

**MINUTES OF THE REGULAR MEETING  
OF  
POWER AUTHORITY OF THE STATE OF NEW YORK**

**November 29, 1994**

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November 29, 1994

Minutes of the Regular Meeting of the Power Authority of the State of New York held at the New York at 10:00 a.m.

Present: Thomas G. Young, Chairman  
Thomas R. Frey, Vice Chairman  
Linda P. Duch, Trustee  
Hyman M. Miller, Trustee  
Robert T. Waldbauer, Trustee

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S. David Freeman	President and Chief Executive Officer
Robert G. Schoenberger	Chief Operating Officer
William J. Cahill	Senior Vice President - Nuclear Generation
John F. English	Senior Vice President - Transmission
Robert A. Hiney	Senior Vice President - Power Generation
Robert L. Tscherne	Senior Vice President - Business Services
Charles M. Pratt	Senior Vice President and General Counsel
Alvin I. Becker	Vice President and Chief Accounting Officer
Arnold M. Bellis	Vice President and Controller
Woodrow W. Crouch	Vice President - Project Management
Robert J. Deasy	Vice President - Appraisal and Compliance
Deborah P. Estrin	Vice President - Human Resources
John M. Hoff	Vice President - Procurement and Real Estate
Sally L. Irving	Vice President - Corporate Finance
John L. Lenney	Vice President - Public Affairs
Charles I. Lipsky	Vice President and Chief Engineer - System Operations
Philip J. Pellegrino	Vice President - Power Sales and Rates
Michael F. Woods	Vice President - Industrial Economic Development
John F. Duffy	First Assistant General Counsel
Arthur T. Cambouris	Assistant General Counsel
Virginia Jouandet	Principal Attorney
Ronald W. Ciamaga	Resident Manager - St. Lawrence/FDR Power Project
James Ford	Resident Manager - Niagara Power Project
Richard E. Kuntz	Resident Manager - Charles Poletti Power Project
James J. McCarthy	Resident Manager - Blenheim-Gilboa Pumped Storage Power Project
John W. Blake	Director - Environmental Programs
Joseph J. Brennan	Director - Internal Audits
Arthur M. Brennan	Director - Budgeting
Thomas R. Mahoney	Director - Real Estate
Robert H. Meehan	Director - Compensation & Benefits - Strategies & Development
Stephen P. Shoenholz	Director - Public Relations
Laura M. Badamo	Assistant Secretary - Legal Affairs
Anne Wagner-Findeisen	Corporate Secretary
Vernadine E. Quan-Soon	Assistant Secretary - Corporate Affairs
Alice T. O'Rourke	Executive Assistant

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Chairman Young presided over the meeting. Secretary Wagner-Findeisen kept the Minutes.

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**1. Approval of the Minutes**

The minutes of the Regular Meeting of October 29, 1994 were approved.

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2. Report from the President and Chief Executive Officer

*At the President's request, Mr. English described the functions and the mission of the recently formed Transmission Business Unit. Trustee Duch requested that the Trustees be kept advised of the Unit's strategies for regional transmission groups, projects for enhancing 1995 revenues, and developments at the Federal Energy Regulatory Commission.*

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3. **Financial Reports for the Ten Months Ended October 31, 1994**

*In response to questions from Trustee Duch, Ms. Irving reported that staff currently anticipates that operating revenues and expenses will approximate \$15 - \$20 million by the end of the calendar year.*

**4. Modification of FitzPatrick Allocation - Smith Barney, Inc.**

The President submitted the following report:

SUMMARY

"New York City has requested that the Trustees permit delivery of FitzPatrick power to Smith Barney, Inc. ('SBI') at a second delivery point in a facility adjacent to the building that currently receives power.

BACKGROUND

"In 1984, the Authority and Shearson Lehman/American Express, Inc. entered into contract FD-14 for the sale of 16 MW of FitzPatrick power for use at the company's Faulkner Information Services Center at 390 Greenwich Street in New York City (the 'Faulkner Center'). With construction of an adjoining office tower at 388 Greenwich Avenue, Shearson Lehman committed to maintain at least 2,500 jobs in both buildings (the 'Greenwich Street Facilities').

"In August 1993, the Trustees approved the transfer of contract FD-14 to Smith Barney Shearson, which was created by the merger of the Shearson Lehman and Smith Barney brokerage units. The new entity now does business as Smith Barney, Inc. and operates in the Greenwich Street Facilities. SBI concurrently agreed to reduce the contract demand under FD-14 to 12 MW while maintaining a job commitment for at least 2,500 jobs. As of December 31, 1993, SBI reported 3,935 jobs in the Greenwich Street Facilities.

DISCUSSION

"SBI currently uses approximately 7 MW of FitzPatrick power at the Faulkner Center. SBI has requested the Authority to approve an additional delivery point so that the remaining FitzPatrick allocation of approximately 5 MW could be used at 388 Greenwich Street, which abuts the Faulkner Center. SBI's request is made in conjunction with commitments made by SBI and Travelers, Inc., SBI's parent company, to New York City regarding maintenance of their headquarters and approximately 8,900 jobs in various city locations. The City's Deputy Mayor for Finance and Economic Development submitted a letter in support of SBI's request which, in pertinent part, reads as follows:

The City of New York urges favorable and prompt action on Smith Barney's request. Such action will materially assist our effort to retain important corporate headquarters and a significant number of jobs in New York City, as well as to produce substantial new investment in operations within the City. We would appreciate the Power Authority's support for this important economic development initiative in the form of a prompt grant of Smith Barney's request.

RECOMMENDATION

"The Vice President - Industrial Economic Development recommends that the Authority permit delivery of FitzPatrick power to Smith Barney Inc.'s facility at 388 Greenwich Street as outlined above.

"The Senior Vice President and General Counsel, the Chief Operating Officer, and I concur in the recommendation."

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***Chairman Young emphasized that the proposed action is strongly urged by the City of New York.***

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Authority permit delivery of FitzPatrick power to Smith Barney, Inc. facilities located at 388 Greenwich Street in accordance with the foregoing report of the President; and be it further**

**RESOLVED, That the Vice President - Industrial Economic Development or his designee be, and hereby is, authorized to execute any and all documents necessary or desirable to effectuate such modification.**

**5. Proposed Contracts for the Sale of Firm Power to New York State Mortgage Loan Enforcement & Administration Corporation and North Castle South Fire District, No. 1 - Notice of Public Hearing**

The President submitted the following report:

SUMMARY

"The Trustees are requested to authorize the holding of a public hearing on proposed contracts for the sale of firm power to the New York State Mortgage Loan Enforcement & Administration Corporation ('MLC') and the North Castle South Fire District, No. 1 ('Fire District').

BACKGROUND

"In accordance with the provisions of Section 1005 of the Public Authorities Law, the Authority provides firm power service to 110 public corporations in the metropolitan area of the City of New York. These customers include, among others, the Metropolitan Transportation Authority; the Port Authority of New York and New Jersey; the City of New York, and the State of New York.

"Since the initial contracts with Southeast New York ('SENY') governmental customers were completed in the 1970s, two additional contracts for service to public corporations in the metropolitan area (the Jacob K. Javits Convention Center Operating Authority and Roosevelt Island Operating Authority) were completed in 1986; one additional contract (the United Nations Development Corporation) was completed in 1994; advertisement of six additional contracts is pending Trustee approval of the advertisement of the instant two contracts so that one hearing can be held for all eight contracts.

"The Fire District is eligible for power service because it is a public corporation authorized to receive Authority service under Section 1005 of the Public Authorities Law. The MLC is a legislatively authorized wholly-owned subsidiary of the state Urban Development Corporation, a public corporation.

DISCUSSION

"The Fire District is located in Westchester County and has a territory of approximately 12 square miles with a population of over 2,500 residents. The Fire District is owned by the resident taxpayers and is operated under a Board of Commissioners form of government. It provides fire protection services to the residents. The power sold under the proposed contract will be used by the applicant at its fire house.

"The MLC was formed in 1979 by the New York State Urban Development Corporation ('UDC') as a subsidiary pursuant to Section 12 of the New York State Urban Development Corporation Act. The MLC was created for the purpose of enforcing, administering and servicing mortgages originated by the UDC. When UDC-backed mortgages are in default, the MLC processes the foreclosure and maintains and operates the properties owned by the UDC.

"The power sold under the proposed MLC contract will be used to serve two low-income residential apartment houses located in Brooklyn. The power bill savings will lower the MLC administrative costs directly benefitting the UDC.

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"Submitted herewith as Exhibits `5-A' and `5-B' are proposed contracts with the governmental applicants. They have each agreed to the terms of the proposed contracts which are similar to other contracts with existing governmental customers in the SENY area. The applicants will pay the same rates as other governmental customers in the same service class.

"The Fire District will be served under Service Tariff No. 12, while the MLC will be served under Service Tariff No. 55. Based on current rates, staff estimates that the applicants would realize electric cost savings of about 20% compared with payments to Consolidated Edison Company of New York, Inc. ('Con Edison'), their current supplier.

"The total load of these new customers is approximately 1,500 kW. Pursuant to the Authority's March 10, 1989 Planning and Supply Agreement with Con Edison, the Authority will assume responsibility for meeting the load growth of these applicants. The Authority has sufficient capacity available from the resources dedicated to the SENY governmental customers to meet their current and projected power requirements.

#### RECOMMENDATION

"The Manager - Customer Relations recommends that the Trustees authorize the advertisement of a public hearing on the proposed contracts and that the President & CEO be authorized to direct the advertisement and notice of a public hearing upon the proposed contracts. It is further recommended that, pursuant to Section 1009 of the Public Authorities Law, the Secretary be authorized to transmit copies of the proposed contracts to the Governor and the Legislative leaders.

"The Vice President - Industrial Economic Development, Senior Vice President and General Counsel, the Chief Operating Officer, and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Authority hereby authorizes the advertising of a public hearing to be held on January 11, 1995, on the terms of proposed contracts with the New York State Mortgage Loan Enforcement & Administration Corporation, and with the North Castle South Fire District, No. 1; and be it further**

**RESOLVED, That the Secretary be, and hereby is, then authorized to transmit copies of such proposed contracts to the Governor; the Speaker of the Assembly; the Minority Leader of the Assembly; the Chairman of the Assembly Committee on Ways and Means; the Temporary President of the Senate; the Minority Leader of the Senate; and the Chairman of the Senate Finance Committee pursuant to Section 1009 of the Public Authorities Law; and be it further**

**RESOLVED, That subsequent to such public hearing the Authority shall reconsider the terms of the proposed contract and negotiate such changes as it deems necessary or advisable.**

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**1633 BROADWAY, NEW YORK, N.Y. 10019**

**APPLICATION FOR ELECTRIC SERVICE**

THE NORTH CASTLE SOUTH FIRE DISTRICT NO. 1 (hereinafter called "Customer") hereby applies to POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for firm power service under the Authority's applicable Service Tariff.

Customer understands:

- (1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.
- (2) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customer's facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the furnishing of electric services hereunder are subject in all respects to the provisions of Authority's Rules and Regulations for Power Service and to the applicable Tariff, both as they may be later amended from time to time.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Attest)

Date: \_\_\_\_\_

Accepted:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: \_\_\_\_\_

President

Date: \_\_\_\_\_

(Attest)

By: \_\_\_\_\_

Secretary



ACKNOWLEDGEMENTS

State of New York )ss:  
County of New York )

On this \_\_\_\_ day of \_\_\_\_\_, 199\_ before me personally came S. David Freeman and Anne Wagner-Findeisen, to me known, who each being by me duly sworn, did severally depose and say that they reside in New York, New York and in Cranford, New Jersey, respectively, and that they are President and Secretary of Power Authority of the State of New York. That executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Notary Public in the State of New York  
Residing in the County of \_\_\_\_\_  
My Commission expires \_\_\_\_\_

(Notarial Seal)

State of New York )ss:  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 199\_ before me personally came \_\_\_\_\_ and \_\_\_\_\_ to be known, who being duly sworn, did depose and say that reside in \_\_\_\_\_ and \_\_\_\_\_, respectively, and that they are \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_ that executed the foregoing instrument; that they know the seal of said entity that one of the seals affixed to said instrument is such entity's seal; that it was so affixed by order of the \_\_\_\_\_ of said entity and that they signed their names thereto by like order.

Notary Public in the State of New York  
Residing in the County \_\_\_\_\_  
My Commission expires \_\_\_\_\_

(Notarial Seal)



**Exhibit "5-A"**  
**November 29, 1994**

**POWER AUTHORITY OF THE STATE OF NEW YORK**  
**1633 BROADWAY, NEW YORK, N.Y. 10019**

**APPLICATION FOR ELECTRIC SERVICE**

THE NEW YORK STATE MORTGAGE LOAN ENFORCEMENT &  
ADMINISTRATION CORPORATION a wholly owned subsidiary of the URBAN  
DEVELOPMENT CORPORATION (hereinafter called "Customer") hereby applies to  
POWER AUTHORITY OF THE STATE OF NEW YORK (hereinafter called "Authority") for  
firm power service under the Authority's applicable Service Tariff.

Customer understands:

- (1) If this Application is accepted by Authority, firm power and energy will be supplied to Customer under the applicable Service Tariff(s) to the extent that Authority determines that it has capacity available to provide such power and energy. Customers who receive power and energy pursuant to such tariff shall not be entitled to receive such power and energy from any particular plants. The Authority shall have the right to furnish the power and energy from any source available to it.
- (2) Delivery of power and energy to Customer will be made over the facilities of the utility company in whose franchise territory Customer's facilities are located pursuant to contractual arrangements entered into by such company and the Authority.

Customer further understands and agrees that this Application and the

furnishing of electric services hereunder are subject in all respects to the provisions of

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Authority's Rules and Regulations for Power Service and to the applicable Tariff, both as they may be later amended from time to time.

Notwithstanding the terms of General Provision J (Continuance and termination of Service) of Service Tariff No. 55 which is appended hereto, Customer may terminate service at any time after one year's service on written notice to the Authority at least twelve months in advance.

Upon acceptance by Authority and approval of the Governor pursuant to Section 1009 of the Power Authority Act this Application together with the applicable Service Tariff shall constitute a contract between the parties for electric service hereunder.

Customer: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

(Attest)

Date: \_\_\_\_\_

Accepted:

POWER AUTHORITY OF THE STATE OF NEW YORK

By: \_\_\_\_\_

President

Date: \_\_\_\_\_

(Attest)

By: \_\_\_\_\_

Secretary

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ACKNOWLEDGEMENTS

State of New York )ss:  
County of New York )

On this \_\_\_\_ day of \_\_\_\_\_, 199\_ before me personally came S. David Freeman and Anne Wagner-Findeisen, to me known, who each being by me duly sworn, did severally depose and say that they reside in New York, New York and in Cranford, New Jersey, respectively, and that they are President and Secretary of Power Authority of the State of New York. That executed the above instrument; that they know the seal of Power Authority of the State of New York aforesaid; that one of the seals affixed to said instrument is such seal; that it was so affixed by order of the Trustees of Power Authority of the State of New York, and that they signed their names thereto by like order.

Notary Public in the State of New York  
Residing in the County of \_\_\_\_\_  
My Commission expires \_\_\_\_\_

(Notarial Seal)

State of New York )ss:  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 199\_ before me personally came \_\_\_\_\_ and \_\_\_\_\_ to be known, who being duly sworn, did depose and say that reside in \_\_\_\_\_ and \_\_\_\_\_, respectively, and that they are \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_ that executed the foregoing instrument; that they know the seal of said entity that one of the seals affixed to said instrument is such entity's seal; that it was so affixed by order of the \_\_\_\_\_ of said entity and that they signed their names thereto by like order.

Notary Public in the State of New York  
Residing in the County \_\_\_\_\_  
My Commission expires \_\_\_\_\_

(Notarial Seal)



**6. Marcy-South 345 kV Transmission Facilities - Map No. DEHK-8303C, Parcel Nos. 8303A and 8303B - Fishs Eddy Property - Disposal of Property**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the sale of 22.8± acres to the Delaware County Department of Public Works for \$35,000, and the conveyance of the remaining 11.4± acres to the New York State Department of Environmental Conservation ('DEC').

BACKGROUND

"The Authority purchased the subject property to be used as a materials storage and laydown yard during the construction of the Marcy-South 345 kV Transmission Facilities. The Trustees approved this transaction at their meeting of March 25, 1986.

"This property included two parcels:

1. Map No. DEHK-5723 (32.74 acres) was purchased from private land owners for \$75,000; and
2. Map No. DEHK-5724 (1.54 acres) was purchased from the County of Delaware for \$4,000,

Total Acres	34.28 acres
Total Price	<u>\$79,000</u>

"Authority improvements to the property included the installation of fencing, grading, a road system, and drainage, at a cost to the Authority of approximately \$500,000. Based on an appraisal done by the Authority, the appraised value as of May 1992, for land and improvements was within the range of \$100,000 to \$115,000. In 1993, the Real Estate division advertised the property for public bid. Eight bids were received ranging from \$8,500 to \$86,000, including a bid from the Delaware County Department of Public Works in the amount of \$35,000.

"The proposed sale of these parcels generated considerable interest by the following groups:

- Local residents and fishermen
- Town of Hancock
- County of Delaware Industrial Development Agency
- Department of Environmental Conservation
- County of Delaware Department of Public Works

"The interests expressed by these groups included:

1. The resident fishermen of the Town of Hancock were interested in the continued use and access to the property for fishing along the East Branch of the Delaware River.

2. The Town of Hancock, as early as 1986, expressed an interest in acquiring the site as a park.

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3. The Delaware County Industrial Development Agency, by resolution of the County Board of Supervisors dated April 27, 1989, approved the Authority's sale of the land for commercial development. The proposal upon which this resolution was based was withdrawn.
4. The DEC is interested in acquiring the riverfront for fishing and a parking area to accommodate fishermen.
5. The County of Delaware Department of Public Works is interested in the site for the construction for a County garage facility to house County Equipment.

#### DISCUSSION

"To accommodate local needs and interests, the Authority rejected the bids received for the parcel as a single entity and divided it into the two parcels described. Sale of the parcels to the County of Delaware Department of Public Works and the DEC, respectively is consistent with the Authority's policy of contributing to enhancements of communities disturbed by the Authority's construction activities. The sale of the two parcels to public agencies will support the public benefit missions of each agency and, regarding the transfer of land to the DEC, will open those lands to public access thus enhancing recreational opportunities.

"The conveyance of 11.4± acres to the DEC would provide public and fishing access to local residents and fishermen. This conveyance to DEC would include a 100-foot fee strip extending from County Route 28 to the East Branch of the Delaware River. Additionally, the conveyance would include a 100-foot-wide strip along the river. The terms of the conveyance to the DEC will be negotiated by the Real Estate staff and approved by the President.

"The sale of 22.8± acres to the County of Delaware Department of Public Works for the nominal sum of \$35,000 will provide the County with enough area to build a new Fishs Eddy Patrol Garage facility in accordance with applicable environmental laws, rules and regulations.

#### FISCAL INFORMATION

"Proceeds of the sale would be deposited in the General Reserve Account.

#### RECOMMENDATION

"The Director - Real Estate, the Director - Environmental Division, and the Resident Manager - Blenheim-Gilboa Power Project recommend the sale of the 22.8± acres to the Delaware County Department of Public Works for \$35,000, and the conveyance of the remaining 11.4± acres to the New York State Department of Environmental Conservation on terms beneficial to the Authority as negotiated by Real Estate staff and approved by the President.

"The Vice President - Procurement and Real Estate, the Senior Vice President and General Counsel, the Senior Vice President - Transmission, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

***Trustee Miller stressed that the proposed conveyance will benefit all of the parties, and that State Senator Cook had expressed satisfaction on behalf of his constituency with the planned use of the property.***



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The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That pursuant to the provisions of Article 5, Title 1 of the Public Authorities Law, the Authority hereby finds and determines that the real property shown and described on the maps set forth below is no longer required for Authority use and hereby finds and determines that such real property may be sold and conveyed by the Authority on behalf of itself:**

- 1. Map No. DEHK-8303C, Parcel No. 8303A containing 22.8± acres will be sold to the Delaware County Department of Public Works for \$35,000, and**
- 2. Map No. DEHK-8303C, Parcel No. 8303B containing 11.4± acres will be sold to the New York State Department of Environmental Conservation on terms beneficial to the Authority as negotiated by Real Estate staff and approved by the President.**

**The Authority hereby determines that such sale by the Authority under conditions substantially as specified above is on terms beneficial to the Authority and will not result in significant adverse environmental impacts; and be it further**

**RESOLVED, That the Resident Manager or the Director - Real Estate is authorized to execute on behalf of the Authority a contract of sale with the Delaware County Department of Public Works and a contract of sale with the New York State Department of Environmental Conservation for the sale of the property substantially as shown and described on Power Authority of the State of New York, Marcy-South 345 kV Transmission Facilities, Delaware County, Map No. DEHK-8303C on terms substantially as set forth above and in the foregoing report of the President; and be it further**

**RESOLVED, That the Resident Manager or the Director - Real Estate be, and hereby is, authorized to execute and deliver to the Delaware County Department of Public Works and the New York State Department of Environmental Conservation in accordance with said contracts of sale on behalf of the Authority, in such form as approved by the General Counsel of the Authority, a quitclaim deed to the lands shown and described on Power Authority of the State of New York, Marcy-South 345 kV Transmission Facilities, Delaware County, Map No. DEHK-8303C, Parcel No. 8303A and Map No. DEHK-8303C, Parcel No. 8303B; and be it further**

**RESOLVED, That the Resident Manager or the Director - Real Estate of the Authority be, and hereby is, authorized on behalf of the Authority, to execute any and all other agreements, papers, or instruments which may be necessary or desirable to carry out the foregoing.**

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7. **St. Lawrence/F.D.R. Power Project - Grant of Easement, Iroquois Gas Transmission System, L.P.**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the grant of an easement to Iroquois Gas Transmission System, L.P. ('Iroquois') to maintain a portion of its Federal Energy Regulatory Commission ('FERC') licensed gas transmission project under a portion of the Authority's St. Lawrence/F.D.R. Power Project ('St. Lawrence'). The easement would extend from the International Boundary in the St. Lawrence River southeasterly to the Authority's St. Lawrence Project boundary in the Whitehouse Bay vicinity of the Town of Waddington. The easement would occupy 4.170 acres of which 1.651 acres are under water.

BACKGROUND

"The Iroquois Project was certified by the New York State Public Service Commission ('PSC') on December 8, 1989, and by FERC on November 14, 1990. All necessary environmental approvals were obtained for the project. No objections to crossing the St. Lawrence Project were raised.

"On May 1, 1991, the Authority granted a permit to Iroquois, to construct, install, operate, maintain, repair, replace and remove a 30 inch natural gas pipeline, access road and spoil storage and make-up area together with necessary accessories and appurtenances thereto on or across land owned by Authority'.

"Construction of the pipeline has been completed and the site has been restored in accordance with the conditions of all applicable permits. A permanent easement for maintenance and operation of the pipeline will replace the construction permit.

DISCUSSION

"The easement to be conveyed would, by its terms, not interfere with the operation of the St. Lawrence hydro-electric project or the Authority's compliance with the terms of its FERC license for the project.

"The Authority's conveyance of this easement to Iroquois will not affect recreational use of St. Lawrence lands or otherwise jeopardize the scenic, recreational, and environmental values of the project.

"By letter dated August 27, 1993, FERC has consented to the Authority's plan to grant the easement.

FISCAL INFORMATION

"The Authority and Iroquois have agreed that Iroquois will pay \$45,000 compensation for the easement. Compensation will be deposited in the General Reserve Fund.

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RECOMMENDATION

"The Director - Real Estate, the Resident Manager - St. Lawrence/F.D.R. Power Project, and the Director - Environmental Division, recommend that the Trustees approve the conveyance of an easement as shown and described on Map No. 106-C, Parcels 2827, 2828, and 2829 by an Indenture.

"The Vice President - Procurement and Real Estate, the Senior Vice President and General Counsel, the Senior Vice President - Transmission, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Authority hereby determines that the permanent easement shown and described on Power Authority of the State of New York, St. Lawrence River Project, Map No. 106-C, Parcel Nos. 2827, 2828, and 2829 should be conveyed to Iroquois Gas Transmission System, L.P. for the sum of \$45,000; and be it further**

**RESOLVED, That the Director - Real Estate or Resident Manager - St. Lawrence/F.D.R. Power Project be, and hereby is, authorized to execute and deliver to Iroquois Gas Transmission System, L.P. on behalf of the Authority and in the name of The People of the State of New York, acting by and through the Authority, a conveyance of the permanent easement shown and described on Power Authority of the State of New York, St. Lawrence River Project, Map No. 106-C, Parcel Nos. 2828, 2828, and 2829; and be it further**

**RESOLVED, That the Director - Real Estate or Resident Manager - St. Lawrence/F.D.R. Power Project be, and hereby is, authorized to execute on behalf of the Authority and in the name of The People of the State of New York, acting by and through the Authority, all agreements, papers, or instruments which may be deemed necessary or desirable to carry out the foregoing.**

**8. County and Municipal High Efficiency Lighting Program - ("HELP") Expenditure Authorization**

The President submitted the following report:

SUMMARY

"The Trustees are requested to authorize an initial expenditure of \$20 million to fund electricity saving measures for county and municipal facilities located throughout New York State. The program will begin on Long Island and will be implemented by Authority staff.

BACKGROUND

"There are over 60 cities and counties, 930 towns, and 550 villages located throughout New York State that could benefit from HELP. However, the facilities these entities operate are not presently eligible to receive service under HELP.

"In keeping with its tradition of providing lower cost energy on a competitive basis for the benefit of people the New York State, the Authority can assist these counties and municipalities in acquiring demand-side resources. HELP has been enthusiastically received by the various State and other public customers served by the Authority and the investor owned utilities (IOU's). SENY, Statewide, Long Island, and Public Schools HELP are unique programs that provide for all aspects of conservation services, from initial energy audits through direct installation of eligible conservation equipment. Authorized funding to date for these HELP initiatives is \$232 million. Actual investments for HELP through 9/30/94 was \$108 million. These investments are paid back with interest, so that in the years ahead the amount invested at any one time will be lower than the total recoveries for HELP projects.

"In SENY HELP, the Authority offers rebates to its public customers to offset a portion of the installed costs and provides financing through a Conservation Bank for the remaining customer expenses. Hence there are no cash outlays required on the part of participating customers. In Statewide, Long Island, and Public Schools HELP, the Authority coordinates its program with those of the local IOUs to take advantage of utility rebate programs that benefit eligible public institutions which are IOU electricity customers.

DISCUSSION

"Staff proposes that the Authority establish an energy conservation program called 'County and Municipal HELP' that would be similar to our existing program and expand its availability to county and municipal facilities located throughout New York State not currently eligible for HELP services. It is proposed that the Authority initially provide \$20 million to fund the program. As interest and experience implementing the program is gained, additional funding will be requested.

"It is anticipated that County and Municipal HELP would reduce annual electricity consumption in participating facilities by an average 25 percent, with a similar corresponding reduction in electricity bills. Initially these savings, along with any rebates available from the IOUs, would be used to repay the Authority; however, the participating facilities would also share in savings as they are realized, subject to repayment of all the Authority's program costs. Based on the experience with HELP, the net savings to the customers during the repayment period

would be at least five percent of their electric bill. Following repayment to the Authority, all of the savings would accrue to participating customers.

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"The program would feature the installation of electricity savings measures, such as state-of-the-art high efficiency lighting, and, where cost effective, premium efficiency motor, and heating, ventilating and air-conditioning ('HVAC') controls. These are the same measures presently covered under the existing HELP initiatives. The retrofit work would concentrate on relatively simple, easy to install measures. Most importantly, the program would provide full turn-key services for the participating facilities. Eligible measures would be identified through energy audits. Based on the experience of other HELP programs, it is estimated that more than one-half to two-thirds of the eligible facilities would eventually participate. Installation at the first facilities would begin in 1995. Facilities would be targeted for the program based on their energy costs per square foot, potential for energy efficiency improvements, ability to maximize savings to the participants, and current plans for capital improvements. Based on relatively high electricity costs, eligible Long Island facilities will be targeted first.

"The program would be directly administered by the Authority. A Cost Recovery Agreement would be executed by each participating county or municipality and the Authority covering the capital allocation, repayment terms and program responsibilities prior to the commencement of any construction activities. The Authority's approach will be a streamlined effort minimizing protracted design and engineering efforts to contain overheads. IOU rebates are declining and could in fact be eliminated entirely, therefore a simplified program design is imperative.

"The Authority would provide capital funding for electricity saving measures through the use of tax exempt commercial paper. The Authority would provide facility audit services, approve recommended electricity savings measures for these facilities designs, engineer electrical systems, and procure equipment. The Authority will contract directly with local electrical contractors for installation services and manage the construction. Initially, all work will be directed out of the Authority's HELP field office in Queens, New York. By the middle of 1995 it is envisioned that two additional field offices will be established in the Albany area and in western New York. The State will be divided among the field offices based on their current work load, staffing and location. This method of program deployment was developed by the Authority's Implementation Contractors for the existing HELP programs and has proved to be the most effective approach. All equipment and installation labor will be competitively bid. Services from multiple electrical contractors are anticipated to distribute the sizable work load and to ensure customer satisfaction at the lowest possible cost.

"Initially, staff plans to handle all implementation services internally, without the use of outside engineering contractors. After the Authority assesses the potential scope of this proposed expansion to HELP, it may become necessary to solicit competitive proposals for implementation contractors to support the increased work. The Trustees' approval will be requested if this need arises.

#### FISCAL INFORMATION

"County and Municipal HELP expenditures will be provided from the Energy Conservation Effectuation and Construction Fund through initial funding of \$20 million. These costs will be recovered over a period not to exceed ten years (from the date each project is completed), together with the cost of advancing funds, and Authority overhead expenses from each of the participating counties and municipalities through bill savings plus any IOU demand side management rebates.

#### RECOMMENDATION

"The Senior Vice President - Energy Efficiency recommends that the Trustees authorize the implementation and associated funding for the County and Municipal HELP consistent with the foregoing and the attached resolution.



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It is further recommended that the Senior Vice President - Energy Efficiency, or his designee, be authorized to execute any agreements or other documents between the Authority and the program participants as necessary or desirable to implement the program.

"The Vice President - Procurement and Real Estate, the Senior Vice President and General Counsel, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

***In response to questions from Vice Chairman Frey, Mr. Belnick stated that the Program would expand to the rest of the State in 1995. In response to questions from Trustee Duch, he explained that the current request is for "new" funds, in addition to those already authorized by the Trustees.***

***Responding to questions from Trustee Waldbauer, Mr. Pellegrino explained that the \$20 million being requested is for initial funding which will be used to assess the market, after which staff will report back to the Trustees. He estimated that the full-scale program would require total funding of \$80 - \$100 million.***

***In response to a recommendation from Trustee Waldbauer, Mr. Pellegrino stated that mass notifications to potential beneficiaries will be made by staff, noting that the first nine months will be devoted to Long Island, after which, by mid-1995, staff hopes to have field offices set up in Albany and Buffalo.***

***Trustee Duch urged that staff exercise fiscal restraint prior to expending funds for field offices and that options such as telecommuting be explored. President Freeman gave assurances that all proposed expenditures of this nature will be carefully scrutinized.***

***In response to questions from Trustee Miller, Mr. Pellegrino confirmed that the cost recovery agreements between the Authority and the program participants provide prepayment incentives.***

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The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Senior Vice President - Energy Efficiency or his designee, be authorized to execute a cost sharing agreement and any other documents between the Authority and county and municipal participants as may be necessary or desirable to cover the capital allocation, repayment terms and program responsibilities necessary or desirable for the implementation of County and Municipal HELP; and be it further**

**RESOLVED, That expenditures are hereby approved as recommended in foregoing report of the President, in the amount and for the purpose listed below.**

<b>Energy Conservation Effectuation and <u>Construction Fund</u></b>	<b><u>Expenditure Authorization</u></b>
<b>County and Municipal HELP</b>	<b><u>\$20,000,000</u></b>

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**9. Procurement (Services) Contracts - New York City Board of Education Coal-Fired Boiler Conversion Pilot Program - Awards**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the award of two-year procurement contracts, with an option of up to a two year extension with the approval of the Chairman and the President, to two firms: Goldman Copeland Associates, P.C. ('GC') and Parsons Brinckerhoff Quade & Douglas, Inc. ('PB') for project management and program implementation services of the previously approved Energy Efficiency and Coal Conversion ('EECC') Program for the New York City Board of Education ('BOE'). The estimated cost of these implementation services is \$8.5 million.

BACKGROUND

"Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts requires the Trustees' approval for procurement contracts involving services to be rendered for a period in excess of one year.

"At their meeting of August 30, 1994, the Trustees approved \$5 million in funding for the EECC for the BOE. EECC is a pilot energy efficiency and coal fired boiler conversion program that will provide a turn-key approach to identifying, procuring, and implementing boiler plant conversions for BOE in up to 10 schools, using optimized dual-fuel technology, and includes implementation of high efficiency lighting and domestic hot water measures. The Authority and the State Energy Office ('SEO') will share the funding for this pilot program, with each entity contributing \$5,000,000. Concurrently, the program will study environmental impacts.

"As the General Contractor of the EECC, the Authority contracts for the installation of energy improvements through the use of Implementation Contractors ('ICs'). The services provided by an IC will complement headquarters office administrative staff resources in implementation of EECC. The typical contract scope-of-work will consist of the following:

- o Facility Audit consisting of a site survey to identify opportunities for energy efficient building system improvements, as well as the conversion of coal-fired boilers to dual-fuel boilers, including an estimate of the potential energy and operation and maintenance savings that BOE can expect through conversion of the boilers and installation of the recommended energy conservation measures, and an estimate of the complete costs of implementation of the measures.
- o Detailed design of proposed systems and measures, including completion of applications, as applicable for state co-funding.
- o Preparation of project proposal documents, including the bidding and contract specifications and drawings. These will describe the specific work to be performed at the school and the financial arrangements for BOE's repayment.

- o Construction management, equipment procurement, and installation of proposed systems and measures.

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- o Services for abatement of asbestos, related to removal of asbestos-containing insulation to facilitate boiler plant conversions.
- o Quality assurance and warranty services.

"The IC is required to work directly with the customer from preliminary site survey to the final acceptance of equipment installation. The installation of the recommended EECC improvements will be competitively bid by the ICs to installation subcontractors. The ICs guarantee the quality of all work performed by their installers.

"The program will be directly administered by the Authority. A Cost Recovery Agreement ('CRA') will be executed by the BOE and the Authority, covering repayment terms and program responsibilities.

### DISCUSSION

"In October 1994, the Authority requested bids relative to implementation of EECC from 19 engineering firms recognized for their experience in boiler plant design and retrofit projects for schools. Nine additional bidders were added to the list as a result of the Authority's announcement in the Contract Reporter.

"The RFP identified some very specific requirements for the bidders: familiarity with current BOE design practices, and the capability to turnkey gas/oil boiler conversions, including management of asbestos abatement.

"A bidders' conference was held on October 14, 1994, to explain the proposed scope of work and provided an opportunity for potential bidders to ask questions and seek clarification. The conference was attended by 13 firms.

"On October 31, 1994 nine bids were received. The firms responding included: Black & Veatch ('B&V'); Braun Utility Services Corp. ('BU'); B.G. National Plumbing & Heating, Inc. ('BG'); Energy Investment Inc. ('EI'); GC; Harris Energy Systems ('HES'); HEC Energy Services ('HEC'); PB; and Power Consultants Inc. ('PCI').

"The criteria used to evaluate the bidders included: bidders' experience with similar work, qualifications of key and support personnel, understanding of the EECC Program and proposed project organization, compliance with the Authority's minimum requirements, and compensation. Using a weighted average scoring system, each member of the bid evaluation team, consisting of staff from Contracts Administration and the EEBU group, reviewed and scored each proposal according to these criteria. The team then met to discuss their scores and reach consensus on a short list of bidders offering the best qualifications and compensation. The following firms were excluded based on uncompetitive compensation and/or failure to demonstrate appropriate program experience or qualifications: B&V; BU; BG; EI; HES; and PCI.

"As a result of this process, the three firms that received the highest overall evaluation scores were invited to make oral presentations to the bid evaluation team. The firms selected for interview and subsequent consideration were Goldman Copeland Associates, HEC Energy Services, and Parsons Brinckerhoff. Based on the oral presentations and review of the firms' qualifications, PB and GC are recommended as EECC implementation contractors. Exhibit '9-A' summarizes the compensation schedule for each firm. The following is a brief synopsis of the qualifications of the recommended firms:

### Parsons Brinckerhoff

"Parsons Brinckerhoff, a local New York City firm, has provided services to the New York State Energy Office, the New York City School Construction Authority and the Authority. PB has extensive experience in energy

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conservation studies/designs, boiler plant conversions, construction management and commissioning of boiler plants. PB also offers the Authority a strong local presence with a full-service regional office of 500 people in New York City.

"PB has provided services to Brooklyn College; Hamot Medical Center; Kings County Hospital Center; Adam Clayton Powell State Office Building; and the State Energy Office's Energy Engineering Analysis Program. PB engineers served as program managers responsible for preliminary evaluations, energy surveys and feasibility studies, design, and construction management services.

#### Goldman Copeland Associates

"Goldman Copeland, also a local New York City firm, has extensive experience with the New York City School Construction Authority and Board of Education on coal conversion projects. GC has a detailed in-place process for performing all facets of the EECC Program. This includes energy conservation studies, boiler plant conversion designs, construction management and commissioning of boiler plants. GC also offers the Authority a full-service main office of 72 people in New York City.

"GC has provided relevant services for the New York City School Construction Authority, Consolidated Edison Company of New York, Inc., and the New York State Office of General Services. GC engineers served as program managers responsible for preliminary evaluation, energy surveys and feasibility studies, design, and construction management.

"The decision to select multiple bidders was based on the anticipated workload. The bidders selected were scored highest overall in terms of compensation, depth of knowledge, capability, and experience with the specialized requirements of implementing the EECC Program.

"As with the HELP Program, compensation fees will be paid as a fixed percentage of the total equipment and installation costs for each project. Similar to the Electrotechnologies Program, this percentage was bid by the firms as part of their proposals. The costs for all services associated with asbestos abatement were bid as a separate fixed percentage. A schedule of proposed fees for asbestos management services is also contained on Exhibit '9-A'.

"The Authority's contracts with the recommended consultants will include the Authority's Minority and Women-Owned Business Enterprise ('M/WBE') provisions which state the following M/WBE goals:

Minority-Owned Business Enterprise Subcontracting Goal - 15%  
Women-Owned Business Enterprise Subcontracting Goal - 10%

#### FISCAL INFORMATION

"As previously authorized by the Trustees at their meeting of August 30, 1994, expenditures for implementation services will be paid from the General Reserve Account in an amount not to exceed \$5,000,000. These costs will be recovered within ten years after completing each individual pilot school project, together with the cost of advancing funds. If the pilot program proves successful, staff anticipates returning to the Trustees for authorization to expand this activity into a more comprehensive BOE boiler conversion and energy efficiency program. Upon authorization of a full scale program, it is anticipated that the amounts expended by the Authority from the General Reserve Fund would be reimbursed from the proceeds of the commercial paper program or other tax-exempt obligations issued by the Authority.



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RECOMMENDATION

"The Senior Vice President - Energy Efficiency recommends that the Trustees approve the award of procurement contracts in connection with the Energy Efficiency and Coal Conversion Program to Goldman Copeland Associates, P.C. and Parsons Brinckerhoff Quade & Douglas Inc. in an amount not to exceed \$8.5 million for a period of two years, with an option of up to a two year extension with the approval of the Chairman and the President, commencing December 1, 1994.

"The Vice President - Procurement and Real Estate, the Senior Vice President - General Counsel, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

***Responding to questions from Trustee Waldbauer, President Freeman explained that proceeding with the boiler conversion program is contingent upon the Authority's receipt of the \$5 million committed by the State Energy Office. Trustee Duch stated that notwithstanding her earlier reservations about the program, it does comprise an essential element in the Authority's long-term contractual relationship with New York City, and that contingent upon the State co-funding being definitely committed, she would support the pilot program.***

***Trustee Miller indicated that his remarks at the August 1994 meeting concerning the funding of this program should be incorporated and reiterated. At that meeting Trustee Miller had stated that although he recognizes the needs of New York City school children, the school system's problems are so extensive that the type of proposed assistance on the part of the Authority will do very little toward solving the overall problem. Trustee Miller expressed concern about establishing a precedent for Authority involvement in matters which he believes are the City's and the State's responsibility, and that the proposed statement of intent to issue bonds could jeopardize the Authority's ability to issue tax-exempt bonds in the future. Trustee Miller stated that, notwithstanding his awareness of the importance of the Authority's long-term relationship with the City, he is unable to support the proposed resolution.***

***Trustee Miller expressed his continuing inability to support the program, noting that the Authority does not receive tax appropriations and cannot afford the luxury of such a program.***

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*Trustee Waldbauer expressed his support for the proposed action as a basis for attaining a long-term contractual understanding with the City.*

*Chairman Young stated that in his view the program represents an opportunity for the Authority related to its broadly defined statutory mission.*

*The Vice Chairman stated that the proposed action is a consistent follow-up to the resolution adopted by the Trustees in August, and that he would like to be kept advised of the progress of the negotiations with New York City.*

Look for language where a trustee (Miller) abstained

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award contracts for a period of two years with an option of up to a two year extension, subject to the approval of the Chairman and the President, to Goldman Copeland Associates, P.C. and Parsons Brinckerhoff Quade & Douglas, Inc. to provide consulting and implementation services in connection with the Energy Efficiency and Coal Conversion Program, as recommended in the foregoing report of the President, in the amounts and for the purposes listed below:**

<u>General Reserve Account</u>	<u>Projected Closing Date</u>	<u>Contract Approval</u>
Energy Efficiency and Coal Conversion Program		
Implementation Services		
Goldman Copeland Associates, P.C.	11/30/96	Total award
Parsons Brinckerhoff Quade & Douglas Inc.	11/30/96	not to exceed
		<u>\$8,500,000</u>

**ENERGY EFFICIENCY AND COAL CONVERSION PROGRAM  
COMPENSATION SCHEDULE**

<u>Implementation Contractor</u>	<u>Compensation Fee</u> <sup>1</sup>	<u>Compensation Fee for Asbestos Management Services</u> <sup>2</sup>
Goldman Copeland Associates, P.C.	17.4%	7%
Parsons, Brinckerhoff, Quade & Douglas, Inc.	13%	4%

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<sup>1</sup> Fee is percentage of total equipment & installation costs per facility.

<sup>2</sup> Fee is percentage of costs for all services associated with asbestos abatement services subcontracted by contractor.

**10. Procurement (Services) Contracts - Niagara Power Project -  
FERC Plan of Study - Extensions and Contract Change Orders**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve change orders to the Authority's contracts with Alden Research Laboratory, Inc. ('Alden'); Clarkson University ('Clarkson'); Canpolar, Inc. ('Canpolar'); and the members of the Board of Consultants ('Board'). The Board was established pursuant to a Federal Energy Regulatory Commission ('FERC') amendment to the Niagara Power Project license. The change order to the contract with Alden will extend the contract termination date from December 31, 1994 to December 31, 1996, and increase the award amount by \$110,000. The change order to the contract with Clarkson University will extend the contract termination date from December 31, 1994 to December 31, 1996, and increase the award amount by \$150,000. The change order to the contract with Canpolar, Inc. will extend the contract termination date from June 30, 1994 to June 30, 1996, and increase the award amount by \$80,000. The change orders for the members of the Board will extend the termination date of the contracts from December 31, 1994 to June 30, 1996, and increase the award amount for one of the contracts by \$55,000 and the other two contracts by \$35,000 each.

BACKGROUND

"Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require Trustees' approval of procurement contracts involving services to be rendered for a period in excess of one year.

"In a July 21, 1989 amendment to the Niagara Power Project license, FERC directed the Authority to undertake studies aimed at determining the relationship between project operation and ice flow in the upper Niagara River. The requirements for implementing the studies were set forth in new license Articles 305, 306, and 307. In November 1990, the Authority submitted to FERC a Plan describing the studies to be undertaken on the basis of the Board's recommendations. The final report on the results of the studies is to be submitted to the FERC on June 30, 1995.

"Although these studies are not directly tied to the Authority's efforts to renew the operating license for the Niagara Power Project in 2007, they are likely to become a significant part of the relicensing application. In fact, it is likely that some, if not all of the studies, if they weren't being conducted now, would be required by the FERC for the relicensing.

DISCUSSION

Plan of Study

"Five types of studies were recommended in the Plan, including technology assessments, historical data analyses, field observation and measurement programs, numerical model studies, and physical model studies. The estimated yearly expenditures on the studies prescribed in the Plan have been or are expected to be as follows:

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<u>Year</u>	<u>Actual Expenditures</u>	<u>Projected Additional Expenditures</u>	<u>Total</u>
1990	\$ 200,000	0	\$ 200,000
1991	350,000	0	350,000
1992	860,000	0	850,000
1993	540,000	0	550,000
1994	270,000	\$ 115,000	375,000
1995	0	325,000	325,000
1996	<u>0</u>	<u>140,000</u>	<u>140,000</u>
TOTAL	<u>\$ 2,220,000</u>	<u>\$ 580,000</u>	<u>\$ 2,800,000</u>

Alden Research Laboratory, Inc. ('Alden')

"At their meeting of October 31, 1991, the Trustees approved the award of a contract to Alden for a physical model study of the Grass Island Pool area of the upper Niagara River to assess potential physical, structural, and/or operational improvements in the Grass Island Pool that might reduce the severity and frequency of ice jam events in the upper Niagara River.

"The physical modeling program is expected to be completed, to the satisfaction of the Board, by December 31, 1994. A change order is required to exercise the option in the contract to have Alden store the physical model in a usable condition for a period of two years between January 1, 1995 and December 31, 1996, at a cost of about \$55,000 per year. The model must be maintained for a period of at least one year after the final report is filed with the FERC, in case follow-up modeling is required subsequent to the FERC's review of the studies. The status of the contract is set forth in Exhibit '10-A'.

Clarkson University ('Clarkson')

"The numerical model studies recommended in the Plan rely heavily on the continuation of work by Dr. H. T. Shen of Clarkson on models developed by him and his staff under a contract approved by the Trustees in 1988.

"The Board recommended alterations in the scope of work for the numerical modeling that require the contract period to be extended and the award amount increased. Extension of the contract period beyond the date for filing the final report to the FERC is also required to accommodate follow-up modeling that may be required subsequent to the FERC's review of the studies. To satisfy these requirements, the contract period is to be extended to December 31, 1996 and the award amount increased by \$150,000. The status of the contract is set forth in Exhibit '10-B'.

Canpolar, Inc. ('Canpolar')

"A procurement contract was awarded to Canpolar on October 1, 1993 for a study entitled 'Assessment of Instrumentation Systems for Application to Flow and Ice Monitoring and Forecasting on the Upper Niagara River'. This study is one of the Technology Assessment Studies included in the Plan. The objective of the study is to review and evaluate measuring and monitoring equipment and instrumentation, not currently in use by the Authority or Ontario Hydro, to obtain ice-related data for input to models and decision-making tools for winter operating

procedures.

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"Phase 1 of the study was conducted between October 1, 1993 and June 30, 1994 at a cost of \$21,800. The Phase 1 report recommended, and the Board concurred, that field demonstrations of several instruments and systems be conducted to better assess their applicability to winter operations. The field demonstrations (Phase 2) recommended by the Board will require the contract period to be extended to June 30, 1996, and the award amount increased by \$80,000. The status of the contract is set forth in Exhibit `10-C'.

#### Board of Consultants

"The Trustees first approved the award of contracts to Board member Dr. R. Ettema at their meeting of November 18, 1989, to Board member Mr. David Andres at their meeting of April 24, 1990, and to Board member Mr. Richard Carson (Acres International Limited) at their meeting of December 19, 1991.

"In order to complete the scope of work in the Plan, it is necessary to extend the contracts for the services of the Board members until June 30, 1996 and to increase the award amount for Mr. Andres by \$55,000 and for Dr. R. Ettema and Mr. R. Carson by \$35,000 each. The additional \$20,000 required for Mr. Andres is for travel expenses to Board meetings, which are higher than those for the other two Board members due to his location. The periods of the contracts are to be extended beyond the date for filing the final report to the FERC to accommodate follow-up deliberations by the Board that may result from the FERC's review of the studies. The status of the contracts is set forth in Exhibits `10-D' through `10-F'.

#### FISCAL INFORMATION

"Funds required for these purposes are included in the 1994 O&M Budget. Funds required for 1995 and 1996 will be included in the budget submittals for those years. Payment will be made from the Operating Fund.

#### RECOMMENDATION

"The Resident Manager - Niagara Power Project and the Director Power System Operations recommend that the Trustees approve the aforementioned change orders to the contracts with Alden Research Laboratory, Inc.; Clarkson University; Canpolar, Inc.; Dr. R. Ettema; Mr. D. Andres; and Mr. R. Carson (Acres International Limited).

"The Vice President - Procurement and Real Estate, the Senior Vice President and General Counsel, the Senior Vice President - Transmission, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

***In response to questions from Trustee Duch, Mr. English explained that FERC often relies on the use of independent consultants to carry out its regulatory responsibilities.***

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Alden Research Laboratory, Inc. is hereby**

**approved and extended through December 31, 1996, in accordance with the foregoing report of the President and as listed below; and be it further**

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**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Clarkson University is hereby approved and extended through December 31, 1996, in accordance with the foregoing report of the President and as listed below; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Canpolar, Inc. is hereby approved and extended through June 30, 1996, in accordance with the foregoing report of the President and as listed below; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Dr. R. Ettema is hereby approved and extended through June 30, 1996, in accordance with the foregoing report of the President and as listed below; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Mr. D. Andres is hereby approved and extended through June 30, 1996, in accordance with the foregoing report of the President and as listed below; and be it further**

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the professional services contract with Mr. R. Carson (Acres International Limited) is hereby approved and extended through June 30, 1996, in accordance with the foregoing report of the President, and as listed below:**

<u>O&amp;M</u>	<u>Projected Closing Date</u>	<u>Contract Approval</u>
Alden Research Laboratory, Inc.	12/31/96	To be made by staff in accordance with Expenditure Authorization Procedures
Clarkson University	12/31/96	
Canpolar, Inc.	06/30/96	
Dr. R. Ettema	06/30/96	
Mr. D. Andres	06/30/96	
Mr. R. Carson	06/30/96	

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Alden Research Laboratory, Inc.

Contract No.: 020334-91

Dept./Division: Energy Control Center

Contract Description: Physical Model Study of Ice Concerns at the  
Niagara Project Intake

Basis of Award: Bid   X    
Competitive Bid  
Sole Source

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C. 11/01/91	10/31/91	04/30/93	\$ 760,000
C.O. #1 10/20/92			32,173
C.O. #2 01/20/93			31,599
C.O. #3 04/13/93			11,430
C.O. #4 08/04/93	04/27/93	12/31/94	0
C.O. #5 12/13/93			200,000
C.O. #6 Pending			75,000
Total Amount Authorized or Committed:			<u>\$1,110,202</u>
Total Amount Expended to Date:			<u>\$1,035,000</u>
Projected additional commitments through 12/31/96 to be made by Staff pursuant to Expenditure Authorization Procedures from authorized Capital and O&M Budget			<u>\$110,000</u>

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Clarkson University  
 Contract No.: 029494-90  
 Dept./Division: Energy Control Center  
 Contract Description: Upper Niagara River Ice Dynamic Simulation  
 Basis of Award: Bid  
 Competitive Bid  
 Sole Source   X  

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C. 08/01/89*	06/23/88	08/01/90	\$ 74,658
C.O. #1 08/01/90		01/31/91	54,500
C.O. #2 02/01/91		01/31/92	80,015
C.O. #3 11/12/91	05/29/91	08/31/93	185,000
C.O. #4 06/03/93	04/27/93	12/31/94	100,000
Total Amount Authorized or Committed:			<u>\$552,924</u> **
Total Amount Expended to Date:			<u>\$528,000</u> **
Projected additional commitments through 12/31/96 to be made by Staff pursuant to Expenditure Authorization Procedures from authorized Capital and O&M Budget			<u>\$150,000</u>

\* Originally Contract No. 029332-88, with Research Foundation of the State of New York approved by the Trustees on June 23, 1988; transferred to Clarkson University.

\*\* Includes \$58,751 expended under Contract No. 029332-88. About \$135,000 of this total was reimbursed to the Authority by Ontario Hydro under a Niagara Joint Works agreement.

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Canpolar, Inc.  
Contract No.: S 93 50607  
Dept./Division: Energy Control Center  
Contract Description: Assessment of Instrumentation Systems for Application to Flow and Ice Monitoring and Forecasting  
Basis of Award: Bid   X    
Competitive Bid  
Sole Source

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C. 10/01/93		02/28/93	\$21,800
C.O. #1 05/13/94		06/30/94	617

Total Amount Authorized or Committed: \$22,417

Total Amount Expended to Date: \$22,417\*

Projected additional commitments through 06/30/96 to be made by Staff pursuant to Expenditure Authorization Procedures from authorized Capital and O&M Budget \$80,000 \*\*

\* About \$10,900 of this amount was reimbursed to the Authority by Ontario Hydro under a Niagara Joint Works agreement.

\*\* The Authority will recommend that Ontario Hydro share the cost of this additional work. Provisions have been made in the 1996 Niagara Joint Works budget by Ontario Hydro for this expense.

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Dr. Robert Ettema  
 Contract No.: 029556-89  
 Dept./Division: Energy Control Center  
 Contract Description: Board of Consultants: Model Studies of the Upper Niagara River

Basis of Award: Bid  
 Competitive Bid  
 Sole Source  X

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C. 11/26/89	11/28/89	12/31/91	\$ 50,000
C.O. #1 11/12/91	05/29/91	08/31/93	50,000
C.O. #2 03/04/93	01/26/93	12/31/94	50,000

Total Amount Authorized or Committed: \$150,000

Total Amount Expended to Date: \$ 96,000

Projected additional commitments through 06/30/96 to be made by Staff pursuant to Expenditure Authorization Procedures from authorized Capital and O&M Budget \$ 35,000

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Mr. David Andres  
 Contract No.: S 94 59834  
 Dept./Division: Energy Control Center  
 Contract Description: Board of Consultants: Model Studies of the Upper Niagara River  
 Basis of Award: Bid  
 Competitive Bid  
 Sole Source     X    

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C.* 04/24/90	04/24/90	12/31/91	\$50,000
C.O. #1* 12/09/91	05/29/91	08/31/93	\$50,000
C.O. #2* 03/08/93	01/26/93	12/31/94	\$80,000

Total Amount Authorized or Committed: \$180,000

Total Amount Expended to Date: \$135,000

Projected additional commitments through 06/30/96 to be made by Staff pursuant to Expenditure Authorization Procedures from authorized Capital and O&M Budget \$55,000

\* The original contract and Change Orders No. 1 and 2 were executed with the Alberta Research Council. The contract was reassigned to Mr. Andres on April 1, 1994 after he left the employ of the Alberta Research Council.

**PROCUREMENT (SERVICES) CONTRACT**

Provider: Acres International Limited  
 Contract No.: S 92 23872  
 Dept./Division: Energy Control Center  
 Contract Description: Board of Consultants: Model Studies of the  
 Upper Niagara River

Basis of Award: Bid  
 Competitive Bid  
 Sole Source     X    

<u>Effective Date of Original Contract or Change Order</u>	<u>Date of Trustee Approval</u>	<u>Projected Closing Date</u>	<u>Amount Authorized or Committed</u>
O.C. 01/01/92	12/19/91	08/31/93	\$50,000
C.O. #1 03/08/93	01/26/93	12/31/94	\$50,000

Total Amount Authorized or Committed: \$100,000

Total Amount Expended to Date: \$62,000

Projected additional commitments  
 through 06/30/96 to be made by  
 Staff pursuant to Expenditure  
 Authorization Procedures from  
 authorized Capital and O&M Budget \$35,000

**11. Chairman - Retirement System - Time Reporting**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the time to be reported to the New York State and Local Employees' Retirement System ('System') for the services provided to the Authority by the Chairman.

BACKGROUND

"Because the Chairman is a member of the System and receives compensation for his services, the Authority is required, pursuant to advice from the System, to approve the time to be reported to the System for services provided to the Authority by the Chairman. Approval can be based on sample-month recording by the Chairman.

RECOMMENDATION

"The First Assistant General Counsel recommends, based on the Chairman's schedule of activities and sample-month record keeping submitted to the Trustees for review, that the number of days to be reported to the Retirement System for each four-week reporting period for services rendered to the Authority by the Chairman shall be 20 days.

"The Senior Vice President and General Counsel and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**WHEREAS, pursuant to a requirement of the New York State and Local Employee's Retirement System it is appropriate for the Authority, on the basis of schedule review and sample-month record keeping, to approve the time to be reported to the Retirement System for services provided by the Chairman to the Authority during each four-week reporting period;**

**NOW, THEREFORE BE IT RESOLVED, That based on schedule review and sample-month record keeping by the Chairman, and the length of the standard work day for Trustees as determined at their meeting of October 31, 1991, the number of days to be reported to the Retirement System for the Chairman for each four-week reporting period shall be twenty days.**

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## **12. Employees' Savings Plan - Amendments to Plan**

The President submitted the following report:

### SUMMARY

"The Trustees are requested to amend the Employees' Savings Plan (the `Plan') to (1) reduce the aggregate permitted pre- and post- tax contributions to 10% of compensation; (2) alter certain provisions pertaining to compliance with Section 415 of the Internal Revenue Code of 1986, as amended (the `Code'); (3) amend the definition of compensation to conform to certain safe harbor provisions of the regulations applicable to Code §414(s); and (4) authorize the Plan Committee to amend or modify the Plan, on behalf of the Trustees, insofar as necessary, to comply with all applicable legislation and regulations or to facilitate administration of the Plan.

### BACKGROUND

"At their meeting of February 28 1984, the Trustees approved the implementation of the Plan. The Plan is designed to provide Authority employees with a means of saving through a tax deferred compensation arrangement. Under the Plan, employees may elect to defer receiving part of their salary and to have this deferred compensation invested in a selection of investments. The Plan also provides for employer matching contributions and employee post-tax contributions. At present, 1800 employees (91% of eligible employees) participate in the Plan. As of September 26, 1994, Plan assets totalled \$86,781,657.95.

"In order to provide Plan benefits on a favorable tax basis, certain requirements specified in the Code must be met. One such requirement is specified in Code §415(e) which caps the aggregate contributions which may be made to an employee's pension and 401(k) accounts in any given year.

### DISCUSSION

"To facilitate compliance with Code §415(e), the following Plan amendments are proposed. First, effective January 1, 1995, each employee's aggregate pre- and post- tax contributions would be capped at 10% of an employee's compensation, replacing the current 15% maximum. This change will not affect the Authority's employer matching contribution which is based on the first 6% of the employee's pretax contributions. The Plan Committee would continue to have the ability to fix a lower maximum contribution level for certain employees if this were necessary to satisfy provisions of the Code. Second, the Plan's method for the correction of any inadvertent excess contributions would provide first for the reallocation of excess contributions to future plan years.

"Additionally, it is proposed that the definition of compensation, as used for purposes of determining permitted Plan contributions, be amended to include the pre-tax contributions made by Plan participants to the Authority's pension plan. This inclusion will enable the Authority to avail itself of the safe harbor provisions specified in the regulations pertaining to Code §414(s), and thus facilitating the Plan's compliance with Code requirements.

"As the legal requirements pertaining to 401(k) plans fluctuate from time to time, it may be necessary to periodically amend the provisions of the Plan. While the Trustees will maintain the right to amend the Plan, it is proposed that the Plan Committee be authorized to make, on behalf of the Board, Plan amendments or modifications pertaining to the administration and operation of the Plan or compliance with all applicable legislation and

regulations, insofar as necessary. Any Plan amendment or modification adopted by the Plan Committee shall be

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evidenced in writing and signed by the President or the Chief Operating Officer with the concurring signatures of the Senior Vice President and General Counsel and the Vice President of Human Resources.

FISCAL INFORMATION

"There is no financial impact on the Authority.

RECOMMENDATION

"The Vice President - Human Resources recommends that the Trustees approve amendments to the Plan reducing employee pre- and post- tax contributions, altering the method of correction for excess contributions, modifying the definition of compensation, and authorizing the Plan Committee to act on behalf of the Board on issues pertaining to Plan administration and compliance.

"The Vice President - Corporate Finance, the Senior Vice President and General Counsel, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

***Trustees Duch and Miller questioned Ms. Estrin and the President about various elements of the proposed action, such as its impact on various levels of employees, and the nature and extent of the proposed delegation to the Plan Committee. President Freeman suggested, and the Trustees expressed their agreement, that the proposed resolution be amended to clarify that all policy matters arising in connection with the Plan will continue to be submitted to the Trustees for their approval and guidance. Trustee Duch also requested, and it was agreed, that the Trustees would be advised of any compliance issues arising under applicable Code or IRS regulations.***

The following resolution, as recommended by the President, was unanimously adopted as amended:

**RESOLVED, That the provisions of the Power Authority of the State of New York Employees' Savings Plan specified below be amended in their entirety as follows:**

**Paragraph (b) of Section 1.06 Compensation**

**For purposes of this section, the determination of Compensation shall be made by (i) excluding (even if includible in gross income) reimbursements or other expense allowances, fringe benefits (cash or noncash), moving expenses, deferred compensation and welfare benefits, and (ii) including all elective contributions that are made by the Employer on behalf of its employees that are not includible in gross income under Code §§125, 402(e)(3), 402(h) and 403(b), compensation deferred under Code §457, and employee contributions under Code §414(h).**

**Paragraph (c) of Section 3.01 Deferred Cash Contributions**

The Committee shall fix the minimum and maximum percentage of Compensation that may be elected under paragraph (a) of this section. Effective January 1, 1995, absent Committee action, the minimum shall be 1% and the maximum shall be 10%, with all elections in multiples of 1%. The Committee may fix lower maximums for certain Members if necessary to satisfy the requirements of sections 3.07, 3.08 or paragraphs (d) or (e) of this section.

**Section 3.03 Member Contributions**

Subject to the limitations specified in sections 3.07 and 3.09, effective January 1, 1995, a Member may elect to make post-tax contributions of not less than 1% and not more than 10% of his Compensation while a Member ("Member Contributions"), in multiples of 1% as elected by the Member provided that the aggregate amount of Member Contributions and Deferred Cash Contributions elected in a Plan Year may not exceed 10% of the Member's Compensation. The Committee may fix lower maximums for certain Members if necessary to satisfy the requirements of sections 3.07 and 3.09. Member Contributions shall be made through payroll deductions in a manner to be determined by the Committee and shall be promptly paid to the Trustees for deposit in the Member Account. No Employer Matching Contributions shall be made with respect to Member Contributions to the Plan.

**Paragraph (i) of Section 3.07 Maximum Annual Additions**

If, as the result of the allocation of forfeitures, a reasonable error in estimating a Member's Compensation or a reasonable error in determining the amount of Deferred Cash Contributions that may be made with respect to any Member under the limits of this section, or other facts and circumstances to which Reg. §1.415-6(b)(6) shall be applicable, the Annual Additions under this Plan would cause the maximum Annual Additions to be exceeded for any Member ("Excess Annual Additions") then, absent adoption by the Committee of the below specified alternative method, all Excess Annual Additions in a Member's Account shall be used to reduce contributions for the next limitation year (and succeeding limitation years, as necessary) for that Member if s/he is covered by the Plan as of the end of the limitation year. However, if that Member is not covered by the Plan as of the end of the limitation year, then the excess must be held unallocated in a section 415 suspense account for the limitation year and allocated and reallocated in the next limitation year to all of the remaining Members of the Plan, in accordance with the rules set forth in Reg. §1.415-6(b)(6)(i) or successor provision. Such excess amounts shall be used to reduce Employer contributions for the next limitation year (and succeeding years, as necessary) for all of the remaining Members of the Plan. The Committee may, by majority vote, affirmatively elect the following alternative method of correction: (1) distribute any elective deferrals (within the meaning of Code §402(g)(3)) or return any Member Contributions credited to the Plan during the limitation year to the extent that the return would reduce the Excess Annual Additions in the Member's Accounts, (2) hold any Excess Annual Additions remaining after the return of such elective deferrals or Member Contributions in a Section 415 suspense account, (3) use the Section 415 suspense account in the next limitation year (and succeeding limitation years, if necessary) to reduce contributions for that Member if that Member is covered by the Plan as of the end of the limitation year, or if the Member is not so covered, the allocation and reallocation of the section 415 suspense account in the next limitation year (and succeeding limitation years, if necessary) to all Members of the Plan before any contributions which would constitute Annual Additions are made to the Plan for such limitation year, (4) reduce Employer contributions to the Plan for such limitation year by the amount of

**the section 415 suspense account allocated and reallocated during such limitation year.**

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**Section 13.01 Amendment of the Plan**

**The Board reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate, to amend in whole or in part any or all of the provisions of the Plan. The Plan Committee is authorized to make, on behalf of the Board, any such amendment or modification to any provision of this Plan pertaining to the administration of, operation of, or compliance with all applicable legislation and regulations by, the Plan. This authorization does not extend to Plan amendments or modifications reflecting policy determinations such as, but not limited to, any change of investment options, investment manager or employer match. All amendments or modifications adopted by the Plan Committee shall be incorporated into this Plan document and evidenced in writing, signed by the President or the Chief Operating Officer, with concurring signatures from the Senior Vice President and General Counsel, and the Vice President of Human Resources.**

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**13. Procurement (Services) Contract - Compensation  
Consulting Services - The Hay Group, Inc. - Award**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the award of a contract to The Hay Group Incorporated ('Hay') for 15 months with an option to renew for another year for compensation consulting services and related survey and analytical support to the Authority's salaried staff compensation program.

BACKGROUND

"Section 2879 of the Public Authorities Law and the Authority's Guidelines for Procurement Contracts require Trustees' approval of procurement contracts involving services to be rendered for a period in excess of one year.

DISCUSSION

"Authority staff will be evaluating the current compensation system with a view to a transition to a system more focused on Authority and business unit performance and key competencies required to achieve and sustain high performance. Such a system will be more flexible and responsive to rapidly changing business needs. While staff will perform this effort, it is important to retain a consultant with expertise in the current system, alternative compensation systems and techniques, and assisting organizations in transition.

"Several services are required until the staff has completed its evaluation of the current system, secured approval for any changes, and developed a transition plan. The surveys currently used by Authority staff as the Authority's primary reference comparison, and which provide staff with information from over 600 industrial companies and over 40 utilities, are based on the Hay system of Job Evaluation, a proprietary system. The Authority also uses Hay for certain job evaluation services, particularly for more sensitive evaluations. This requires that Hay use and be expert in the use of the job evaluation guide charts upon which the survey comparisons are based in order to perform this service.

"In addition, a division of Hay, Hay-McBer, has expertise in identifying and defining critical job competencies required for assisting Human Resources, Work Force Effectiveness staff in the developing a managerial competency model. Developing a model is one of the action plans in Nuclear Generation's Indian Point 3 Restart and Continuous Improvement Plan ('IP3 RCIP').

"In view of Hay's technical expertise and familiarity with the Authority, other New York State public sector organizations, the utility industry, and other organizations which have made transitions to more flexible systems, it would be most efficient and economical to continue contracting with Hay to secure the necessary compensation survey data and consulting expertise during the evaluation. While there are other consulting firms which can provide compensation consulting services, they do not have rights to Hay's proprietary job evaluation system or are marketing their own systems.

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"The estimated expenses for the 15 months of this agreement are \$135,000, of which \$45,000 is for traditional compensation consulting during the evaluation and transition. Another \$90,000 is planned for the development of a managerial competency model for Nuclear Generation's IP3 RCIP.

"The appropriate notice as to this being a sole source award was placed in the Contract Reporter without response.

FISCAL INFORMATION

"The funds required in 1994 for this agreement are included in the 1994 Approved O&M Budget. Funds required for additional years will be included in the budget submittals for those years.

RECOMMENDATION

"The Vice President - Human Resources recommends that the Trustees approve the award of the procurement services contract with Hay for the time period specified.

"The Vice President - Procurement and Real Estate, the Senior Vice President - Business Services, the Senior Vice President and General Counsel, the Chief Operating Officer, and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, the award of a contract for compensation consulting services to The Hay Group Incorporated is hereby approved for a 15 month period, with an option to renew for another year, as recommended in the foregoing report of the President, in the amount and for the purpose listed below:**

<u>O&amp;M</u>	<u>Projected Closing Date</u>	<u>Contract Approval</u>
<b>Compensation Consulting Services</b>		
<b>The Hay Group</b>	<b>12/31/95</b>	<b><u>\$135,000</u></b>

**14. Collective Bargaining Agreement Between the Authority and Local Union 1-2, Utility Workers Union of America, AFL-CIO - Extension**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve an Agreement for Contract Extension to the Collective Bargaining Agreement dated September 17, 1991, between the Power Authority of the State of New York and Local Union 1-2 of the Utility Workers Union of America, AFL-CIO ('UWUA'). The agreement covers employees at the Authority's Indian Point 3 Nuclear Power Project ('IP3') and Charles Poletti Power Project ('Poletti') facilities.

BACKGROUND

"The Authority and the UWUA are parties to a collective bargaining agreement that was effective from January 18, 1990, through January 17, 1994. Just prior to the commencement of negotiations for a successor agreement, the Authority and the IBEW reached an agreement to extend their collective bargaining agreement for an additional two years with a 2% wage increase each year. Rather than continue full negotiations, the UWUA and the Authority entered into discussions for a contract extension. Attached as Exhibit '14-A' is the Agreement for contract extension entered into by the Authority and the UWUA, subject to ratification of the union membership and approval by the Trustees. The union membership ratified the extension agreement on October 31, 1994, by a vote of 196 in favor to 101 opposed.

DISCUSSION

"The extension is for two years with the new expiration date to be January 17, 1996. It provides for a 2% general wage increase effective January 18, 1994, and a 2% general wage increase effective January 18, 1995; continuation of the wage progression plan with increases of five cents per hour; increase in the night shift premium; and a commitment for no layoffs before the expiration of this extension.

"The wage increases are below those granted by other utilities in the region as illustrated below:

<u>Utility</u>	<u>1994</u>	<u>1995</u>
Consolidated Edison Company of New York, Inc.	4.5%	4.5%
Long Island Lighting Co.	4.8%	4.8%
Niagara Mohawk Power Corp.	4.0%	4.0%
Central Hudson Gas & Electric	3.0%	3.0%
Orange & Rockland Utilities	2.0%	3.0%
New York State Electric & Gas	3.5%	Open
Public Service Electric & Gas (New Jersey)	4.5%	4.55%

"These wage increases are also consistent with those of the State of New York for its unionized employees

which provided for a 9.5% increase over four years (with 4% in both 1993 and 1994). The level of the proposed

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increases allows the Authority to correct the internal inequity between union and salaried employees which was created by the wage freeze for salaried employees in 1993.

"The inclusion of a lump sum payment based on the Authority's financial performance for 1995 is a new provision designed as a first step towards a pay system based more on incentives.

"Continuation of the wage progression plan allows employees to progress from the minimum of the range to the maximum for a particular position based on time in service and it negates the use of job descriptions. This settlement includes an increase in the progression plan of five cents per hour in each year of the two year extension.

"The shift premium for night work was increased from 6 to 7% for the evening shift and from 8 1/2 to 9% for the midnight shift. Essentially, we split the difference between what Con Edison is paying (8% for evenings and 10% for midnights) and what we had been paying.

"The UWUA stated that 'in this era of downsizing and plant closings, job security has become the Union's #1 item.' The no lay-off provision satisfies the Union's concerns and was granted only after completion of the Authority's restructuring plans. If any further reductions in staff are necessary in the next 14 months, they can be achieved through attrition or elimination of contractors.

#### RECOMMENDATION

"The Vice President - Human Resources recommends that an extension to the Agreement for Contract Extension to the Collective Bargaining Agreement dated September 17, 1991, between the Power Authority of the State of New York and Local Union 1-2 of the Utility Workers Union of America, be approved covering employees at the Authority's Indian Point 3 Nuclear Power Project and Charles Poletti Power Project.

"The Senior Vice President and General Counsel, the Chief Operating Officer, and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Vice President - Human Resources or her designee be, and hereby is, authorized on behalf of the Authority to execute an Agreement for Contract Extension to the Collective Bargaining Agreement with Local Union 1-2, Utility Workers of America, AFL-CIO, dated September 17, 1991, covering specified operating and maintenance employees of the Indian Point 3 Nuclear Power Plant and Charles Poletti Power Project with changes to that agreement as described in the foregoing report of the President.**

**15. Indian Point 3 Nuclear Power Plant - Addition to the 1994 Nuclear Generation O&M - Expenses**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve the addition of \$24 million to the Indian Point 3 Nuclear Power Plant ('IP3') Operation and Maintenance ('O&M') expenses for 1994.

BACKGROUND

"In January 1994, the Nuclear Generation Department outlined an improvement program for IP3. A result of the improvement efforts thus far is an understanding of the requirements for restart of IP3 and a return to service date in the first quarter of 1995. The return to service date was amended from the fall 1994 prediction in the January 1994, Nuclear Generation department trustee submission for additional O&M expenditure authorization.

"During the first half of 1994, the rate at which work was being performed was reduced to allow for a review of work practices and to focus on adherence to plant procedures. In this period of increased work control and line management oversight, the Restart Management Team performed a root cause analysis for the decline of IP3. Six root causes and six contributing issues were identified. Action items were developed to address these performance issues.

"In March 1994, new senior plant management was assigned, and an aggressive effort began to identify the restart issues and the work required to restart, including retraining of key employees. A schedule for return to service date was developed and the additional cost associated with work in support of the startup schedule was estimated. This effort did not conclude until late July.

"In August, an informational item was presented to the Trustees identifying the need for additional O&M funds for 1994 to support the ongoing work at IP3.

DISCUSSION

"The total outage costs (1993 - 1995) are estimated to be approximately \$70 million. Included, are the estimated additional costs in 1994 of \$24 million.

"The additional funding is required to cover five major cost categories: outage support, including the daily expenses associated with an outage; organizational development, including improvements vital to management effectiveness; technical/regulatory issues, including several outstanding commitments to regulatory agencies; preventive/corrective maintenance, including additional physical work associated with plant deficiencies; and restart/continuous improvement programs, including elements necessary to restart and improve performance at IP3. Physical outage work is expected to be completed by the end of December.

"The projected budget overrun is a non-recurring expense. Some of the extraordinary funding will need to be continued in 1995 (this has been identified in our 1995 O&M budget request), however, the permanent cost saving

measures put forth by the recent restructuring effort will be implemented. IP3 will become cost-effective by 1996 or energy alternatives will be recommended to the Trustees.

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"This request for additional funding is summarized below:

A) **Outage Support:** \$3.5 Million

Outage support includes additional overtime to support the extended outage and plant and building maintenance support.

B) **Organizational Development:** \$1.7 Million

Organizational development is required to strengthen the IP3 and WPO organization in order to more effectively identify problems, and to implement process improvements to resolve present and potential problems. Included in this request is the need to provide 'on shift' advisors for the IP3 operating crews for a period of five months beginning August 1st. and to provide experienced nuclear industry consultants to act as mentors for senior management personnel.

C) **Technical and Regulatory Issues:** \$4.5 Million

Technical and Regulatory Issues include commitments the Authority has made to the NRC and generic industry commitments or other technical issues which must be resolved by a committed date. These commitments include: the rewrite and upgrade of IP3 operational and administrative procedures, evaluation of the IP3 motor operated valve ('MOV') program (NRC Generic Letter 89-10), the design and installation of modifications including control room air conditioning, fire protection, chlorination system pipe replacement, and reinforcement of control room supervisory panels.

D) **Preventive and Corrective Maintenance:** \$11.8 Million

Preventive and corrective maintenance requires the following support: engineering, planning and scheduling, craft and supervisory labor, performance testing, operational and specialized technical consultants, and the materials to perform required repairs, maintenance and modifications.

E) **Restart and Continuous Improvement Plan:** \$2.5 Million

Provide the resources necessary to assure the readiness for plant restart which includes the resolution of management issues, material condition and equipment readiness, and regulatory Issues. These issues must be resolved to achieve significant and permanent performance improvement at IP3.

#### FISCAL INFORMATION

"The expenditures listed were neither anticipated nor included in the original or revised 1994 Operating and Maintenance budget. Therefore, a draw down of working capital will be required in the amount of \$24 million. Payment will be made from the Operating Fund.

#### RECOMMENDATION

"The Resident Manager - Indian Point 3 Nuclear Power Plant, the Vice President - Nuclear Operations, the Vice President - Regulatory Affairs & Special Projects, the Vice President - Nuclear Engineering and the Chief Nuclear Officer, recommend approval of additional funds in the amount of \$24 million.



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"The Senior Vice President and General Counsel, the Senior Vice President - Business Services, the Chief Operating Officer, and I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That pursuant to the Authority's Expenditure Authorization Procedures, authorization is hereby granted to increase the 1994 O&M budget as recommended in the foregoing report of the President, in the amount and for the purpose listed below:**

**Indian Point 3 Operations & Maintenance**

<b>1994 Original Operations &amp; Maintenance Expenses Approved in December 1993</b>	<b>\$ 98,060,000</b>
<b>Additional Expenditure Authorization Approved January, 1994</b>	<b>28,632,000</b>
<b>Authority O&amp;M Cost Reduction Effective 1st Quarter, 1994</b>	<b>( 4,973,900)</b>
<b>Total Previously Approved O&amp;M Expenses</b>	<b><u>\$121,718,100</u></b>
<b>IP3 Additional Expenditure Authorization</b>	<b><u>24,000,000</u></b>
<b>Revised Approved 1994 O&amp;M Expenditures</b>	<b><u>\$145,718,100</u></b>

**16. Informational Item - Preliminary 1995 Operations and Maintenance and Capital Budget**

The President submitted the following report:

SUMMARY

"The preliminary 1995 operations and maintenance budget which includes minor additions to electric plant and additions to warehouse inventory is \$434.2 million. In addition, preliminary 1995 research and development expenditures are \$18.8 million and 1995 fuel purchases \$81.2 million. Approval of the final 1995 budget will be sought at the December 1994 Trustees' Meeting.

"The preliminary budget for 1995 capital expenditures is \$161.7 million. Significant capital projects will continue to be presented to the Trustees for approval on an individual basis as work is initiated. The final budget item in December will request expenditure authorization delegation to the President for relatively small capital jobs.

DISCUSSION

"The Trustees have previously been given a summary and analysis of the preliminary 1995 operations and maintenance budget for all business units.

"In March of this year the Authority embarked on a 90-day study to restructure and streamline Authority operations. The results of this study were the restructuring of the Authority into business units and the identification of \$70 million in operational savings. The plan called for savings of \$56 million to be realized in 1995 with the balance coming in 1996.

"Incorporated into this cost reduction plan was the potential elimination of 220 authorized Authority positions. To minimize involuntary separations, a voluntary separation package was offered to employees.

"The 1995 preliminary budget of \$434.2 million recognizes the results of the cost reduction effort. It represents a net reduction of \$52.5 million (11%) from the 1994 budget and takes into account scheduled changes in funding levels for non-recurring work efforts including \$4.4 million for the Indian Point 3 Restart and Continuous Improvement Program, as well as baseline savings resulting from the restructuring. The full \$70 million of savings will be achieved by 1996.

"The preliminary budget includes requests for 70 new positions. Two positions are requested for the Marketing business unit, ten new positions for the new Transmission business unit, five positions for Nuclear Generation, 19 positions for MIS (which are the result of contractor conversions), two positions in Corporate Services and a total of 32 positions for Energy Efficiency and Research and Development. Most of the Energy Efficiency positions will support DSM initiatives and therefore will not impact operating costs. Additional positions are likely to be requested in December as the Nuclear Generation Department completes its review of the remaining contractor work force to determine which positions are advisable to convert to Authority employees.

"A 4% salary policy for annual employees (\$4.6 million) is included in the preliminary budget. The Trustees will be asked to review and approve an incentive pay program for annual employees at the December meeting. The

pool of funds to pay these incentives will come out of net revenues and will only be paid if the Authority meets its

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annual financial, operating and human resource goals for 1995. We will present these 1995 targets at the December meeting. Assuming the Authority meets its 1995 goals, an additional \$7 million will be funded (reflecting an additional 6% over the 4% base salary policy). In addition, the Trustees are being asked to approve in a separate item an agreement for contract extension with Utility Workers Union of America which provides for a lump sum payment of up to 3% based on financial performance. This payment could reach approximately \$0.6 million.

"Any changes in these requests as a result of ongoing management review or as directed by the Trustees will be incorporated into the final budget submitted for approval at the December 1994 Trustees' meeting.

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17. Resolution - Angel J. Martin

**WHEREAS, Angel J. Martin has served the New York Power Authority with dedication and distinction for 21 years, the past 12 as a Vice President; and**

**WHEREAS, he has been responsible for Power Authority activities in the areas of the law department, project development and licensing, new generation, and most recently new business; and**

**WHEREAS, he has successfully licensed all of the Power Authority's recent major non-nuclear projects with a combined cost of over \$1.5 billion dollars, to wit:**

**The Gregory B. Jarvis Hydroelectric Plant  
The Crescent Hydroelectric Plant  
The Vischer Ferry Hydroelectric Plant  
The Niagara Power Project Upgrade  
The Macy-South Transmission Line  
The Sound Cable Crossing**

**and**

**WHEREAS, he was responsible for the preparation of the Power Authority's winning bid to supply capacity and energy to the Long Island Lighting Company and oversaw contract negotiations, licensing and engineering for the 150 MW Richard M. Flynn Power Plant; and**

**WHEREAS, the projects he developed have advanced the interests of the Power Authority, provided savings to the citizens of New York, benefitted the environment, and reduced the consumption of fossil fuel; and**

**WHEREAS, he has taken a well deserved retirement from the Power Authority and his dedication, pragmatic approach, desire to succeed, and integrity will be greatly missed by all at the Power Authority;**

**NOW THEREFORE BE IT RESOLVED, That the Trustees of the New York Power Authority convey their thanks and the thanks of the people of New York State to Angel J. Martin for 21 years of distinguished contributions, and wish him success and happiness in the future.**

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**18. Resolution - James I. Monsell**

**WHEREAS, James I. Monsell, born in, and a life-long resident of, the Village of Greenport, retired on October 25, 1994 from his position as Utilities District Superintendent of Greenport; and**

**WHEREAS, Mr. Monsell started his distinguished career with the Greenport Department of Public Works in June 1945 as a part-time worker at 50 cents per hour, and by his hard work and acumen rose to the position of Superintendent of Utilities for the Village of Greenport, in May 1964; and**

**WHEREAS, through continued dedication and diligent devotion to duty he was appointed the Utilities Superintendent on June 11, 1979 and served in that position until his retirement; and**

**WHEREAS, during his 49 years of service to the Village of Greenport and his 30 years as Utilities Superintendent he has been instrumental in furnishing Greenport and the surrounding area with reliable, efficient and low-cost energy in cooperation with the New York Power Authority;**

**NOW THEREFORE BE IT RESOLVED, That the New York Power Authority recognizes his efforts, thanks him for his friendly and business-like relationship with the Authority, and warmly wishes him many years of good luck and good health in his well-earned retirement.**

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**19. Proposed Settlement of Hydro-Quebec Litigation and Notice of Proposed Amendments to Authority's Rules and Regulations**

The President submitted the following report:

SUMMARY

"The Trustees are requested to approve a proposed settlement of two lawsuits challenging the Authority's 1000 MW firm power, 800 MW diversity and the interconnection agreements with Hydro-Quebec on environmental and other grounds. Although the 1000 MW and 800 MW contracts have now been cancelled, outstanding issues remain in both lawsuits.

"As part of the settlement the Trustees are also requested to approve the filing of proposed amendments to Part 461 the Authority's rules and regulations (which implement the State Environmental Quality Review Act ('SEQRA')). Thus, the Trustees are also requested to authorize the Secretary to file a notice of such proposed action for publication in the New York State Register.

BACKGROUND

Sierra Club et al. v. Power Authority et al.

"On May 18, 1990, the Sierra Club, Atlantic States Legal Foundation, Inc., Grand Council of the Crees (of Quebec) ('Crees'), and Prudent Residents Opposed to Electrical Cable Transmission ('PROTECT') commenced an Article 78 proceeding in State Supreme Court, New York County, against the Authority, then Chairman Flynn, General Counsel - Charles Pratt, and John Blake - Director Environmental Programs, as well as Con Edison, LILCO, Orange & Rockland and Rochester, Gas & Electric. The petition sought to preclude the Authority from ordering or accepting electricity under the 1,000 MW and 800 MW contracts with Hydro-Quebec until there was an environmental review under SEQRA, and to vacate two sections of the Authority's SEQRA regulations which state that contracts for the purchase or sale of electricity, not involving construction, do not require such environmental review. On April 5, 1994, the Appellate Division, First Department affirmed the trial court's dismissal of the petition. Petitioners' time to seek leave to appeal to the New York Court of Appeals has not expired.

Hinchey, et al. v. Flynn, et al.

"On April 23, 1993, Congressmen Hinchey and Nadler, PROTECT, the Crees, and several other New York and Vermont environmental groups and individuals, commenced a federal court action against the Authority's then current trustees (Messrs. Flynn, Kidder, Waldbauer and Miller). Plaintiffs seek a declaration that the Authority's interconnection agreement and 800 MW agreement with Hydro-Quebec are unconstitutional and void under the Compact Clause of the United States Constitution on the grounds that the two power sales agreements are compacts between a 'state' and a 'foreign power' which were not approved by the United States Congress. The suit also alleges that the interconnection agreement is a treaty which violates the Constitution because it was not approved by the President, that both agreements violate the Migratory Bird Treaty and Act, and that the Authority's actions under the two agreements will violate plaintiffs' privileges and immunities in violation of Federal law. The Authority's answer to the complaint was filed on June 3, 1993. No litigation activity has occurred in this case since that time.

DISCUSSION

"Attorneys for the Authority and petitioners-plaintiffs have negotiated a settlement that resolves the environmental and regulatory issues raised in the lawsuits, and would result in the dismissals of the pending litigation. The proposed settlement contemplates amendments to the Authority's SEQRA regulations which would subject to SEQRA environment review power sales agreements for the purchase, sale or transmission of capacity or energy to or from outside the state which are for more than two years in duration and which involve either 250 MW or more of capacity or 1000 or more gigawatt hours of energy annually. The specific proposed amendments to Part 461.3, 461.6 and 461.17 of the Authority's rules and regulations are as follows (proposed new material is underlined):

A. 21 NYCRR § 461.3(a):

(a) Actions include:

(1) projects or physical activities, such as construction or other activities, which change the use or appearance of any natural resource or structure, which:

- (i) are directly undertaken by an agency;
- (ii) involve funding or entering into contracts by an agency; or
- (iii) require one or more permits from an agency or agencies;

(2) planning activities or an activity that commits the agency to a course of future decision; and

(3) agency rules, regulations, procedures and policymaking.

B. 21 NYCRR § 461.6 (listing `Type I' actions; those more likely to require the preparation of an environmental impact statement (`EIS')):

(b) The following actions are Type I if they are undertaken, funded or approved by the Power Authority:

(9) agreements for the purchase, sale or transmission of capacity or energy to or from outside the state, if the agreements are of more than two years in duration and involve either (i) 250 MW or more of capacity or (ii) 1000 or more gigawatt hours of energy (1,000,000,000 kilowatt hours) annually.

C. 21 NYCRR § 461.17 (listing `Type II' actions not requiring EIS):

(r) The preparation and/or execution of agreements for the purchase, sale, transmission or distribution of electricity, not involving the construction of new transmission lines or generating facilities and not involving the purchase, sale or transmission of defined quantities of capacity of energy to or from outside the state of more than two years in duration.

(aj) Contracts for the purchase of power which do not commit the Power Authority to the construction of a large-scale energy facility, other than contracts involving agreements for the purchase, sale or transmission

of defined quantities of capacity or energy to or from outside the state of more than two years in duration.

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D. 21 NYCRR § 461.3 (the Definitions section) to add a new (g) (and re-letter the subdivisions following (g))

(g) "Contracts of more than two years in duration": include contracts of two years in duration, or less, but which contain an option for renewal on the same or substantially similar terms, the exercise of which would extend over a time period greater than two years.

"The settlement would also provide for the dismissal of both pending lawsuits.

"This settlement will bring to a close a long period of controversy surrounding the possible environmental implications related to the Authority's purchases of power from Hydro-Quebec. The adoption of the proposed modifications to the Authority's SEQRA regulations will insure that our large, long term, agreements for the purchase or sale of power to or from outside the state will be brought subject to environment review under SEQRA.

"Staff has concluded, based upon its experience in evaluating actions subject to the SEQRA, that the proposed amendments do not change any recordkeeping or reporting requirements, nor impose any adverse economic impacts on small businesses or on public or private entities in rural areas, since the amendments involve: costs solely to the Authority in evaluating its actions; activity related only to major power transactions; and the costs associated with performance are insignificant. Therefore, a Regulatory Flexibility Analysis for Small Businesses and a Rural Area Flexibility Analysis need not be submitted with the Notice of Proposed Action filed with the Department of State.

#### FISCAL INFORMATION

"There is no fiscal impact.

#### RECOMMENDATION

"The Senior Vice President and General Counsel, and I recommend that they be authorized to execute agreements to effectuate the terms for this settlement.

"It is also recommended that, consistent with the Authority's Administrative Procedures, the Secretary be authorized to file the notice of proposed action for publication in the New York State Register. The Secretary should also be authorized to file such other notices as are required by statute or regulation.

"I concur in the recommendation."

The following resolution, as recommended by the President, was unanimously adopted:

**RESOLVED, That the Senior Vice President General Counsel and the President and Chief Executive Officer be, and hereby are, authorized to execute on behalf of the Authority and its Board of Trustees such documents as are necessary to effectuate the settlement of Sierra Club, et al. v. Power Authority et al. and Hinchey, et al. v. Flynn et al. and to commit the Authority to commence a rulemaking to amend Part 461 of the Authority's rules and regulations substantially as follows:**

A. 21 NYCRR § 461.3(a):

**(a)      Actions include:**

- (1) projects or physical activities, such as construction or other activities, which change the use or appearance of any natural resource or structure, which:
  - (i) are directly undertaken by an agency;
  - (ii) involve funding or entering into contracts by an agency; or
  - (iii) require one or more permits from an agency or agencies;
- (2) planning activities or an activity that commits the agency to a course of future decision; and
- (3) agency rules, regulations, procedures and policymaking.

B. 21 NYCRR § 461.6 (listing 'Type I' actions; those more likely to require the preparation of an environmental impact statement ('EIS')):

(b) The following actions are Type I if they are undertaken, funded or approved by the Power Authority:

- (9) agreements for the purchase, sale or transmission of capacity or energy to or from outside the state, if the agreements are of more than two years in duration and involve either (i) 250 MW or more of capacity or (ii) 1000 or more gigawatt hours of energy (1,000,000,000 kilowatt hours) annually.

C. 21 NYCRR § 461.17 (listing 'Type II' actions not requiring EIS):

(r) The preparation and/or execution of agreements for the purchase, sale, transmission or distribution of electricity, not involving the construction of new transmission lines or generating facilities and not involving the purchase, sale or transmission of defined quantities of capacity of energy to or from outside the state of more than two years in duration.

- (aj) Contracts for the purchase of power which do not commit the Power Authority to the construction of a large-scale energy facility, other than contracts involving agreements for the purchase, sale or transmission of defined quantities of capacity or energy to or from outside the state of more than two years in duration.

D. 21 NYCRR § 461.3 (the Definitions section) to add a new (g) (and re-letter the subdivisions following (g))

(g) "Contracts of more than two years in duration": include contracts of two years in duration, or less, but which contain an option for renewal on the same or substantially similar terms, the exercise of which would extend over a time period greater than two years

and be it further

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**RESOLVED, That the Authority finds that the proposed amendments to Part 461 of the Authority's Rules and Regulations do not impose either adverse economic impacts on rural areas, or reporting, recordkeeping or other compliance requirements on public or private entities in rural areas, and a Rural Area Flexibility Analysis is not required; and be it further**

**RESOLVED, That the Authority finds that the proposed amendments to Part 461 of the Authority's Rules and Regulations do not impose either adverse economic impacts on small businesses, or reporting, recordkeeping or other compliance requirements on small businesses and a Regulatory Flexibility Analysis for Small Businesses is not required; and be it further**

**RESOLVED, That the Secretary of the Authority be, and hereby is, authorized to file notice of proposed action by the Authority to adopt the proposed amendments to Part 461 of the Authority's Rules and Regulations.**

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**20. Motion to Conduct Executive Session**

"Mr. Chairman, I move that the Authority conduct an executive session in connection with matters regarding pending litigation involving the Proposed Settlement of a claim." Upon motion made and seconded, an executive session was held.

Proposed Settlement of a Claim Concerning Mark I Containment  
at the James A. FitzPatrick Nuclear Power Plant \_\_\_\_\_

**RESTRICTED DISTRIBUTION**

**21 Motion to Resume Meeting in Open Session**

"Mr. Chairman, I move that the Authority resume the meeting in open session." Upon motion made and seconded, the meeting resumed in open session.

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**22. Next Meeting**

The next Regular meeting of the Trustees will be held on **Thursday, December 15, 1994, in the New York Office at 11:30 a.m.**, unless otherwise designated by the Acting Chairman with the concurrence of the Trustees.

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**Closing**

Upon motion made and seconded, the meeting was closed at 12:50 p.m.

Anne Wagner-Findeisen  
Corporate Secretary

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