be required for subsequent years and as the cost of allowances and quantity needed by the BPU is uncertain, it is expected that the BPU will participate in multiple RGGI CO2 auctions to gradually procure the needed allowances. Note that all cash security not utilized to procure CO2 allowances during any individual RGGI auction will be returned to the posting bidder within approximately one week of the completion of the RGGI auction, requiring reposting of the collateral needed to support the next auction.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

#080807 By Mr. DeJoy:

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with URS-Washington Division of Princeton, NJ, to provide professional services to support the Jamestown BPU and the alliance members in the preparation of the Clean Coal Power Initiative (CCPI) submittal, for a sum not to exceed \$150,000.

Discussion: Services will be provided on a time and material basis. The initial estimate for these services is \$132,700 with an approximate 10% contingency being added to cover expenses incurred for any additional work scope required by the CCPI submittal. Deliverables in support of the CCPI proposal include a preliminary process flow diagram, a design basis document, a site layout plan (including a demonstration plant rendering), equipment general arrangement drawings, preliminary plant heat and material balances, and a preliminary capital cost estimate for the complete oxy-coal plant. These services will be funded through Empire State Development funds allocated to support the CCPI proposal submission which are administered by Praxair.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

#080808 By Mr. Rishell:

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with New York State Department of Environmental Conservation of Albany, NY, in the amount of \$400,000 to be paid to the Jamestown BPU to support Ecology & Environment's NYSERDA Project (Agreement #10498).

Discussion: This project will conduct a feasibility study to determine the long-term storage of CO₂ in the selected geologic formation in Chautauqua County, NY. This project will also develop a permitting roadmap for sequestration, evaluate costs and potential benefits, and assess legal and insurance issues surrounding CCS.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

#080809 By Mr. Larson:

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with Ecology & Environment, Inc. (E & E) of Lancaster, NY, to provide services in accordance with the narratives and program budget approved by the Board pursuant to resolution 080704, dated July 8, 2008.

Discussion: The purpose of this resolution is to facilitate the flow of funds being made available by the New York State Department of Environmental Conservation in support of E & E's NYSERDA Project (Agreement #10498). This project will conduct a feasibility study to determine the long-term storage of CO₂ in the selected geologic formation in Chautauqua County, NY. This project will also develop a permitting roadmap for sequestration, evaluate costs and potential benefits, and assess legal and insurance issues surrounding CCS.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

#080810 By Mr. Rabb:

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with the "O'Brien & Gere, Inc. of North America" branch office located in East Syracuse, NY, to provide professional services needed to demonstrate the effectiveness of carbon injection mercury reduction technology on boilers #9 and #12 located at the Samuel A Carlson Generating Station, for a sum of \$131,600.

Discussion: Worley Parsons was hired in July to perform a cursory study to evaluate the potential to reduce the levels of mercury contained in the exhaust gases emitted from the stacks of the coal fired boilers located within the power plant. The primary recommendation made by Worley Parsons focuses on the utilization of a proven mercury reduction technology wherein a dry activated carbon powder is injected into the exhaust gases leaving a coal boiler. When this is performed, the dry carbon acts as an absorbent to remove the mercury from the exhaust gas, allowing the mercury to be captured with the flyash as it passes through the existing electrostatic precipitator system. The effectiveness of this process is sensitive to the combustion characteristics of each individual boiler where it is applied. Therefore, a detailed demonstration test is needed to prove the technology is effective. Due to timeline constraints and the implementation of new DEC regulations which go into effect in 2010, staff believes it is necessary to expedite this testing allowing it to be completed in mid September. Should the demonstration be as successful as expected, work will begin on the development of specifications and the issue of bids designed to complete the installation of permanent systems in 2009.

ADOPTED. Ayes: 6 Nays: 0
August 19, 2008

An update of the Water Division Strategic Plan was given by Mike Saar, Water Supervisor.

Dave Leathers gave a brief update on the CFB Project and the CCPI-Round III. He mentioned that he and Steve Kulig will be traveling to Albany next week to attend a CO2 Sequestration meeting being coordinated by Ecology and Environment as part of their NYSERDA grant work scope.

Susan Asquith and Carolyn Human of Travers Collins presented the board with an update on communications plans for national and regional public outreach to support the Oxy-coal Project. Susan explained how things will be handled with communications and the user-friendly public web site being established for the project.

Becky Robbins highlighted plans for local public outreach on the project. Mayor Teresi noted that past local communications about the CFB Project have been well-done but that much more is needed to help the national and regional public understand this project and the oxy-coal development.

On motion of Mr. Rabb, seconded by Mr. DeJoy, the board convened into executive session to discuss a contract negotiation issue.

On motion of Mr. Lehman, seconded by Mr. Rishell, 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