

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, October 6, 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. Pillitteri		X
Gregory Rabb (arrived @ 12:32 PM)	X	
Wayne J. 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	
Project Tech Lead, Steve Kulig	X	
DGM-Projects, Chris Migliaccio	X	
DH Supr., Jim Butler	X	

OTHERS: Doug Champ, 225 Bowen Street

The media was notified of this meeting and represented by Kristen Johnson, PJ, and Jade Boice, Cable 8 News.

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

Mr. Doug Champ recognized the BPU as being a Gold Sponsor for the Chautauqua County Energy Conference & Expo that will be held on October 23 & 24. He said board members would profit on attending this conference and handed out a preliminary program.

#091001 By Mr. Rishell:

Resolved, That the bid of Ermco c/o Delta-Wye Associates of Cazenovia, NY, on BD-25-09 opened September 22, 2009, in the amount of \$22,120 for the furnishing of padmount transformers, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Ermco c/o Delta-Wye Associates for these padmount transformers.

Discussion: Upon review of the two bids received, staff has made recommendations for the items to be awarded to each vendor providing the lowest life cost of the individual items and compliance with the specifications. The life cost of each transformer is the calculated cost of the BPU operating the transformer based on the initial cost of the transformer and the losses quoted by the vendor. The recommendations of award are summarized in the spreadsheet labeled BD-25-09, Life Cost Summary and Purchase Cost Summary. The quantities to be purchased are based on customers forecast to come on to the system this year, and to insure a spare for each type of transformer currently in service. This is budgeted in the 2009 Capital Electric Budget.

ADOPTED. Ayes: 5 Nays: 0
October 6, 2009

#091002 By Mr. Gullotti:

Whereas, the Board of Public Utilities received approval from the New York Public Service Commission to offer flexible-rate contracts ("Flex-Rate") for the purpose of preserving jobs and promoting economic development;

Whereas, the Flex-Rate tariff (BPU Tariff, P.S.C. No. 6, Leaf Nos. 52-55) sets forth a structure for offering a negotiated rate;

Whereas, RHI-Monofrax of Falconer (RHI) and the BPU entered into a Flex-Rate Agreement in 2005 with an effective start date of December 1, 2005 and an ending date of October 31, 2009;

Whereas, RHI continues to be a customer of the BPU, has complied with its obligations under the existing Flex-Rate Agreement, and has agreed to continue to satisfy the objectives and requirements of the Flex-Rate tariff; and

Whereas, the BPU is committed to enhancing and preserving the economic strength of the community and retaining and creating jobs in an increasingly competitive economy.

Now, Therefore, Be It

Resolved, That the Agreement between the City of Jamestown Board of Public Utilities and RHI-Monofrax expiring on October 31, 2009, is hereby approved for a four year extension beginning November 1, 2009 and ending October 31, 2013, subject to final editorial modifications by Counsel and the General Manager, and the General Manager is hereby authorized to execute the subject extension to this agreement.

ADOPTED. Ayes: 5 Nays: 0
October 6, 2009

#091003 By Mr. Larson:

Whereas, the Board of Public Utilities has been approved as an Energy Star partner with the U.S. Department of Energy and the Environmental Protection Agency, and

Whereas, the BPU's Energy Conservation Team has developed a program to offer rebates to be applied as credits to accounts of BPU electric customers who purchase certain Energy Star products between the dates of October 1, 2009 and December 31, 2010;

Now, Therefore, Be It

Resolved, That the Board approves and endorses the BPU Energy Star Rebate Program.

Discussion: This program is intended to assist JBPU residential customers with reducing their utility bill by installing ENERGY STAR products. Over the past year this program has been successful at assisting customers to invest in energy efficient products that reduce their electrical consumption, during this time the JBPU Energy Star program has issued over 1600 rebates to our residential electric customers for a total of approximately \$75,000 in refunds. As previously outlined, the JBPU Energy Star program will only have minor changes to the program and eligible products list, most notably the addition of Energy Star residential entry doors, and the removal of programmable thermostats and electric hot water heaters that are not ENERGY STAR-rated. The budget for this period of the program is \$100,000, with funding for this program available through the Energy Efficiency Program Charge as approved by the New York Public Service Commission and implemented by the JBPU in April 2009.

ADOPTED. Ayes: 5 Nays: 0
October 6, 2009

Mr. Rabb arrived.

An update of the District Heating/Cooling Strategic Plan was given by Jim Butler, District Heat Supervisor.

Mike Anderson presented the proposed 2010 Solid Waste Division Budget. There will be a prepared resolution at the next Board meeting on October 20th for approval of this budget. Budget comments or changes will be discussed as necessary between the two board meetings.

Dave Leathers delivered his General Manager's report, beginning with details about a \$767,000 National Grid refund to the BPU which will be utilized to reduce the Fuel Adjustment Charge to electric customers during the months of October, 2009, until April, 2010. National Grid had implemented a rate increase, charged to the BPU from October, 2008, through April, 2009. The increase was later reduced as a result of settlement proceedings conducted at the Federal Energy Regulatory Commission where the BPU was actively represented. National Grid is using such money to update much needed system upgrades.

Dave Leathers announced that the BPU Wastewater Division is one of ten recipients of a Green Innovation Grant as part of the State's American Recovery and Reinvestment Act funding. An award of \$2.55 million from a total of \$9.8 million given statewide has been granted to enable the BPU to begin its upgrade of digesters, restoring the bio-solids process to allow the facility to use the methane gas from the sludge digesters for power generation. This grant will allow the BPU to begin the project sooner, and with less local dollars.

The gas turbine stack will be repainted in mid to late spring of 2010. Dave reminded the board that the stack was first repainted in 2009 by Amstar of Western NY, Inc., and already appears discolored and getting worse. Amstar will repaint the stack again at its own expense.

Mr. Leathers noted that a Flex Rate Agreement with SKF Aeroengine of Falconer, NY, is being drafted and a resolution will be presented at the next board meeting.

On motion of Mr. Rabb, seconded by Mr. Lehman, the board convened into executive session to discuss three potential litigation issues.

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