

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, January 13, 2009**, 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	
Jeffrey A. Lehman, PE	X	
Fred Larson	X	
Carl P. Pillittieri		X
Gregory Rabb (arrived at 12:28 PM)	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, Becky Robbins	X	
Project Tech Lead, Steve Kulig	X	

The media was notified of this meeting and was represented by Kristen Johnson, Post- Journal.

Mayor Teresi opened the meeting requesting nominations for Board Chairman. Mr. Gullotti nominated John Zabrodsky to serve as Chairman of the Board and was seconded by Mr. Lehman. Board members were unanimously in favor of re-electing John Zabrodsky as BPU Chairman for 2009.

The minutes of the previous meetings were approved.

#090101 **By Mr. Rishell:**

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 #090101A-D be, and hereby are approved as written.

ADOPTED. Ayes: 6 Nays: 0
January 13, 2009

#090101A:

Resolved, That the bid of Asplundh Tree Expert Co. of Willow Grove, PA, on BD-24-08 opened December 18, 2008, to perform tree clearing services, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to enter into a contract with Asplundh Tree Expert Co. for this tree clearing service.

Discussion: This is the low bid received that meets all the required specifications. Staff recommends that the Board of Public Utilities accept Asplundh's bid to provide time and material crews to perform tree clearing services. The BPU's overhead infrastructure reliability will be greatly improved by a comprehensive tree clearing program. The use of contract labor for this function is an effective method of managing tree clearing needs without impacting existing personnel resources. This is a six-month contract with an estimated cost of \$120,000.

#090101B:

Resolved, That the bid of Jamestown Electric Supply of Jamestown, NY, on BD-25-08 opened December 18, 2008, in the estimated amount of \$396,322 for Underground Electric Power Cable, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Jamestown Electric Supply for this cable.

Discussion: Upon review of the three bids received, staff has determined that Jamestown Electric Supply Co. was the only bidder to meet the requirements of the specifications. The underground power cable will be used for general construction and replacement. This is budgeted in the proposed 2009 Capital Electric Budget.

#090101C:

Resolved, That the bid of Irby Utility Company of Syracuse, NY, on BD-26-08 opened January 5, 2009, for the unit prices listed on the bid tabulation for general line construction materials and supplies, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue Electric Division Purchase Orders to Irby Utility Company for this material and supplies.

Discussion: Price, availability and material quality were the deciding factors in the award of all items. This was the low bid of three received that meets specifications for these items. This material will be released on a monthly basis as needed. Each individual item had to meet the minimum specifications first, stocking requirements of the bid second, and price third in determining who received the award for the 2009 blanket purchase order. This is the thirteenth year that we have issued a systems contract style blanket purchase order and each year has represented between 5% and 10% savings in overall purchases. The estimated total value of this contract is \$120,000. The contract is valid for one year from the award date.

#090101D:

Resolved, That the bid of Shamrock Power Sales of Willington, CT, on BD-26-08 opened January 5, 2009, for the unit prices listed on the bid tabulation for general line construction materials and supplies, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue Electric Division Purchase Orders to Shamrock Power Sales for this material and supplies.

Discussion: Price, availability and material quality were the deciding factors in the award of all items. This was the low bid of three received that meets specifications for these items. This material will be released on a monthly basis as needed. Each individual item had to meet the minimum specifications first, stocking requirements of the bid second, and price third in determining who received the award for the 2009 blanket purchase order. This is the thirteenth year that we have issued a systems contract style blanket purchase order and each year has represented between 5% and 10% savings in overall purchases. The estimated total value of this contract is \$15,000. The contract is valid for one year from the award date.

#090102 **By Mr. Zabrodsky:**

Resolved, That pursuant to the power vested in the Board by Section C-50.D of the Charter of the City of Jamestown, the Board does hereby authorize that salary ranges of management staff be revised effective January 1, 2009, in accordance with the tables on file at the BPU office, 92 Steele Street, Jamestown, NY.

Discussion: This represents a 2.50% adjustment to the salary ranges in effect from 2008. The revision of salary ranges does not impact the current salary of any employee. Individual salaries continue to be set in accordance with the established BPU employee performance evaluation program, which is based solely on merit. This has been reviewed and recommended by the Personnel Committee.

ADOPTED. Ayes: 6 Nays: 0
January 13, 2009

#090103 By Mr. Larson:

Whereas, the Jamestown Board of Public Utilities (JBPU) is actively engaged in efforts to promote energy conservation and energy efficiency initiatives benefiting its electric division customers, and

Whereas, the Southern Tier West Regional Planning and Development Board based in Salamanca, NY, has expressed a willingness to work with the JBPU to assist in the development and implementation of additional energy conservation and energy efficiency initiatives and programs,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to sign a Memorandum of Understanding between the JBPU and Southern Tier West documenting that the two companies hereby agree to work collaboratively at their own expense, without obligation, and with no exchange of funds to:

Develop a plan to implement a comprehensive energy conservation and efficiency plan for the JBPU electrical service area.

Develop individual programs to service the three categories (residential, commercial, and industrial) of customers in the JBPU electrical service area.

Develop relationships with other relevant organizations to provide assistance to low income households with improving the overall energy efficiency of their homes.

Research and plan for the implementation of new energy efficient technologies to improve the overall efficiency of the JBPU electrical service area system.

Discussion: Representatives from STW have been actively working with the BPU's energy conservation team since July, 2008, to provide ideas and resources to develop and implement energy conservation programs including the BPU Energy Star Rebate Program. The operation of STW is funded by various grants from federal, state, and regional agencies. STW has the discretion to expend limited resources to assist local municipalities with projects including those currently being worked on by the BPU involving energy conservation and efficiency. The purpose of the MOU is to document that this relationship will continue through the end of 2009.

ADOPTED. Ayes: 6 Nays: 0
January 13, 2009

Mr. Rabb arrived.

#090104 **By Mr. Rishell:**

Whereas, Praxair has received a grant from the New York Urban Development Corporation doing business as the Empire State Development Corporation, for financial assistance with the United States Department of Energy Clean Coal Power Initiative (CCPI) application and Feed 1 portions of the BPU's Oxy-Coal Power Plant Project, and is seeking additional funding from EPRI and other entities, and

Whereas, the BPU has performed, and will continue to perform, work in conjunction with Praxair on the CCPI application and Feed 1 work, for which Praxair will partially reimburse the BPU pursuant to a contract between Praxair and the BPU,

Now, Therefore, Be It

Resolved, That the General Manager be, and hereby is, authorized to enter into an agreement with Praxair to assist Praxair with CCPI application and Feed 1 work on a grant-sharing basis, subject to review by counsel.

Discussion: The ESDC grant authorizes up to \$3,500,000 to be paid to Praxair upon the performance of specific tasks related to the CCPI application and preliminary design work, with an additional \$2,500,000 for design work contingent upon a DOE grant being awarded. Our contract with Praxair reimburses the BPU for between 50% and 100% of its costs of assisting Praxair, depending upon what level of non-DOE funding is received by Praxair.

ADOPTED. Ayes: 7 Nays: 0
January 13, 2009

#090105 By Mr. Gullotti:

Whereas, Praxair is the applicant for United States Department of Energy Clean Coal Power Initiative (CCPI) round three grant funding for the BPU's Oxy-Coal Power Plant Project, and

Whereas, the Board supports the BPU's participation in the project, with Praxair and other project participants, and

Whereas, the Board has requested that the Chairman of the Board and the Board President send a letter to the Department of Energy along with the CCPI application stating the Board's support for the project,

Now, Therefore, Be It

Resolved, That the Chairman and President of the Board send a letter to the Department of Energy stating the Board's support of the project and willingness to participate with Praxair and other project participants in the design, construction and demonstration of an Oxy-Coal CFB Power Plant Project in Jamestown.

ADOPTED. Ayes: 7 Nays: 0
January 13, 2009

#090106 By Mr. Larson:

Resolved, That the General Manager is authorized to enter into a Consulting Agreement with NYROK Partners, LLC of New York, NY, to provide consulting services related to funding opportunities and CO2 emissions reductions technologies for utilization at the proposed CFB oxy-coal plant, for a sum not to exceed \$42,500.

Discussion: NYROK will assist the BPU in identifying potential technologies, funding sources and national/international contacts related to CO2 emission reductions and the BPU's Oxy-Coal CFB Project. This funding is for a six month period through the end of May, 2009.

ADOPTED. Ayes: 7 Nays: 0
January 13, 2009

Dave Leathers mentioned there is an article on the Trickling Filter Project at the Wastewater Treatment Plant in the monthly newsletter of the NY Environmental Water Chapter.

Dave Leathers said there is an annual disclosure statement included in the packet today and asked the board to fill them out and return to Julie. There will be a prepared resolution at the next meeting accepting the annual statements of disclosure.

Dave Leathers said that a recent decision by the US Court of Appeals could force the BPU to change the way it operates the power plant in 2009 and, as a result, potentially having to revise the electric division budget. According to the EPA, the Clean Air Interstate Rule, or CAIR, regarding Nox/Sox, that was vacated in July, 2008, has been reinstated (remanded without vacatur) on December 23, 2008, without notice, and will go into effect on January 1, 2009. Dave said the 2009 budget does not operate under CAIR criteria because CAIR was not in effect at the time the budget was made. We will likely have something more to present at subsequent meetings.

Dave Leathers mentioned that most BPU management employees will be attending a 2-day Managers & Supervisors Conference at the Radisson next week. He also said the City Council, Ward 2, Jamestown Oxy-Coal Project informational meeting has been scheduled for January 28th at the Christ First Methodist Church. This has now been rescheduled to February 11th.

Dave Leathers said a four-month nighttime inspection of street lights has been performed and shows that, as of January 6th, 80% of the city lights have been surveyed, showing 131 non-functioning lights. All repairs will be done by the end of February. Dave indicated that a four-month survey of all city lights will be done twice a year. Mayor Teresi suggested that in between that four-month period, the main corridors be surveyed periodically at night and Dave agreed. Dave displayed the Jamestown BPU web site to show the procedure to report a street light outage and also reviewed the amount of outages reported and repaired in 2008.

Dave gave a brief update on the CFB Project. He said that Praxair is in the process of submitting the CCPI, Round 3, application to the DOE along with support letters from the board and others.

Mayor Teresi said he would like to recognize and thank staff, board and legal counsel on the challenging and difficult past and present years with the BPU. He also expressed his appreciation to John Zabrodsky for his time and energy as Chairman and to all the board members for their time given to the BPU.

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

On motion of Mr. Larson, 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