

**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, December 8, 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 (arrived at 12:28)	X	
Wayne J. 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 to the Board, Julie M. Breen	X	
Communications Coordinator, Rebecca Robbins	X	
Project Tech Lead, Steve Kulig	X	
DGM-Projects, Chris Migliaccio	X	

**OTHERS:** Garrett Sell and Andrew Jarrett of Chautauqua Acquisitions. These gentlemen arrived while meeting was in progress.

The media was notified of this meeting and was represented by Kristen Johnson, The Post Journal, Jade Boice, Cable 8 News and Terry Frank, Media One Group.

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

**#091201 By Mr. Lehman:**

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 #091201A-B be, and hereby are approved as written.

**ADOPTED.** Ayes: 6 Nays: 0  
December 8, 2009

**#091201A:**

Resolved, That the General Manager is hereby authorized to purchase from Navistar, Inc., of Albany, NY, under New York State Contract #62176, one new dump truck at a cost of \$149,057 for the Water Division.

Discussion: This new truck will replace a 2000 dump truck #35 and is budgeted in the 2010 Water Budget.

**#091201B:**

Resolved, That the General Manager is hereby authorized to purchase from Niagara Frontier of Lockport, NY, under New York State Contract #62731, one new backhoe at a cost of \$66,487 for the Water Division.

Discussion: This new backhoe will replace a 1999 backhoe #44 and is budgeted in the 2010 Water Budget.

**#091202 By Mr. Larson:**

Resolved, That the Electric Division Budget for 2010, anticipating cash and investments on hand of \$5,122,009, cash receipts of \$37,032,950, and cash disbursements of \$39,094,932, leaving a cash balance of \$3,060,027, be and hereby is adopted; and be it further

Resolved, That the disbursements shall be divided \$8,410,750 for Fixed Charges, \$5,463,500 for Capital Projects, and \$25,220,682 for Operation and Maintenance, all as set forth in said budget for 2010; and be it further

Resolved, That the amounts set forth in the budget schedules for the benefit of each account against which charges may properly be made, on file in the office of the Board, are hereby appropriated for the purposes therein stated, and the officers and employees of the Board are hereby authorized and directed to contract for necessary expenditures in accordance therewith.

**ADOPTED.** Ayes: 6 Nays: 0  
December 8, 2009

**#091203 By Mr. DeJoy:**

Whereas, the Board of Public Utilities has investigated the need for a general electric rate increase; and

Whereas, the Board has not filed for a rate increase in over 5 years, and a number of costs have increased; and

Whereas, through aggressively prosecuting litigation and obtaining refunds and other revenues, as well as through implementation of cost-cutting and efficiency measures, the BPU has been able to mitigate a rate increase request; and

Whereas, the Board recognizes the difficult economic conditions impacting the community and while a greater increase is supported by the BPU's financial condition, the Board wants to minimize the increase; and

Whereas, the Board remains committed to keeping electric rates far below those of the neighboring investor-owned utility, while remaining financially solvent; and

Whereas, the Board proposes to submit an electric rate increase, with associated tariff and other changes, to the New York State Public Service Commission to be effective no later than May 1, 2010, and that the rate increase is proposed to be approximately 3.2% of current overall rates, which is less than the rate of inflation across the years since the last rate increase took effect.

Now, Therefore, Be It

Resolved, That the General Manager is authorized to submit an appropriate filing with the New York State Public Service Commission to effectuate the determination of the Board of Public Utilities to increase general electric rates, subject to review by counsel.

**ADOPTED.** Ayes: 6 Nays: 0  
December 8, 2009

#091204 **By Mr. Gullotti:**

Whereas, the Board has assumed lead agency status for the Unlisted Action for the District Heating System(DHS) Energy Project, which includes the installation of a natural gas fired hot water boiler, its supporting equipment, and the construction of a building and a stack approximately 50 feet in height, that will serve as a supplementary source of thermal energy for the DHS;

Now, Therefore, Be It

Resolved, That the Board adopts the Environmental Assessment Form, and be it further

Resolved, That the Board authorizes the General Manager to take further steps as may be necessary to discharge the BPU's responsibility as lead agency for this action.

**ADOPTED.** Ayes: 6 Nays: 0  
December 8, 2009

**#091205 By Mr. DeJoy:**

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with M/E Engineering, P.C. located in Rochester, NY to provide professional services needed to perform the architectural, structural, mechanical, and electrical engineering design for the completion of a District Heating System Energy Project including the installation and interconnection of a natural gas fired hot water generating unit, supporting equipment, and a building to house said equipment to be located at the Samuel A Carlson Generating Station property, for a sum not to exceed \$177,500.

Discussion: This project includes the construction of a gas fired source of thermal energy to be used to supplement existing equipment at the Carlson Station, providing operational flexibility and energy supply redundancy for the District Heating System customers. M/E Engineering was chosen for this work based on cost and demonstrated experience on other similar projects. The decision to proceed with this engineering agreement as one of the two initial steps (the other being permitting) for project implementation has been reviewed with the Board Finance Committee.

**ADOPTED.** Ayes: 6 Nays: 0  
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Mr. Garrett Sell of Chautauqua Acquisitions, expressed his concerns that the Electrical Inspector, Mr. Kevin Cole, was having problems faxing inspection sheets to the BPU for a property at 29 Linden Street. Mr. Leathers said he would look into this matter and get back to Mr. Sell on resolving this issue.

There has been a request to move the next scheduled board meeting from Tuesday, December 22<sup>nd</sup> at 12 noon to Wednesday, December 23<sup>rd</sup> at 10 AM. An email will be sent out confirming this request.

Randy Peterson gave a brief update on the WWTP Digester Project.

Dave Leathers said staff is working with the PSC on a timing change for the monthly fuel cost adjustment. This will result in a closer match of fuel adjustment charges and customer electric consumption.

Leathers said there has been no transfer of funds to the City of Jamestown to-date. Mike Anderson is working with Joe Bellitto on any updates if a temporary transfer will be needed by the City.

Leathers gave an update on the Oxy-Coal Project. He expressed disappointment over the Department of Energy's decision not to grant funds in the latest round of awards to this project. Leathers said BPU officials and team members will request a debrief meeting with DOE personnel about the grant request and take time to reassess the situation before future steps are decided.

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

On motion of Mr. Rabb, seconded by Mr. Lehman, the board convened into open session.

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

**David L. Leathers, General Manager**  
**Julie M. Breen, Secretary to the Board**