

**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, February 10, 2009**, 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	
Jeffrey A. Lehman, PE	X	
Fred Larson	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, Becky Robbins	X	
Project Tech Lead, Steve Kulig	X	
HR Director, Dave Watkins	X	

The media was notified of this meeting and was represented by Jade Boice, Cable 8, and Kristen Johnson, P-J.

On motion of Mr. Rabb, seconded by Mr. Gullotti, the minutes of the previous meetings were approved.

**#090201 By Mr. Rishell:**

Whereas, Article 18 of the New York State General Municipal Law requires municipal entities to require members of municipal boards to disclose potential conflicts of interest on an annual basis, and

Whereas, the Board, by resolution #070502 adopted a form of annual statement of financial disclosure, and

Whereas, each written disclosure has been completed, submitted to the Secretary, and is made a part of the official record of the municipal entity, and

Whereas, the annual statements of financial disclosure indicate no conflicts which may not be excused,

Now, Therefore, Be It

Resolved, that the Board does hereby accept the annual statements of financial disclosure submitted by each BPU board member for the calendar year of 2009.

Discussion: The Board adopted the annual statement of financial disclosure form pursuant to Section 812 of the General Municipal Law. This resolution is the second part of a two-part process, and must be done on an annual basis.

**ADOPTED.** Ayes: 8 Nays: 0  
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#090202 **By Mr. Gullotti:**

Whereas, three-quarters of this Board concurs that it is impractical to take bids for proprietary parts for turbine generator #6 maintenance 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 GE International Inc, Atlanta GA. in the amount not to exceed \$26,121.72 for this maintenance is hereby approved.

Discussion: These are direct replacement Cell Block Kits for the original blocks that are currently used on generator 6. The GE replacement parts will be purchased for over hauling the hydrogen panel vs. purchasing a new one. The parts will be purchased towards the Capital Budget #4349 for 2009. GE is the OEM of the hydrogen monitoring panel in use.

**ADOPTED.** Ayes: 8 Nays: 0  
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**#090203 By Mr. Pillitteri:**

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with Enterprice Management Solutions - Black and Veatch Corporation of Hauppauge, NY, to provide professional services to support the financial analysis and BPU Electric Division rate calculations required for the CFB Oxy-Coal Power Plant Project and also to continue to review the Electric Division Schedule for Electric Service (“Tariff”) as filed with, amended, and approved by the New York State Department of Public Service (PSC) for a sum not to exceed \$50,000.

Discussion: Black & Veatch is a large engineering and financial consulting firm with specialized regional offices. The office in Hauppauge, NY specializes in electric rate cases and filings. They have previous experience filing rate cases with the NYS PSC. This experience includes filings for other municipal power systems which own and operate local power generating facilities. This specialized experience and capability offers the BPU the resources needed to validate and improve a number of billing and accounting practices that have a large impact on the utility as well as its customers. The costs under this resolution are estimated to be approximately half for the CFB Project work and half for the rate case analysis work. The majority of the costs for the calculations performed for the project should be recovered through the NYS committed ESDC funds (potential limitation of 50% cost share).

**ADOPTED.** Ayes: 8 Nays: 0  
February 10, 2009

General Manager Update by Dave Leathers: Mike Anderson will be providing a 2008 year-end financial summary at the next board meeting on February 20<sup>th</sup>. Randy Peterson was presented the 2009 Management Innovation Award at the recent American Public Works Association Conference in NYC for bringing the Trickling Filter Project under budget and creative use of our workforce. The Water Resources Division will be kicking off their strategic plan update process this week. We have had communication from NYPA that they’re planning rate increases and are also planning on giving millions to the state to help with the budget deficit. This NYPA rate increase will be challenged by our NYAPP group. At the next board meeting, there may be resolutions prepared for an award of new coal contracts; an activated carbon injection system for mercury control; and painting of the gas turbine simple cycle stack. We are progressing the Energy Conservation Plan for the utility and expect to be communicating more information in the next several board meetings. The City Council Ward 2 public meeting will be held on Wednesday, February 11 at 6:30 PM at the Christ First United Methodist Church to give a CFB Project overview. Rick Victor and Dante Bonequist of Praxair will also be giving short presentations.

On motion of Mr. Rabb, seconded by Mr. Rishell, the board convened into executive session to discuss one contract negotiation issue and three potential litigation issues.

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

On motion of Mr. Rishell, seconded by Mr. Pillittieri, the board meeting was declared adjourned.

**David L. Leathers, General Manager**

**Michael A. Anderson, Business Manager**