

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

January 18, 2002

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Minutes of the Special Meeting of the Power Authority of the State of New York held at the Albany
Signature Flight Support - Albany International Airport, 10:00 A. M.

Present: Louis P. Ciminelli, Acting Chairman
Timothy S. Carey, Trustee
Gerard D. DiMarco, Trustee
Frank J. McCullough, Jr., Trustee
Joseph J. Seymour, Trustee

Eugene W. Zeltmann	President and Chief Operating Officer,
Robert A. Hiney	Executive Vice President – Power Operations
David E. Blabey	Executive Vice President, Secretary and General Counsel
Carmine J. Clemente	Deputy General Counsel and Secretary
Woodrow W. Crouch	Vice President – Project Management
William V. Slade	Director – Environmental Programs
Bonnie Fahey	Executive Administrative Assistant
Angela Graves	Assistant Secretary
Andrew McLaughlin	Assistant Secretary
Alice Simon	Assistant Secretary

Dorothy V. Lechmanski Budget Examiner, NYS Division of the Budget

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

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1. Trustees' Waivers of Notice of Meeting

Each Trustee present waived the three-day advance notice of the time, place and purpose of this special meeting as permitted by Article III of the By-laws.

**2. In-City Generation Project – Ratification of
Final Environmental Impact Statement and
Final Supplemental Environmental Impact Statement**

The President submitted the following report:

SUMMARY

“The Trustees are requested to approve the attached Resolution ratifying, approving and adopting: (1) the acceptance of the Final Environmental Impact Statement (‘FEIS’) (Exhibit ‘2-A’) for the In-City Generation Project; and (2) the acceptance of the Final Supplemental Environmental Impact Statement (‘FSEIS’) (Exhibit ‘2-B’) for the Vernon Boulevard site.

BACKGROUND

“Following the Trustee resolution of August 29, 2000, authorizing the purchase of up to 11 simple-cycle, natural gas GE LM6000 gas turbine (‘GT’) units under the In-City Generation Project, an extensive investigation of sites for placement of the turbines took place. The Director - Environmental Division initiated a coordinated review of the potential environmental impacts of the Project pursuant to the State Environmental Quality Review Act (‘SEQRA’), and the New York Power Authority (the ‘Authority’) was designated Lead Agency for that review. In the fall of 2000, six sites in New York City and one site in Long Island were chosen for installation of 11 GTs. Pursuant to 21 NYCRR 461, the Director - Environmental Division determined on November 20, 2000, that the siting, construction and operation of the facilities in Bronx, Kings, Queens, and Suffolk Counties is a Type I action and that, based upon the environmental analysis performed as part of the coordinated review, the Project will not have a significant adverse impact on the environment and will not require the preparation of an environment impact statement. At their meeting of November 28, 2000, the Trustees ratified this Negative Declaration. Notices of the issuance of the Negative Declaration were published in the Environmental Notice Bulletin on December 8, 2000 and January 3, 2001. At their meeting of December 19, 2000, based upon a similar coordinated review of the Pouch Terminal facility in Staten Island, the Trustees ratified a Negative Declaration for that facility.

“The Authority’s Negative Determination with respect to six of the seven sites was annulled by the Appellate Division on July 23, 2001 in Matter of UPROSE et al. v. New York Power Authority et al., 285 A.D. 2d 603 (AD 2nd Dept. 2001) and was annulled with respect to the Pouch Terminal facility in Staten Island on November 2, 2001 in Concerned Homeowners of Rosebank et al. v. New York Power Authority et al., Index. No. 8164 (Sup. Ct. Richmond Cty. 2001). In UPROSE and in Rosebank, the courts directed the Authority to issue a positive declaration and prepare an EIS. Further, in Silvercup Studios, Inc., et al. v. New York Power Authority, 285 A.D. 2d 598 (AD 2nd Dept 2001), the Appellate Division determined that hazardous materials, historical and archaeological resources, and neighborhood character relating to the Vernon Boulevard site should be examined in an EIS.

DISCUSSION

“The Director - Environmental Division prepared a Positive Declaration for the In-City Generation Project pursuant to the orders of the Appellate Division and the Supreme Court, Richmond County. The Director - Environmental Division also caused to be prepared, consistent with the orders of the courts, a Draft Environmental Impact Statement (‘DEIS’) on the Project and a Draft Supplemental Environmental Impact Statement (‘DSEIS’) related to issues at the Vernon Boulevard site. At their meeting of November 27, 2001, the Trustees adopted a resolution ratifying, approving and adopting the Positive Declaration, the DEIS and the DSEIS.

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“A written comment period on the DEIS and the DSEIS was extended through December 31, 2001. Pursuant to a determination by the Director – Environmental Division, a public hearing on the DEIS took place on December 19, 2001, in Brooklyn and a similar hearing on the DSEIS took place December 20, 2001, in Queens in order to obtain additional public comment. Both of these hearings were noticed in the *Environmental Notice Bulletin* and in local newspapers. In addition, public comment meetings advertised in local newspapers were held in the Bronx and Staten Island on December 19, 2001, and December 20, 2001, respectively.

“In total, 72 people testified at the public hearings and comment meetings, and 55 parties submitted written comments. Based on the comments received, the Director – Environmental Division caused to be prepared a FEIS and a FSEIS; after careful review of the documents by the Law Department, the Licensing Division and the Environmental Division, the Director – Environmental Division has determined that the FEIS and the FSEIS are complete, and published a notice of the completion of these documents in the *Environmental Notice Bulletin* published on January 16, 2002. Copies of the FEIS and the FSEIS have been circulated to the public and to involved agencies in the same manner as the draft documents, in accordance with SEQRA requirements.

FISCAL INFORMATION

“No additional expenditures are associated with this resolution.

RECOMMENDATION

“The Vice President - Project Management, the Director - Environmental Division, and the Project Manager recommend that the Trustees approve the attached resolution ratifying, approving, and adopting: (1) the acceptance of the Final Environmental Impact Statement for the In-City Generation Project; and (2) the acceptance of the Final Supplemental Environmental Impact Statement for the Vernon Boulevard site.

“The Executive Vice President, Power Generation, the Executive Vice President, Secretary and General Counsel, the Executive Vice President, Corporate Services and Human Resources and I concur in this recommendation.”

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

Responding to questions from Trustee McCullough concerning potential appeals, Mr. Clemente stated that there would be 120 days for such an appeal from the date of the adoption of the FEIS. Trustee McCullough asked whether the Authority's findings would be publicly circulated to which Messrs. Clemente and Slade responded affirmatively.

At this time, Trustee McCullough thanked Mr. Slade and the rest of the Authority staff for a job well done and also commended the staff of Allee, King, Rosen & Fleming, Inc. for their efforts in supporting the preparation of the FEIS and FSEIS.

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The attached resolution, as recommended by the President, was unanimously adopted.

**RESOLVED, That the Authority hereby ratifies, approves and adopts the acceptance by the Director
- Environmental Division of the FEIS for the In-City Generation Project; and be it further**

**RESOLVED, That the Authority hereby ratifies, approves and adopts the acceptance by the Director
- Environmental Division of the FSEIS for the Vernon Boulevard site.**

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3. **Next Meeting**

The next regular meeting of the Trustees will be held on **Tuesday, January 29, 2002, at 10:00 a.m., at the Albany Office, 30 South Pearl Street – 10th floor**, unless otherwise designated by the Chairman with the concurrence of the Trustees.

Acting Chairman Ciminelli designated Trustee Frank S. McCullough, Jr. to serve as presiding officer for the regular meeting of the Authority's Trustees scheduled for January 29, 2002 in Albany.

Prior to the close of the meeting, the Trustees briefly discussed plant security matters as well as economic development issues.

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4. Closing

Upon motion made and seconded, the meeting was closed at 10:45 a.m.

David E. Blabey
Executive Vice President, Secretary
General Counsel

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