

December 17, 2013

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

**SUBJECT: 500 MW Power Plant – Storage Facilities –
Capital Expenditure Authorization Request**

SUMMARY

The Trustees are requested to approve a Capital Expenditure Authorization Request for the design and construction of storage facilities for the 500 MW Power Plant for the total amount of \$4.7 million. The storage buildings are required for hazardous materials and universal waste and a separate building to support Site Operations.

BACKGROUND

In accordance with the Authority's Expenditure Authorization Procedures, the award of non-personal services or equipment purchase contracts exceeding \$3 million require the Trustees' approval.

As a result of the deconstruction of the Poletti Power Plant, the existing drum storage facility, which does not meet current state codes and standards, is being closed and other storage buildings are being demolished. To replace these required facilities, a new hazardous materials and universal waste storage building will be constructed to meet current codes and standards. A building for Site Operations to store trucks, boom lifts and other maintenance equipment will also be constructed. The new facilities are scheduled to be completed by the end of 2014

The cost for the services and materials, including design, installation and all support labor is included in this Capital Expenditure Authorization Request. The request for \$4.7 million is to fund the consultants for engineering and design, permit expediting services, construction management and the construction of the facilities.

The total project cost over a two-year period is estimated at \$4.7 million, as follows:

	Funding
Engineering	\$ 294,000
Procurement	\$ 0
Construction/Installation	\$ 3,944,000
Authority Direct/Indirect	\$ 462,000
TOTAL :	\$ 4,700,000

FISCAL INFORMATION

Payment associated with this project will be made from the Authority's Capital Fund and has been included in 2014 budget.

RECOMMENDATION

The Senior Vice President – Operations Support Services and Chief Engineer, the Acting Vice President – Project Management, the Acting Vice President – Procurement and the Regional Manager – SENY recommend that the Trustees approve capital expenditures in the amount of \$4.7 million for the installation of 500MW Storage Facilities at the Astoria Site.

For the reasons stated, I recommend the approval of the above requested action by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones
President and Chief Executive Officer

Att.
500 MW Plant – Storage –
CEAR

RESOLUTION

RESOLVED, That pursuant to the Authority's Expenditure Authorization Procedures, approval is hereby granted to authorize capital expenditures in the amount of \$4.7 million for the installation of storage facilities at the 500 MW Power Plant at Astoria, as recommended in the attached memorandum of the President and Chief Executive Officer;

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chair, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.