

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

May 20, 2003

Table of Contents

	<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
1.	Minutes of the Annual Meeting held on April 29, 2003	3	
2.	Financial Reports for the Four Months Ended April 30, 2003	4	'2-A'
3.	Report from the President and Chief Executive Officer	5	
4.	Power Allocations under the Power for Jobs Program Resolution	6	'4-A' '4-B'
5.	Long Island Sound Cable – Contract Award for Submarine Cable Repair Work Resolution	8	
6.	Blenheim-Gilboa Pumped Storage Power Project Transmission Line – South Access Road Slope Protection – Additional Expenditure Authorization Resolution	11	
7.	“Power Now!” Project – Capital Expenditure Authorization – Request for Site and Environmental Improvements Resolution	13	
8.	Municipal & Rural Cooperative Electric Utilities – Electric-Drive Vehicle Program Resolution	17	
9.	Temporary Delegation of Authority by Vice President – Chief Risk Officer and Certain Other Officers and Employees Resolution	19	
10.	Niagara-Adirondack Tie Line Baldwinsville Maintenance Center – Disposal of Property Resolution	21	'10-A'
11.	Next Meeting	23	
12.	Closing	24	

Minutes of the Regular Meeting of the Power Authority of the State of New York held at the Albany Office at 11:00 a.m.

Present: Louis P. Ciminelli, Chairman
Frank S. McCullough, Jr., Vice Chairman
Timothy S. Carey, Trustee
Joseph J. Seymour, Trustee

Gerard V. DiMarco, Trustee – Excused

Eugene W. Zeltmann	President and Chief Executive Officer
David E. Blabey	Executive Vice President, Secretary and General Counsel
Robert A. Hiney	Executive Vice President – Power Generation
Vincent C. Vesce	Executive Vice President – Business Services and Administration
Peter A. Barden	Senior Vice President – Public and Government Affairs
Louise M. Morman	Senior Vice President – Marketing, Economic Development and Supply Planning
H. Kenneth Haase	Senior Vice President – Transmission
Robert L. Tscherne	Senior Vice President – Energy Services and Technology
Michael H. Urbach	Senior Vice President and Chief Financial Officer
Carmine J. Clemente	Deputy Secretary and Deputy General Counsel
Arnold M. Bellis	Vice President and Controller
Thomas P. Antenucci	Vice President – Project Management
John M. Hoff	Vice President – Procurement and Real Estate
Charles I. Lipsky	Vice President and Chief Engineer
Thomas H. Warmath	Vice President and Chief Risk Officer – Energy Risk Assessment and Control
James H. Yates	Vice President – Major Account Marketing and Economic Development
Dennis T. Eccleston	Chief Information Officer
Angela D. Graves	Deputy Secretary
Michael Brady	Acting Treasurer
Gary Paslow	Executive Director – Policy Development
William Broderick	Director – Civil/Structural Engineering
Angelo S. Esposito	Director – Energy Services
John B. Hamor	Director – Internal Governmental Affairs
John L. Murphy	Director – Public Relations
Edward A. Welz	Director – Power System Equipment
Daniel Wiese	Director – Corporate Security/Inspector General
Randy D. Crissman	Regional Manager – Northern NY
Peter Scalici	Deputy Inspector General
Albert Swansen	Deputy Inspector General
Helen L. Eisenfeld	Manager – Cost Control
James F. Pasquale	Manager – Business Power Allocations and Compliance
Norman G. Stessing	Project Manager
Roger W. Busha Jr.	Security Specialist
Andrew J. McLaughlin	Assistant Secretary – Legal Affairs
Noelle Zandri	Secretary to General Counsel
Kevin Brocks	Attorney, Read & Laniado LLP
Dorothy Lechmanski	Budget Examiner, New York State Division of Budget

Chairman Ciminelli presided over the meeting. Executive Vice President, Secretary and General Counsel Blabey kept the Minutes.

1. **Approval of the Minutes**

The minutes of the annual meeting of April 29, 2003 were adopted unanimously.

2. **Financial Reports for Four Months Ended April 30, 2003**

Mr. Bellis provided the Financial Report for the four months ended April 30, 2003.

3. Report from the President and Chief Executive Officer

President Zeltmann introduced Colonel Wiese who gave a report as to new developments with the NYPA Inspector General's Office ("OIG"). Colonel Wiese stated that the OIG has shifted personnel in order to reflect its current priorities, noting that, as Deputy Inspector Generals, Peter Scalici will focus on corporate security and Albert Swansen will focus on internal investigations. Colonel Wiese further discussed the possibility that the federal Department of Homeland Security would imminently raise the national Threat Condition to "Orange" on the Homeland Security Advisory System and asserted his belief, as bolstered by conversations with others in the security field, that that the Authority is ahead of the curve on these issues.

President Zeltmann thanked him for his presentation and noted that Colonel Wiese is available at any time to meet with or brief the Trustees as to any security-related concerns or questions they may have.

4. Power Allocations under the Power for Jobs Program

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve 24 allocations of available power under the Power for Jobs (‘PFJ’) program to the businesses listed in Exhibits ‘4-A’ and ‘4-B’ which have been recommended for such allocations by the Economic Development Power Allocation Board (‘EDPAB’).

BACKGROUND

“In July 1997, Governor George E. Pataki and the New York State Legislature approved a program to provide low-cost power to businesses and not-for-profit corporations that agree to retain or create jobs in New York State. In return for commitments to create or retain jobs, successful applicants receive three-year contracts for Power for Jobs electricity.

“The PFJ program originally made available 400 megawatts (‘MW’) of power. The program was to be phased in over three years, with approximately 133 MW being made available each year. In July 1998, as a result of the initial success of the program, Governor Pataki and the Legislature amended the Power for Jobs statute to accelerate the distribution of the power, making a total of 267 MW available in Year One. The 1998 amendments also increased the size of the program to 450 MW, with 50 MW to become available in Year Three.

“In May 2000, legislation was enacted which authorized another 300 MW of power to be allocated under the PFJ program. The additional MW were described in the statute as ‘phase four’ of the program. Customers who received allocations in Year One were authorized to apply for reallocations. Over 95% reapplied. The balance of the power was awarded to new applicants.

“In July 2002, legislation was signed into law by Governor Pataki, which authorized another 183 MW of power to be allocated under the program. The additional MW are described in the statute as ‘phase five’ of the program. Customers who received allocations in Year Two or Year Three will be given priority to reapply for the program. Any remaining power will be made available to new applicants.

“Approved allocations will entitle the customer to receive the power from the Authority pursuant to a sale for resale agreement with the customer’s local utility. A separate allocation contract between the customer and the Authority will contain job commitments enforceable by the Authority.

“The program is designed to assist New York State enterprises that are at risk of reducing or closing their operations or moving out of State or are willing to expand job opportunities. Successful applicants are required to create or maintain a specific number of jobs in order to qualify for an allocation. At various meetings from December 1997 through April 2003, the Trustees approved allocations to 1,244 employers under the PFJ program. Currently, the program is linked to some 300,000 jobs at manufacturing facilities, small businesses, hospitals, colleges and cultural institutions across the state.

DISCUSSION

“Completed applications were reviewed by EDPAB and recommendations were made based on a number of competitive factors including the number of jobs retained or created, the amount of capital investment in New York State, and whether a business is at a competitive disadvantage in New York. Twenty-four applications were deemed highly qualified and presented to the EDPAB for its review on May 20, 2003.

“As a result of its meeting, the EDPAB recommended that the Authority’s Trustees *{approve}* the allocations to the 24 businesses listed in Exhibits ‘4-A’ and ‘4-B’. Exhibit ‘4-A’ lists those businesses that were recommended to have their existing allocation extended under phase five of the program while those businesses listed in Exhibit ‘4-B’ are being recommended for new allocations. Collectively, these organizations have agreed to

create or retain over 6,200 jobs in New York State in exchange for allocations totaling 26.55 MW. The allocation contracts will be for a period of up to three years. The power will be wheeled by the investor-owned utilities as indicated in the exhibits. The basis for EDPAB's recommendations is also included in the exhibits.

RECOMMENDATION

"The Manager – Business Power Allocations and Compliance recommends that the Trustees approve the allocations of power under the Power for Jobs program to the companies listed in Exhibits '4-A' and '4-B'.

"The Executive Vice President, Secretary and General Counsel, the Senior Vice President – Marketing, Economic Development and Supply Planning, the Vice President – Major Account Marketing and Economic Development and I concur in the recommendation."

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, the Economic Development Power Allocation Board has recommended that the Authority approve an aggregate 26.55 MW of allocations of Power for Jobs power to the companies listed in Exhibits "4-A" and "4-B";

NOW THEREFORE BE IT RESOLVED, That to implement such Economic Development Power Allocation Board recommendations, the Authority hereby approves allocations of Power for Jobs power to the companies listed in Exhibits "4-A" and "4-B" ("the Customers"), as submitted to this meeting, and that the Authority finds that such allocations are in all respects reasonable, consistent with the requirements of the Power for Jobs program and in the public interest; and be it further

RESOLVED, That a total of 26.55 MW of power purchased by the Authority for Power for Jobs be sold to the utilities that serve such Customers for resale to them for a period of up to three years under the terms of both the Authority's Power for Jobs sale for resale contracts with the utilities and separate allocation contracts between the Authority and such Customers; and be it further

RESOLVED, That the Senior Vice President – Marketing, Economic Development and Supply Planning or her designee be, and hereby is, authorized to negotiate and to execute any and all documents necessary or desirable to effectuate the foregoing; and be it further

RESOLVED, That the Chairman, the President and Chief Executive 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, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and certificates, and other documents to effectuate the foregoing resolution.

**New York Power Authority
Power for Jobs
Recommendation for Phase 5 Re-allocations**

**Exhibit "4-A"
May 20, 2003**

	<u>Company</u>	<u>City</u>	<u>County</u>	<u>IOU</u>	<u>KW</u>	<u>Jobs</u>	<u>Business</u>		<u>Description</u>
							<u>Jobs/mw</u>	<u>Type</u>	
1	Albany International Corporation - Albany	Albany	Albany	NIMO	1,000	328	328	Large	Weaving Mill
2	Albany International Corporation - Homer	Homer	Cortland	NIMO	1,000	120	120	Large	Raw material supplier to weaving plants
3	Albany International Corporation - Rensselaer	Rensselaer	Rensselaer	NIMO	1,200	207	173	Large	Weaving Mill
4	Albany Molecular Research, Inc.	Albany	Albany	NIMO	600	143	238	Large	Pharmaceutical preparations
5	Anheuser-Busch, Inc.	Baldwinsville	Onondaga	NIMO	5,000	808	162	Large	Brewing company
6	Ball Plastic Container	Baldwinsville	Onondaga	NIMO	950	96	101	Large	Produces plastic containers
7	Dot Foods Inc. (Drescher Corporation)	Liverpool	Onondaga	NIMO	350	60	171	Small	Markets frozen, dry and refrigerated products
8	The Bank of New York	Oriskany	Oneida	NIMO	<u>500</u>	<u>651</u>	1,302	Large	Banking service
					10,600	2,413	228		
9	Kraft Foods	New Berlin	Chenango	NYSEG	500	78	156	Large	Produces yogurt and fluid milk products
10	Mountainside Farms	Roxbury	Delaware	NYSEG	450	59	131	Large	Milk processing plant
11	National Pipe & Plastics Inc.	Vestal	Broome	NYSEG	<u>1,300</u>	<u>183</u>	141	Large	Plastic pipe manufacturer
					2,250	320	142		
			Total		12,850	2,733	213		

**New York Power Authority
Power for Jobs
Recommendations for Phase 5 New Allocations**

**Exhibit "4-B"
May 20, 2003**

	<u>Company</u>	<u>City</u>	<u>County</u>	<u>IOU</u>	<u>KW</u>	<u>New</u>	<u>Jobs Retained</u>	<u>Total</u>	<u>Jobs/mw</u>	<u>Business Type</u>	<u>Description</u>
1	ADEMCO Group	Syosset	Nassau	LIPA	900	0	605	605	672	Large	Manufactures electronic security products
2	Ultimate Precision Metal Products, Inc.	Farmingdale	Suffolk	LIPA	<u>250</u>	<u>6</u>	<u>101</u>	<u>107</u>	428	Small	Manufactures controlled enclosures
					1,150	6	706	712	619		
3	ATOFINA Chemicals, Inc.	Piffard	Livingston	NIMO	1,000	0	118	118	118	Large	Chemical manufacturing plant
4	BorgWarner Morse TEC Corporation	Cortland	Cortland	NIMO	1,500	50	216	266	177	Large	Manufacturer of auto components
5	Finch Pruyn & Company, Inc.	Glens Falls	Warren	NIMO	5,000	80	756	836	167	Large	Produces uncoated paper
6	Hand Held Products, Inc dba HHP	Skaneateles Falls	Onondaga	NIMO	750	60	376	436	581	Large	Produces hand held scanners and products
7	Jaquith Industries, Inc.	Syracuse	Onondaga	NIMO	250	15	88	103	412	Small	Steel fabrication
8	UltrePET, LLC	Albany	Albany	NIMO	<u>600</u>	<u>0</u>	<u>61</u>	<u>61</u>	102	Large	Reclaimer of post-consumer soda bottles
					9,100	205	1,615	1,820	200		
9	Morningstar Foods, Inc.	Delhi	Delaware	NYSEG	600	5	85	90	150	Large	Produces milk, ice cream mix, half & half
10	Therm Inc.	Ithaca	Thompkins	NYSEG	<u>900</u>	<u>0</u>	<u>130</u>	<u>130</u>	144	Large	Manufacturer jet engine turbine airfoils
					1,500	5	215	220	147		
11	Kolmar Laboratories, Inc.	Port Jervis	Orange	O&R	<u>1,000</u>	<u>7</u>	<u>532</u>	<u>539</u>	539	Large	Cosmetics Manufacture
					1,000	7	532	539	539		
12	Gorbel, Inc.	Fisher	Ontario	RGE	450	60	116	176	391	Large	Produces jibs, overhead workstations & cranes
13	Jasco Tools, Inc.	Rochester	Monroe	RGE	<u>500</u>	<u>24</u>	<u>74</u>	<u>98</u>	196	Large	Makes metal cutting tools
					950	84	190	274	288		
			Total		13,700	307	3,258	3,565	260		

5. Long Island Sound Cable – Contract Award for Submarine Cable Repair Work

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to delegate to the President and Chief Executive Officer the authorization to approve a contract award for the repair of a submarine cable system connecting Westchester and Long Island (‘the Y-49 circuit’) based upon evaluation of proposals, currently being performed by the Authority, to repair the cable.

BACKGROUND

“The Sound Cable Project, connecting Westchester and Nassau Counties using underground and underwater cables, was completed in 1991. The purpose of the project was to reinforce the electric system to Long Island, thereby increasing the reliability of the Long Island grid and providing it with greater access to more economical upstate New York and Canadian power.

“The submarine portion of the work was a turnkey project completed by Pirelli Cable, consisting of four cables, one as spare, connecting the North Transition Station in New Rochelle, Westchester County to the South Transition Station in Hempstead, Nassau County, Long Island. The Y-49 submarine cable is a 345 kV Self Contained Fluid Filled (‘SCFF’) cable. This cable, due to its design, is not installed in a pipe surrounded by a cooling medium, but the cooling fluid that is not environmentally hazardous material is pressurized through the hollow center duct of the cable. The underwater portion of the Y-49 circuit has been in service since installation without any forced outages.

“Iroquois Gas was granted permission to install a 24-inch gas pipeline from Northport in Long Island to Hunts Point in the Bronx to reinforce the gas supply to New York City. Iroquois worked with Consolidated Edison Company of New York, Inc. (‘Con Ed’), the Long Island Power Authority (‘LIPA’), Keyspan, and the New York Power Authority (‘the Authority’) to consummate agreements with all parties prior to commencing their work. This was done to ensure the three cable systems (Y-49, Y50 and NUSCO Cables) connecting Long Island would remain secure and operational. It appears based on direct information that on February 27, 2003, Iroquois’ subcontractor, Horizon, damaged cable ‘4’ of the Y-49 circuit by dragging an anchor into the energized cable. The entire circuit was forced out of service at that time. An emergency temporary repair program was immediately initiated and cable ‘4’ was cut and capped in place by Pirelli Construction Services, Inc. with the support and oversight of LIPA/Keyspan (the electrical system operator and maintainer for LIPA) and with surveillance and approval of all repair activities by the Authority. Upon completion of the repairs and electrical testing of the circuit, the Y-49 cable system went back into service on March 8, 2003, utilizing the remaining three cables.

DISCUSSION

“In order to carry out the permanent repair of cable ‘4’, inquiries were made to several organizations with a proven record of manufacturing and installation of submarine power cables. A technical specification for the permanent repair of the damaged cable was prepared and the potential bidders were invited to submit proposals. To avoid any further possible anchor damage to the existing cable system during repair, the Authority required in its specification the use of a Dynamic Positioning Vessel during the repair operation. The manufacturers Nexans, Fujikura and Hitachi all declined to submit proposals stating their lack of technical knowledge of the Pirelli cable system design. Caldwell Marine International/Underground Systems, Inc. (‘CMI/USI’) and Pirelli submitted proposals as requested. Since the proposals were received recently, a complete evaluation of the technical and commercial terms has not been fully completed. Meetings are scheduled in the near future with both bidders to discuss their proposals in detail, including the technical ability of each bidders proposed method of performing the work.

“The schedule for performing the work is such that the authorization to proceed must be provided in the next few weeks, prior to the June 2003 Trustee Meeting. Therefore, delegating authorization to the President and Chief Executive Officer to approve this award after a thorough evaluation of proposals is the recommended course

of action to meet the schedule requirements. The evaluation memorandum approved by the President and Chief Executive Officer and the terms of the final content approved by the Executive Vice President, Secretary and General Counsel, will be forwarded to the Trustees to notify them of the final resolution of the contract award.

“The terms of the final contract remain to be negotiated. The maximum estimated contract price is \$11.6M. The Trustees are requested to approve a total of \$16M, an amount that includes the following; Keyspan and Con Edison costs for the support of the program as well as the Authority’s overhead costs.

FISCAL INFORMATION

“Payment for this contract will be made from the Operating Fund. All or most of these costs will likely be reimbursed through insurance purchase by the Authority or the insurance purchased by those responsible for this damage.

RECOMMENDATION

“The Vice President – Project Management, the Vice President – Procurement and Real Estate, the Vice President and Chief Engineer – Power Generation, the Regional Manager – Southeast New York, the Project Manager and the evaluation team recommend that the Trustees authorize the President and Chief Executive Officer to approve the award of a contract for the permanent repair of the Y-49 submarine cable in the Long Island Sound.

“The Executive Vice President – Power Generation, the Executive Vice President, Secretary and General Counsel, the Executive Vice President – Business Services and Administration, the Senior Vice President and Chief Financial Officer and I concur in the recommendation.”

Mr. Welz presented the highlights of staff's recommendations to the Trustees.

Responding to questions from Vice Chairman McCullough, President Zeltmann stated that the Authority expects to be reimbursed for the physical damage to the cable and believes it has a strong legal position on the issues.

Responding to questions from Chairman Ciminelli, Mr. Hiney added that the Iroquois agreement contains language covering such circumstances and discussed the potential obligations of the Long Island Power Authority.

Responding to questions from Trustee Carey, Mr. Welz explained the scope of work involved and the two bids received for repairing the Y-49 circuit. Responding to questions from Trustee Seymour, Messrs. Lipsky and Welz emphasized the importance of restoring the cable to its original condition and, responding to a request from Vice Chairman McCullough, stated that they would report back to the Trustees on this process as it develops. Mr. Hiney also noted the importance of completing the necessary repairs prior to hurricane season.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That approval is hereby granted to the President and Chief Executive Officer to approve the award of a contract after a complete evaluation of proposals, for a permanent repair of Y-49 Submarine Cable in the Long Island Sound, as recommended in the attached memorandum of the President and Chief Executive Officer, in the amount and for the purposes listed below:

O&M Expenditure Approval

\$16,000,000 (Estimated)

**Contract Award (as determined by the
President and Chief Executive Officer)**

RESOLVED, That the Chairman, the President and Chief Executive 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, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and certificates and other documents to effectuate the foregoing resolution.

6. Blenheim-Gilboa Pumped Storage Power Project Transmission Line – South Access Road Slope Protection – Additional Expenditure Authorization

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to authorize a capital expenditure of \$2.8 million to complete the Blenheim-Gilboa South Access Road Slope Protection Project. This additional funding is required for the installation of a rock curtain on the slope behind the powerhouse and Schoharie Creek Stream bank stabilization adjacent to the town of Gilboa’s Old Stryker Road. The Trustees have previously authorized \$10.2 million. The additional \$2.8 million will bring the total authorization for this project to \$13.0 million. The previous estimate for the project was \$19.4 million.

BACKGROUND

“In 1973, movement of the slope south of the switchyard was first noticed. The movement resulted in cracking of roadway pavement and displacement of electrical conductor insulators. Some localized stabilization measures such as rock buttresses at the toe and deep horizontal drains were installed along the shore area. This reduced the rate of movement to about two inches per year.

“Monitoring revealed that since late 1995, the rate of movement has increased to about four inches per year. Infrared image during the mid-1990s and aerial topographic mapping revealed that the slide area was much larger than previously assumed. Subsurface investigations between 1994 and 1998 included installation of soil borings, piezometers, slope inclinometers and laboratory soil testing. This investigation went to greater depths and covered a larger area than previously studied.

“Power Generation – Engineering and the Board of Consultants, three independent consultants retained by the Authority, recommended remedial measures to stabilize the slope. Those measures included stone berms at the toe of the slope and an improved drainage system that would effectively protect the Authority’s transmission lines and stabilize the plant access road.

“On March 27, 1998, the President approved an interim funding of \$500,000 to complete the geo-technical evaluation of the Blenheim-Gilboa slide area. On August 25, 1998, the Trustees approved additional authorization of \$3,900,000 for the Schoharie Creek embankment restoration (north of the lower dam’s spillway) and for Engineering and Design of the South Access Road Slope Protection Work. At their meeting of May 22, 2001, the Trustees approved \$5,800,000 to award a construction contract to A. Servidone, Inc. / B. Anthony Construction Corp. for the construction of the South Access Road Slope Protection Work bringing the current total authorization for this project to \$10,200,000.

“The previous estimate of \$19,400,000 is significantly higher than the current estimate of \$13,000,000 to complete the work. The substantial reduction in the current estimate is primarily the result of being able to mine the required rock fill on-site.

DISCUSSION

“The remaining work to complete this project is comprised of a rock fall protection system north of the powerhouse and Schoharie Creek stream bank stabilization adjacent to the town of Gilboa’s Old Stryker Road.

“The rock slope behind the powerhouse has been identified by the Federal Energy Regulatory Commission (‘FERC’) during their inspections to be a potential safety problem. Rocks breaking free from the slope pose hazards to personnel and equipment. Installation of a rock curtain will mitigate these hazards.

“One of the special conditions of the Corps of Engineers permit issued to the Authority on September 25, 2000 for the construction of South Access Road Slope Protection was for the Authority to ‘provide assistance to the

town of Gilboa for stream bank activities' at Schoharie Creek. The Authority has enlisted the services of a consultant for the design of about 3,600 feet of stream bank stabilization near Old Stryker Road. With the Authority's assistance, the stream bank stabilization at Schoharie Creek will be implemented prior to the permit expiration of September 25, 2003.

FISCAL INFORMATION

"Payment will be made from the Authority's Capital Fund.

RECOMMENDATION

"The Vice President – Project Management, the Vice President and Chief Engineer – Power Generation, the Vice President – Controller, The Regional Manager – Central New York, and the Project Manager recommend that the Trustees authorize additional capital funding for the Blenheim-Gilboa Transmission Line – South Access Road Slope Protection in the amount of \$2,800,000.

"The Executive Vice President – Power Generation, the Executive Vice President, Secretary and General Counsel, the Senior Vice President and Chief Financial Officer, and I concur in the recommendation."

Mr. Stessing presented the highlights of staff's recommendations to the Trustees.

Responding to questions from Vice Chairman McCullough, Messrs. Hiney and Stessing explained that the transmission line is stable although some movement is both necessary and desirable.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That capital funding is hereby approved to be committed in accordance with the Authority's Expenditure Authorization Procedures for the Blenheim-Gilboa Pumped Storage Power Project Transmission Line – South Access Road Slope Protection in the amount listed below:

<u>Capital</u>	<u>Amount</u>
Blenheim-Gilboa Pumped Storage Power Project	
Transmission Line – South Access Road Slope Protection	
Expenditure Previously Authorized	\$10,200,000
Current Expenditure Authorization Request	\$ <u>2,800,000</u>
TOTAL AMOUNT AUTHORIZED	<u>\$13,000,000</u>

AND BE IT FURTHER RESOLVED, That the Chairman, the President and Chief Executive 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 certificates, agreements, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and other documents to effectuate the foregoing resolution.

7. “PowerNow!” Project – Capital Expenditure Authorization – Request for Site and Environmental Improvements

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to authorize capital expenditures of \$12 million for site and environmental improvements in connection with the ‘PowerNow!’ project. Such expenditures will be in addition to \$7 million that the Trustees have previously authorized for energy efficiency and clean energy initiatives related to the two ‘PowerNow!’ plants in the Bronx, bringing the total Capital Expenditure Authorization Request for work in the project areas to \$19 million.

BACKGROUND

“At their meeting of August 29, 2000, the Trustees authorized the purchase of up to 11 simple-cycle, natural-gas-fueled General Electric LM6000 gas turbine units to help combat potential power supply shortfalls in the summer of 2001 and beyond.

“This effort, which subsequently became known as the ‘PowerNow’ project, resulted in the installation and operation of small power plants at six locations in New York City (four of the sites have two units each) and at Brentwood in Suffolk County, Long Island.

“The Trustees have periodically been apprised of the need to implement projects to enhance the sites of the ‘PowerNow!’ facilities or to otherwise benefit the local communities. Staff has also advised the Trustees that funding for such projects would be sought through a Capital Expenditure Authorization Request separate from that for work directly related to installation of the power plants themselves.

“At their meeting of April 17, 2001, for example, the Trustees were told that staff would in the future seek funding for community purposes. At the meeting of July 30, 2002, specific reference was made to a proposed expenditure of \$15 million for a ‘community outreach program,’ although the Trustees were not asked to authorize funding at that time.

“At their meeting of March 20, 2003, the Trustees authorized expenditures of \$7 million for projects in the Bronx within five major categories: Energy efficiency/new energy technologies; electric transportation; environmental benefits; civic projects; and community improvements. The Trustees also authorized the President and Chief Executive Officer or his designee to enter into a Memorandum of Understanding (‘MOU’), now pending, with the Borough of the Bronx and the Bronx Overall Economic Development Corporation concerning project funding and implementation.

“The total Capital Expenditure Authorization Request of \$19 million, including the funding previously approved for the Bronx projects and the funds now being requested, represents an updated estimate of the project costs.

DISCUSSION

“Staff has met frequently with elected officials, Community Board members and local residents to identify means of addressing aesthetic and environmental concerns in the areas of the ‘PowerNow!’ plants. Some of the measures for which funding is sought reflect those discussions, while others have been or will be undertaken at the Authority’s initiative.

“Several of the projects have been completed, with most still in the planning phase or in progress. In cases where expenditures were required because of the urgent nature of a particular activity, funds were provided from those previously authorized by the Trustees for licensing, engineering, procurement, construction and other principal

elements of the 'PowerNow!' project. (The Trustees have authorized a total of \$613 million for such purposes through a series of actions, most recently at their meeting of July 30, 2002.)

“As part of its site and environmental improvement efforts, the Authority has spent \$1.1 million to eliminate gas odors by modifying the gas condensate systems at each of the 'PowerNow!' units. This work, completed in November and December 2002, entailed addition of an accumulator tank and modification of piping arrangements and valves. The cost included design, engineering and installation of the modified components.

“Other projects are specific to individual 'PowerNow!' sites, as follows:

Brooklyn

“North First Street and Grand Avenue (funding of \$650,000): As a result of discussions with members of Brooklyn Community Board 1 and area residents, the Authority has agreed to provide \$300,000 for improvements to Grand Ferry Park, adjacent to the power plant. At a cost of \$350,000, the Authority has also agreed to install perimeter fencing with privacy fabric (a plastic-like material that blocks views of the site), and to provide landscaping and repair sidewalks outside the facility.

“Twenty-Third Street and Third Avenue (funding of \$1 million): As part of a settlement agreement resulting from legal action against the Authority by UPROSE (United Puerto Rican Organization of Sunset Park), the Authority agreed to work with UPROSE and community residents to identify local projects that will improve air quality or provide other environmental benefits in the Sunset Park area. These initiatives will be included in an MOU between the Authority and UPROSE, which is being negotiated. The Authority will provide \$1 million to implement the identified projects.

“Twenty-Third Street and Third Avenue (funding of \$1 million): Based on discussions with Sunset Park residents, the Authority has agreed to construct a 12-foot-high wall along the Third Avenue side of the facility or to install new fencing with privacy fabric; to provide landscaping and repair sidewalks in the area; and to fund community and energy efficiency projects that will be identified in further discussions with local residents. The Authority will provide a total of \$1 million for the various initiatives.

“Twenty-Third Street and Third Avenue (funding of \$2.5 million): Pursuant to discussions and site acquisition agreements with the New York City Department of Environmental Protection ('DEP'), the Authority agreed to install a new storm sewer line at a nearby location to replace an existing line, beneath the power plant, that is owned and operated by the DEP. The existing pipe is deteriorating, and a new storm sewer line would have been required regardless of whether the Authority had installed its plant. The Authority is also repairing and restoring the deteriorating bulkhead at the power plant site. The costs are \$1.3 million for the new storm sewer line and \$1.2 million for design, engineering and construction related to the bulkhead repair and restoration.

Queens

“Vernon Boulevard (funding of \$2.1 million): In line with a requirement by the U.S. Army Corps of Engineers, the Authority will repair and restore the deteriorating bulkhead at the site of the Vernon Boulevard power plant. The estimated cost is \$2 million for design, engineering and construction. The Authority has also provided fencing, landscaping and new sidewalks along the Vernon Boulevard side of the plant. This work, completed in 2002, cost \$100,000.

Staten Island

“Pouch Terminal (funding of \$2.13 million): As part of an agreement with Staten Island Community Board 1, the Authority has built a wall up to 22 feet high around the power plant site, provided landscaping along the wall and repaired sidewalks impacted during plant construction. The costs were \$2.1 million for design, engineering and construction of the wall and \$30,000 for the landscaping and sidewalk repairs.

FISCAL INFORMATION

“Payments for the initiatives described above will be made from the Authority’s Capital Fund. As previously stated, payments for completed projects (totaling about \$3.6 million) have been made with funds that have been previously authorized by the Trustees as part of the principal ‘PowerNow!’ capital budget. These funds will be restored to the principal budget following Trustee approval of the current request, and a new capital account will be established for site and environmental improvements related to the ‘PowerNow!’ project.

RECOMMENDATION

“The Vice President – Project Management, the Vice President and Chief Engineer – Power Generation, the Vice President – Procurement and Real Estate, the Vice President – Controller and the Deputy Secretary and Deputy General Counsel recommend that the Trustees authorize capital expenditures of \$12 million for site and environmental improvements related to the ‘PowerNow!’ project.

“The Executive Vice President – Power Generation, the Executive Vice President, Secretary and General Counsel, the Executive Vice President – Business Services and Administration, the Senior Vice President – Energy Services and Technology, the Senior Vice President – Public and Governmental Affairs, the Senior Vice President – Marketing, Economic Development and Supply Planning, the Senior Vice President and Chief Financial Officer and I concur in the recommendation.”

Mr. Antenucci presented the highlights of staff’s recommendations to the Trustees.

Responding to questions from Chairman Ciminelli, Mr. Antenucci reported that the total authorization request is for \$19 million. Responding to questions from Vice Chairman McCullough and Trustee Carey, Mr. Barden explained that the agreements with the Borough of the Bronx led to the increase in the authorization request and that this item ended such requests.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

WHEREAS, the Authority owns and operates small power plants at seven locations in New York City and Suffolk County, Long Island, as part of its “Power Now!” project to help ensure reliable electric service in the New York City area, and

WHEREAS, the Authority has undertaken or will undertake a number of site and environmental improvements at the various power plant locations;

NOW THEREFORE BE IT RESOLVED, That the Trustees authorize capital expenditures of \$12 million for the site and environmental improvement projects as listed below and as recommended in the attached memorandum of the President and Chief Executive Officer:

<u>Description</u>	<u>Amount Requested</u>
All Plants: Gas Condensate Modifications	\$ 1,100,000
North First Street and Grand Avenue: Park Improvements, Fencing, Landscaping, Sidewalk Repairs	\$ 650,000
Twenty-Third Street and Third Avenue: UPROSE Settlement	\$ 1,000,000

Twenty-Third Street and Third Avenue: Wall or Fencing, Landscaping, Sidewalk Repairs, Community and Energy Efficiency Projects	\$ 1,000,000
Twenty-Third Street and Third Avenue: New Storm Sewer Line, Bulkhead Restoration	\$ 2,500,000
Vernon Boulevard: Bulkhead Restoration, Fencing, Landscaping, New Sidewalks	\$ 2,100,000
Pouch Terminal: Wall, Landscaping, Sidewalk Repairs Engineering and Overheads	\$ 2,130,000 <u>\$ 1,520,000</u>
TOTAL CURRENT REQUEST	<u>\$12,000,000</u>
Previously Authorized (Bronx Energy Efficiency and Clean Energy Projects)	<u>\$ 7,000,000</u>
TOTAL AUTHORIZATION	<u>\$19,000,000</u>

AND BE IT FURTHER RESOLVED, That the Chairman, the President and Chief Executive 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, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and certificates and other documents to effectuate the foregoing resolution.

**8. Municipal and Rural Co-operative Electric Utilities –
Electric-Drive Vehicle Program**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to authorize funding of \$1.2 million to finance an electric-drive vehicle program for all Municipal (‘Muni’) and Rural Co-operative (‘Co-op’) utilities served by the Authority in cooperation with the Municipal Electric Utilities Association of New York State (‘MEUA’). This program will enable the Munis and Co-ops to purchase various electric and hybrid-electric vehicles for use in their municipal fleets. By offering this assistance to the Muni and Co-op utilities, the Authority would further its and the State’s efforts to encourage the use of electric-drive vehicles in order to reduce air and noise pollution in the State and to lessen reliance on imported oil.

“The Trustees are also requested to authorize the use of the Purchased Power Adjustment Charge (‘PPAC’) as a general instrument for the full-requirements Muni and Co-op utilities to recover costs associated with this and other energy-efficiency programs.

BACKGROUND

“The Energy Services Division has previously developed programs for the benefit of Muni and Co-op utilities. At their meeting of April 29, 1986, the Trustees approved an \$800,000 pilot Watt Busters program for residential and small commercial customers. This program was expanded on December 1988 with Trustee approval of additional funding of \$500,000. At their meeting of December of 1989, the Trustees authorized \$4.5 million for the full-scale implementation of the Watt Busters program to include the participation of all of the Muni and Co-op utilities. At their meeting of November 30, 1993, the Trustees approved an additional \$2 million in funding and also included a \$1 million pilot energy conservation program for commercial and industrial customers. Finally, at their meeting of May 24, 1994, the Trustees approved the expansion of the Watt Busters program to include the buy-back of refrigerators from residential customers.

“At an annual meeting of the MEUA last August, and most recently at the association’s meeting this April, the Authority displayed a variety of electric and hybrid-electric vehicles. The MEUA expressed its interest in developing a partnership program with the Authority called MAP (Municipal Alternative Partnership) that would allow these systems to purchase such vehicles for their municipal fleets. These vehicles would also be used as an educational tool to demonstrate the various electric-drive technologies that are commercially available today.

DISCUSSION

“The proposed program would be made available to all Muni and Co-op utilities. The Muni and Co-op utilities would apply to the Authority for funding to purchase on-road passenger vehicles such as the Honda Civic hybrid-electric and the Toyota Prius hybrid-electric or off-road work vehicles such as the Taylor-Dunn Electruck and the John Deere E-Gator. The vehicles will be used by the Muni and Co-op utilities’ personnel and/or their affiliated municipal agencies to carry out their functions. Repayment of the funds made available to the Muni and Co-op utilities for the purchase of these vehicles will be recovered as a surcharge to the participating utility’s monthly electric bill.

“In addition, the Trustees are requested to authorize that the full-requirements Muni and Co-op utilities, regulated by the Authority, be permitted to recover from their customers all costs associated with the electric-drive vehicle finance program, as well as any other energy-efficiency programs and initiatives that the Authority offers to the Muni and Coop Systems. Recovery of these costs will be through the PPAC. The partial-requirements systems, regulated by the New York Public Service Commission (‘PSC’), will have to request similar permission from the PSC to recover costs associated with the vehicle purchase and other energy-efficiency programs from their customers.

FISCAL INFORMATION

“The total cost to the Authority for the program is not to exceed \$1.2 million. The cost of the program, including any financing costs, will be recovered directly from the participants in the program. Except for the POCR funds, discussed below, the funds will be recovered over a period of up to three years through an electric bill surcharge.

“The program will be funded from Commercial Paper Note proceeds and/or Operating Fund monies. A small portion of the funding will come from Petroleum Overcharge Restitution funds allocated to the Authority by the New York State legislature, in such amounts as the Senior Vice President – Energy Services and Technology deems advisable.

RECOMMENDATION

“The Senior Vice President – Energy Services and Technology and the Senior Vice President – Marketing, Economic Development and Supply Planning recommend that the Trustees authorize the implementation of the electric-drive vehicle program, as described above.

“The Senior Vice President – Energy Services and Technology and the Senior Vice President – Marketing, Economic Development and Supply Planning recommend that the Trustees authorize the use of the Purchased Power Adjustment Charge to allow the full-requirements Municipal and Rural Co-operative utilities, regulated by the Authority, to recover their costs for the electric-drive vehicle program and future energy-efficiency programs.

“The Executive Vice President – Power Generation, the Executive Vice President, Secretary and General Counsel, the Senior Vice President and Chief Financial Officer and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That an Electric-Drive Vehicle Program, as described in the attached memorandum of the President and Chief Executive Officer, is hereby authorized; and be it further

RESOLVED, That the Electric-Drive Vehicle Program described above may be funded with the proceeds of Series 1, 2, or 3 Commercial Paper Notes, Series and Extendible Municipal Commercial Paper Notes, Operating Fund monies, and/or Petroleum Overcharge Restitution funds allocated to the Authority by New York State legislation, with such POCR funding being in such amounts as deemed advisable by the Senior Vice President – Energy Services and Technology; and be it further

RESOLVED, That the Trustees hereby authorize the full-requirements Municipal and Rural Co-operative systems served by the Authority to recover costs for this, and other energy-efficiency programs, through the Purchased Power Adjustment Charge; and be it further

RESOLVED, That the Chairman, the President and Chief Executive 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 agreements, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and certificates and other documents to effectuate the foregoing resolution.

**9. Temporary Delegation of Authority by Vice President –
Chief Risk Officer and Certain Other Officers and Employees**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to grant those officers and employees previously authorized to enter into energy-related transactions, fuel-related transactions, and hedging transactions related to energy and fuel, the authority to temporarily delegate, in writing, such authority to their principal deputy, with a copy to the Secretary and the Vice President – Chief Risk Officer for a period of 30 days in the event of their absence or incapacity. The Trustees are also requested to grant the Vice President – Chief Risk Officer the authority to temporarily delegate for a period of 30 days his authority and duties to his principal deputy in the case of his absence or incapacity.

DISCUSSION

“At their meeting of October 29, 2002, the Trustees approved a resolution (‘the Resolution’) authorizing certain officers and employees (‘the Authorized Officers and Employees’) to enter into energy-related transactions, fuel-related transactions, and hedging transactions related to energy and fuel within certain specified limitations. One aspect of such delegation, which remains to be addressed, is the temporary delegation, in writing, of such authority by the Authorized Officers and Employees to their principal deputy in the event of the absence or incapacity of the Authorized Officers or Employees.

“To cover this eventuality, the Trustees are requested to grant to the Authorized Officers and Employees the authority to temporarily delegate, in writing, their authority to their principal deputy. The delegation would only be for so long as the period of absence or incapacity, provided, however, that such delegation shall not exceed 30 days. To the extent that such temporary delegation is contemplated to exceed 30 days, the approval of the Trustees shall be sought at the next regularly scheduled meeting of the Trustees for such temporary delegation based upon a recommendation of the Vice President – Chief Risk Officer.

“In addition, the Trustees are requested to grant to the Vice President – Chief Risk Officer the authority to temporarily delegate, in writing, his authority and duties to his principal deputy. The delegation would only be for so long as the period of absence or incapacity, provided, however, that such delegation shall not exceed 30 days. To the extent that such temporary delegation is contemplated to exceed 30 days, the approval of the Trustees shall be sought at the next regularly scheduled meeting of the Trustees for such temporary delegation based upon a recommendation of the President and Chief Executive Officer.

RECOMMENDATION

“The Vice President – Chief Risk Officer recommends that the Trustees grant the Authorized Officers and Employees the authority to temporarily delegate the authority given to them under the Resolution to their principal deputy in the event of their absence or incapacity, and recommends that the Vice President – Chief Risk Officer be granted similar authority to temporarily delegate his authority and duties to his principal deputy in the event of his absence or incapacity, subject to the 30-day restriction discussed above.

“The Executive Vice President – Power Generation, the Executive Vice President, Secretary and General Counsel, and I concur in the recommendation.”

Mr. Warmath presented the highlights of staff's recommendations to the Trustees.

Vice Chairman McCullough noted that the time limit language which was added to the memorandum of staff's recommendations is appropriate.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Trustees hereby grant those officers and employees given authority to enter into energy-related transactions, fuel-related transactions, and hedging transactions related to energy and fuel under the Resolution adopted by the Trustees at their meeting of October 29, 2002 (the "Resolution"), the authority to temporarily delegate, in writing, with a copy to the Secretary and the Vice President – Chief Risk Officer the authority given to them under the Resolution to their principal deputy in the event of the absence or incapacity of such officers or employees, such delegation being only for the duration of such absence or incapacity, provided, however, that such delegation shall not exceed 30 days; and be it further

RESOLVED, That the Trustees hereby grant the Vice President – Chief Risk Officer the authority to temporarily delegate, in writing, with a copy to the Secretary his authority or duties to his principal deputy in the event of the absence or incapacity of the Vice President – Chief Risk Officer, such delegation being only for the duration of such absence or incapacity, provided, however, that such delegation shall not exceed 30 days; and be it further

RESOLVED, That the Chairman, the President and Chief Executive 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, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, and certificates and other documents to effectuate the foregoing resolution.

**10. Niagara-Adirondack Tie Line Baldwinsville Maintenance Center –
Disposal of Property**

The President and Chief Executive Officer submitted the following report:

SUMMARY

“The Trustees are requested to approve a sale of real property to the Village of Baldwinsville (‘Baldwinsville’) of approximately 12.63 acres of land and improvements in the Town of Lysander, County of Onondaga (‘Lysander’), as shown and described on Exhibit ‘10-A’. The purchase price for this conveyance is \$300,000.

BACKGROUND

“At their meetings of March 14, 1960 and February 19, 1962, the Trustees approved the acquisition of approximately 12.63 acres of land located in Lysander. This property is shown and described on Power Authority of the State of New York, Map No. OL-807 R-1, Parcel No. 807. The Authority purchased the property for the construction of a one-story steel and concrete structure to be used as a maintenance and storage center known as the Baldwinsville Maintenance Facility (hereinafter ‘Facility’). The improvements constructed thereon include a 10,689± square foot building with garage facilities, several offices, conference rooms, break area, and paved parking surrounded by security fencing. This Facility was constructed between 1960 and 1961 and has been used to house staff and material in support of the maintenance of the middle portion of the Niagara-Adirondack Tie Line. Due to a decision to centrally locate this function out of the Clark Energy Center (‘CEC’) the Facility has now become surplus to the Authority's needs.

DISCUSSION

“In preparation for the potential sale of the Facility, the property and improvements were appraised. The fair market value of the lands and improvements was determined to be \$300,000.

“Baldwinsville has now offered \$300,000 for the land and improvements and its acquisition will allow it to relocate its Department of Public Works from its current site and make available a large portion of underutilized waterfront along the Northeast shore of the Seneca River for continued development and revitalization to this community. In addition, the area has a current zoning classification of Agricultural Residential (‘AR-40’). This zoning classification was applied after the construction of the Facility and, as such, the Facility can legally exist in this zoning as a non-conforming use. Given this non-conforming use status and the uncertainty of what may be legally permissible as a ‘grandfathered use’ in the future, the relative market for this Facility was deemed limited.

FISCAL INFORMATION

“Proceeds of the sale will be deposited in the Operating Fund.

RECOMMENDATION

“The Senior Vice President – Transmission and the Vice President – Procurement and Real Estate recommend the sale of the 12.63 acres of land and improvements to the Village of Baldwinsville on terms consistent with this report and further on terms beneficial to the Authority, as negotiated by Real Estate staff and approved by the President and Chief Executive Officer.

“The Executive Vice President, Secretary and General Counsel, the Executive Vice President – Business Services and Administration and I concur in the recommendation.”

The following resolution, as submitted by the President and Chief Executive Officer, 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 Map No. OL-807 R-1, Parcel No. 807 as shown on Exhibit "10-A" is no longer required for Authority use and hereby finds and determines such real property may be conveyed by the Authority to the Village of Baldwinsville for the price of \$300,000 and on other terms beneficial to the Authority as negotiated by Real Estate staff and approved by the President and Chief Executive Officer, and the Authority hereby determines that such sale by the Authority under conditions as substantially set forth above is on terms beneficial to the Authority and will not result in significant adverse environmental impact; and be it further

RESOLVED, That the Vice President – Procurement and Real Estate or the Director – Real Estate is authorized to execute on behalf of the Authority a contract of sale with the Village of Baldwinsville for the sale of the property substantially as shown on Exhibit "10-A", and the deed conveying said property, as such contract of sale and deed are approved by the Executive Vice President, Secretary and General Counsel; and be it further

RESOLVED, That the Chairman, the President and Chief Executive 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, subject to the approval of the form thereof by the Executive Vice President, Secretary and General Counsel, certificates and other documents to effectuate the foregoing resolution.

Niagara-Adirondack Tie Line

Baldwinsville
Maintenance Facility

Legend

 Property Boundary (Scaled)



SCALE : 1 inch = 400 feet



Seneca River

11. Next Meeting

The next Regular Meeting of the Trustees will be held on **Tuesday, June 24, 2003, at 11:00 a.m., at the Richard M. Flynn Plant**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

12. Closing

Upon motion duly made and seconded, the meeting was adjourned by the Chairman at approximately 11:27 a.m

A handwritten signature in black ink that reads "David E. Blabey". The signature is written in a cursive style with a long, sweeping tail on the letter "y".

David E. Blabey
Executive Vice President,
Secretary and General Counsel