

**ECONOMIC DEVELOPMENT POWER
ALLOCATION BOARD**

MINUTES

October 18, 2005

Video Conference – 10:00 a.m.

New York Power Authority Offices:

30 South Pearl Street, 10th Floor, Albany, NY

123 Main Street, 16th Floor, White Plains, NY

Niagara Power Project, 5777 Lewiston Road, Administration Building, Lewiston, NY

Empire State Development Corporation, 633 Third Avenue, New York, NY

1. Approval of the Minutes of the Meeting of September 19, 2005
2. **Discussion of Power for Jobs Reconsideration Process Criteria:**
3. **Power for Jobs Extended Benefits
Recommendations for Contract Extensions**
 - A. Companies in Job Compliance

<u>Con Edison – Service Territory</u>	
Children's Museum of Manhattan New York - New York County	Sound Shore Medical Center of Westchester New Rochelle - Westchester County
Henry Street Settlement New York – New York County	The Mount Vernon Hospital Mount Vernon - Westchester County
Kinray, Inc. Whitestone - Queens County	The Writers Room New York - New York County
Milazzo Wholesale Meats Brooklyn - Kings County	Town Hall Foundation New York - New York
<u>Long Island Power Authority – Service Territory</u>	
Maloya Laser Inc. Commack - Suffolk County	
<u>Niagara Mohawk – Service Territory</u>	
3M Tonawanda - Erie County	H.H. Dobbins Inc. Lyndonville - Orleans County
Albany Institute of History & Art Albany - Albany County	Isadore A. Rapasadi & Sons, Inc. Canastota - Madison County
Anheuser-Busch Baldwinsville - Onondaga County	Marquardt Switches, Inc. Cazenovia - Madison County
Bernzomatic (Irwin Industrial Tool) Medina - Orleans County	New Venture Gear, Inc. (Div. of Magna Powertrain) East Syracuse - Onondaga County
Bestway Enterprises Cortland - Cortland County	Pelco Electronic Corp (STK) Cazenovia - Madison County

Burrows Paper Corp. Little Falls - Herkimer County	Precious Plate, Inc. Niagara Falls - Niagara County
Confer Plastics Inc. North Tonawanda - Erie County	Saint-Gobain Hoosick Falls - Rensselaer County
General Mills Buffalo - Erie County	UltrePet, LLC Albany - Albany County
<u>New York State Electric & Gas</u>	
Kraft Foods – Campbell Campbell - Steuben County	Norampac Industries (AIM) Lancaster - Erie County
Miner Institute Chazy - Clinton County	Wilson Greatbatch LTD. Clarence - Erie County
Morton International Silver Springs - Wyoming County	
<u>Rochester Gas & Electric – Service Territory</u>	
Frontier Corporation Rochester - Monroe County	Strong Health-Highland Hospital Rochester - Monroe County

B. Companies Not in Job Compliance

<u>Con Edison – Service Territory</u>	
Blue Ridge Farms Inc. Brooklyn - Kings County	
<u>Long Island Power Authority – Service Territory</u>	
B.H. Aircraft Company, Inc. Ronkonkoma - Suffolk County	
<u>Niagara Mohawk – Service Territory</u>	
Accumed Technologies, Inc. Buffalo - Erie County	Little Falls Hospital Little Falls - Herkimer County
Airsep Corporation Buffalo - Erie County	Metweld Altamont - Albany County
Atofina Chemicals, Inc. (Arkema Inc.) Piffard - Livingston County	Oneida Container Co., Inc. Vernon - Oneida County
BOC Edwards Calumatic (Pharmaceutical Systems) Tonawanda - Erie County	Rome Specialty Company, Inc. Rome - Oneida County
Climax Manufacturing Co. Carthage - Jefferson County	Sentry Metal Blast, Inc. (dba Sentry Metal Services) Niagara Falls - Niagara County
Graphic Controls LP, A Tyco Int. LT Buffalo - Erie County	TMP Technologies, Inc. Buffalo - Erie County

<u>New York State Electric & Gas – Service Territory</u>	
American Pipe & Plastics, Inc. Binghamton - Broome County	International Paper - Geneva Container Geneva - Ontario County
Diversified Controls & Systems, Inc. East Aurora - Erie County	

4. Power for Jobs Extended Benefits Recommendations for Electricity Savings Reimbursements

<u>Con Edison – Service Territory</u>	
92nd Street YM-YWHA New York - New York County	New York Presbyterian Hospital New York - New York County
Charmer Industries, Inc. Astoria - Queens County	New York University New York - New York County
Edison Price Lighting, Inc. New York - New York County	S. R. Guggenheim Museum New York - New York County
Long Island Jewish Medical Center Manhasset - Nassau County	
<u>Niagara Mohawk – Service Territory</u>	
Amsterdam Printing & Litho Amsterdam - Montgomery County	Niagara Falls Medical Center Niagara Falls - Niagara County
Brodock Press, Inc. Utica - Oneida County	Oneida Healthcare Center Oneida - Madison County
Diemolding Corporation Canastota - Madison County	Queensboro Farm Products, Inc. – Canastota Canastota - Madison County
Edward John Noble Hospital Gouverneur - St. Lawrence County	Revere Copper Products Rome - Oneida County
Ford Motor Company Buffalo - Erie County	Robison & Smith, Inc. Gloversville - Fulton County
LB Furniture Industries, LLC Hudson - Columbia County	Snyder Industries, Inc. N. Tonawanda - Niagara County
Little Falls Hospital Little Falls - Herkimer County	Spancrete Northeast Inc. South Bethlehem - Albany County
Mohawk Paper Mills Cohoes - Albany County	Syracuse China Company Syracuse - Onondaga County
Nathan Littauer Hospital & Nursing Home Gloversville - Fulton County	Syracuse University Syracuse - Onondaga County
Natrium Products, Inc. Cortland - Cortland County	Welch Allyn Data Collection Inc. Skaneateles Falls - Onondaga County

<u>New York State Electric & Gas – Service Territory</u>	
Agri-Mark, Inc. Chateaugay - St. Lawrence County	Emerson Power Transmission, Corp. Ithaca - Tompkins County
Corning, Inc. - (Big Flats) Corning - Steuben County	Ever Fab, Inc. East Aurora - Erie County
Corning, Inc. (SCC & TDM) Corning - Steuben County	Merritt Plywood Machinery, Inc. Lockport - Niagara County
Corning, Inc. - (Southside) Corning - Steuben County	Soucy USA Champlain - Clinton County
Dynabrade, Inc. Clarence - Erie County	Ultralife Batteries, Inc. Newark - Wayne County

5. **Recommendation to Extend Existing Economic Development Power Contract**

<u>Long Island Power Authority – Service Territory</u>	
Barnes and Noble, Inc. Westbury – Nassau County	

6. **Energy Cost Savings Benefits Recommendations**

A. **Companies in Job Compliance**

<u>Long Island Power Authority – Service Territory</u>	
Barnes and Noble, Inc. Westbury – Nassau County	

B. **Companies Not in Job Compliance**

<u>Con Edison - Service Territory</u>	
Engelhard Corporation Peekskill – Westchester County	Engelhard Corporation Peekskill – Westchester County
<u>Niagara Mohawk - Service Territory</u>	
Native Textiles Glens Falls - Warren County	

7. **Transfers of Industrial Power**

<u>Niagara Mohawk – Service Territory</u>	
Diemolding Corporation Canastota – Madison County	New Venture Gear, Inc. East Syracuse – Onondaga County
Gray-Syracuse, Inc. Chittenango – Madison County	STS Duotek, Inc. Rush – Monroe County

Rochester Gas & Electric – Service Territory	
Medeva Pharmaceuticals Manufacturing Rochester – Monroe County	Spectronic Instruments Rochester – Monroe County

- 8. Other Business
- 9. Next Meeting

A regular meeting of the Economic Development Power Allocation Board was held via video conference at the following participating locations:

- 1) New York Power Authority, 30 South Pearl Street, Albany NY
- 2) New York Power Authority, 123 Main Street, White Plains, NY
- 3) Niagara Power Project, 5777 Lewiston Road, Lewiston, NY
- 4) Empire State Development Corp. 633 Third Avenue, NY

The following Members of the Board were present at the following locations:

Frank S. McCullough, Jr., Chairman (White Plains, NY)
James A. Duncan, Member (Lewiston, NY)
Bernard P. McGarry, Member (Albany, NY)
Kevin S. Corbett, Member (New York, NY)

Also in attendance were:

Louise M. Morman	Senior Vice President – Marketing, Economic Development & Supply Planning, NYPA
Thomas Warmath	Vice President and Chief Risk Officer, NYPA
Joseph J. Carline	Assistant General Counsel – Power & Transmission, NYPA
John B. Hamor	Executive Director – State Governmental Relations, NYPA
Niko Ladopoulos	Legislative Liaison – Public & Governmental Affairs, NYPA
James F. Pasquale	Director – Business Power Allocations, Regulation and Billing, NYPA
Anthony C. Savino	Manager – Business Power Allocations & Compliance, NYPA
Bonnie Fahey	Executive Administrative Assistant, NYPA
Mary Jean Frank	Associate Secretary, NYPA
Lynnette J. Taylor	Senior Legal Secretary, NYPA
Michael J. Santarcangelo	Director - Energy Policy, ESDC
Michael Marlette	Marlette National Companies

1. **Adoption of Minutes**

The minutes of the meeting of September 19, 2005, were unanimously adopted.

2. **Discussion of Power for Jobs Reconsideration Process Criteria**

Mr. Pasquale presented an overview of staff's recommendations to the EDPAB members. At its meeting of September 19, 2005, EDPAB recommended that Power for Jobs ("PFJ") recipients whose jobs are below contractually committed levels have their Extended PFJ Benefits (either in the form of an extended power contract or rebates) reduced proportionately. EDPAB will evaluate an Application for Reconsideration from any PFJ recipient whose benefits were so reduced based on the criteria listed below. The Application for Reconsideration will be in the form of a letter addressed to:

Frank S. McCullough, Jr.
Chairman
New York State Economic Development Power Allocation Board
c/o New York Power Authority
123 Main Street
White Plains, NY 10601
Attn: James F. Pasquale

If adopted, under the PFJ Allocation Reconsideration process, staff will:

- Create a short-form application for the recipient to complete based on the criteria described below.
- Send letters and the short-form application to all recipients deemed non-compliant that were approved for a contract extension with reduced allocations at the September and October 2005 EDPAB meeting. In the letters, recipients will:
 - Be instructed to complete the reinstatement application.
 - Have 30 days from the date of notification to submit their request.
 - Urged to sign the contract for the reduced allocation in order to get their allocation started and notified that a revised contract will be sent to them if their original allocation is fully reinstated.
 - Notified that any reinstated allocations will be prospective, not retroactive. Such reinstated allocations will take effect following EDPAB approval, execution of the revised contracts, and notification of the appropriate investor-owned utilities ("IOUs").
- Track all recipients notified of the reconsideration opportunity and all those that request reconsideration.
- Evaluate reconsideration requests from recipients and make recommendations to EDPAB based on whether they meet the reinstatement criteria.
- Notify recipients and send them the revised contracts if EDPAB approves the reinstatement.

- Present EDPAB with a list of recipients that did not meet the criteria for reinstatement and request concurrence.
- Send notification letters to those recipients that did not meet the criteria to let them know that their reduced allocation will remain in effect.

Going forward:

- Recipients deemed non-compliant will be contacted by staff before the EDPAB meeting and notified that staff will be recommending a reduced allocation to EDPAB.
- They will also be informed about the reconsideration process and told that they will receive an application for reconsideration.

Rebates

Staff will send non-compliant recipients that elected to receive rebates reconsideration worksheets before the initial rebate request is presented to EDPAB, in an effort to avoid the necessity for making numerous adjustments to the rebate calculations.

Reconsideration Criteria

1. Additional employees have been hired or have accepted an offer of employment in writing since the Recipient filed its application such that employment is now in compliance with its contractual job commitment (i.e., at least 90% of the commitment). Recipient must provide payroll evidence (or other evidence of accepted offers of employment) documenting the new employment totals.
2. The employment level at the recipient's facility on the basis of which the pro-rata reduction in benefits was calculated by EDPAB was affected by a temporary circumstance affecting the recipient's facilities, such as construction, fire, or flood.
3. The employment level at the recipient's facility on the basis of which the pro-rata reduction in benefits was calculated by EDPAB was affected by regional and global competition, significant changes in business models and/or workforce transformation, productivity improvements (whether or not due to capital investment), or a specific business revitalization plan.
4. The recipient is the largest real property taxpayer in the local taxing jurisdiction and/or serves as the largest single employer in its local municipality.

5. The recipient demonstrates that absent a full or partial restoration of Extended Benefits:
 - a) *For a business recipient*, it is at risk of relocating facilities or operations out of New York State or closing or curtailing facilities or operations in the State, resulting in the loss of jobs, or
 - b) *For a not-for profit corporation recipient*, it provides critical services or substantial benefits to the local community and is at significant risk of closing or curtailing its facilities or operations.

Mr. Corbett pointed out that the fifth criterion would be particularly tough for not-for-profits to demonstrate, and that he would appreciate it if staff would consult with Empire State Development Corporation staff about their experience with these organizations.

Chairman McCullough said that the Power Authority's Chief Operating Officer, Timothy Carey, had recently participated in a public hearing in Syracuse conducted by the Assembly Energy Committee. Mr. Carey had reported to him that some ideas about reconsideration criteria had been discussed at the hearing. Chairman McCullough asked staff to obtain a copy of the transcript of the hearing and develop a précis of the points raised that both staff and EDPAB could consider as they fine-tune the reconsideration policy/criteria.

In response to a question from Mr. Corbett, Mr. Pasquale said that the reduced allocation would be in effect for a period of 30 to 60 days before any reinstatement of the full allocation could be implemented. A discussion ensued about the fact that the reinstatement cannot be implemented retroactively, both because the 2005 legislation did not make provision for that and because the Authority's agreements with the IOUs do not allow for such retroactivity. Both Mr. Corbett and Chairman McCullough urged that staff inform PFJ recipients of the reasons why the reinstatements cannot be retroactive, at the same time they are urging them to sign the contracts for the reduce allocations and explaining the reconsideration process.

In response to a question from Mr. Corbett, Ms. Morman said that at this point it is not known how much capacity will be in the additional allocation. Chairman McCullough said that staff may be better able to answer that question next month.

Chairman McCullough asked staff to submit its précis of the relevant testimony from the Syracuse hearing to the EDPAB members before the November EDPAB meeting.

**3. Power for Jobs Extended Benefits
Recommendations for Contract Extensions**

The members of the Board considered the 32 applications for extended benefits recommendations for contract extensions for companies in job compliance and 17 applications for companies not in job compliance listed below for Power for Jobs. Mr. Pasquale explained that some 39,437 jobs would be impacted. See Exhibits “3-A1” and “3-A2.”

The following resolution was unanimously adopted by members of the Board present.

WHEREAS, the following entities have applied for extended benefits recommendations for contract extensions under the Power for Jobs program:

COMPANIES IN JOB COMPLIANCE

Con Edison – Service Territory:

Children's Museum of Manhattan
New York - New York County

Sound Shore Medical Center of Westchester
New Rochelle - Westchester County

Henry Street Settlement
New York – New York County

The Mount Vernon Hospital
Mount Vernon - Westchester County

Kinray, Inc.
Whitestone - Queens County

The Writers Room
New York - New York County

Milazzo Wholesale Meats
Brooklyn - Kings County

Town Hall Foundation
New York - New York

Long Island Power Authority – Service Territory

Maloya Laser Inc.
Commack - Suffolk County

Niagara Mohawk – Service Territory

3M
Tonawanda - Erie County

H.H. Dobbins Inc.
Lyndonville - Orleans County

Albany Institute of History & Art
Albany - Albany County

Isadore A. Rapasadi & Sons, Inc.
Canastota - Madison County

Anheuser-Busch
Baldwinsville - Onondaga County

Marquardt Switches, Inc.
Cazenovia - Madison County

Bernzomatic (Irwin Industrial Tool)
Medina - Orleans County

New Venture Gear, Inc. (Div. of Magna Powertrain)
East Syracuse - Onondaga County

Bestway Enterprises
Cortland - Cortland County

Pelco Electronic Corp (STK)
Cazenovia - Madison County

Burrows Paper Corp.
Little Falls - Herkimer County

Precious Plate, Inc.
Niagara Falls - Niagara County

Confer Plastics Inc.
North Tonawanda - Erie County

Saint-Gobain
Hoosick Falls - Rensselaer County

General Mills
Buffalo - Erie County

UltrePet, LLC
Albany - Albany County

New York State Electric & Gas

Kraft Foods – Campbell
Campbell - Steuben County

Miner Institute
Chazy - Clinton County

Morton International
Silver Springs - Wyoming County

Norampac Industries (AIM)
Lancaster - Erie County

Wilson Greatbatch LTD.
Clarence - Erie County

Rochester Gas & Electric – Service Territory

Frontier Corporation
Rochester - Monroe County

Strong Health-Highland Hospital
Rochester - Monroe Cnty

COMPANIES NOT IN JOB COMPLIANCE

Con Edison – Service Territory

Blue Ridge Farms Inc.
Brooklyn - Kings County

Long Island Power Authority – Service Territory

B.H. Aircraft Company, Inc.
Ronkonkoma - Suffolk County

Niagara Mohawk – Service Territory

Accumed Technologies, Inc.
Buffalo - Erie County

Airsep Corporation
Buffalo - Erie County

Atofina Chemicals, Inc. (Arkema Inc.)
Piffard - Livingston County

BOC Edwards Calumatic (Pharmaceutical Systems)
Tonawanda - Erie County

Climax Manufacturing Co.
Carthage - Jefferson County

Graphic Controls LP, A Tyco Int. LT
Buffalo - Erie County

Little Falls Hospital
Little Falls - Herkimer County

Metweld
Altamont - Albany County

Oneida Container Co., Inc.
Vernon - Oneida County

Rome Specialty Company, Inc.
Rome - Oneida County

Sentry Metal Blast, Inc. (dba Sentry Metal Services)
Niagara Falls - Niagara County

TMP Technologies, Inc.
Buffalo - Erie County

New York State Electric & Gas

American Pipe & Plastics, Inc.
Binghamton - Broome County

Diversified Controls & Systems, Inc.
East Aurora - Erie County

International Paper - Geneva Container
Geneva - Ontario County

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the Power for Jobs legislation contained in Chapter 316 of the Laws of 1997; Chapter 386 of the Laws of 1998; Chapter 63 of the Laws of 2000; Chapter 226 of the Laws of 2002; Chapter 59 of the Laws of 2004; and Chapter 313 of the Laws of 2005, would advance the public policy set forth in Section 189(i) of the Economic Development Law to provide effective incentives to promote economic development, maintain and develop jobs, and encourage new capital investment throughout New York State; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 49 applications for extended benefits recommendations for contract extensions discussed herein totaling 82,040 kW until December 31, 2006.

Economic Development Power Allocation Board
Power for Jobs Extended Benefits
Recommendations for Contract Extensions
Companies in Job Compliance

Exhibit "3-A1"
 October 18, 2005

Line	Company	City	County	IOU	KW	Prior Job Committed	Jobs in Application 2005	Over (under)	% Over (under)	Compliance	Recommended Allocation		Type	Service
											KW	Jobs/MW		
1	Children's Museum of Manhattan	New York	New York	Con Ed	110	92	85	-7	-8%	Yes	110	773	NFP	Museum
2	Henry Street Settlement	New York	New York	Con Ed	300	688	688	0	0%	Yes	300	2,293	NFP	Social Services
3	Kinray, Inc.	Whitestone	Queens	Con Ed	450	420	452	32	8%	Yes	450	1,004	Large	Wholesaler and distributor of pharmaceuticals
4	Milazzo Wholesale Meats	Brooklyn	Kings	Con Ed	75	26	32	6	23%	Yes	75	427	Small	Distributor of wholesale meats
5	Sound Shore Medical Center of Westchester	New Rochelle	Westchester	Con Ed	1,000	1,322	1,312	-10	-1%	Yes	1,000	1,312	NFP	Medical Services
6	The Mount Vernon Hospital	Mount Vernon	Westchester	Con Ed	600	687	687	0	0%	Yes	600	1,145	NFP	Community Healthcare Center & Hospital
7	The Writers Room	New York	New York	Con Ed	15	3	6	3	100%	Yes	15	400	NFP	Providing writers work space
8	Town Hall Foundation	New York	New York	Con Ed	70	17	24	7	41%	Yes	70	343	NFP	Provides educational programs
	Con Ed		Subtotal	8	2,620	3,255	3,286				2,620	1,254		
9	Maloya Laser Inc.	Commack	Suffolk	LIPA	75	19	22	3	16%	Yes	75	293	Small	Metal cutting and shaping
	LIPA		Subtotal	1	75	19	22				75	293		
10	3M	Tonawanda	Erie	NIMO	2,000	393	396	3	1%	Yes	2,000	198	Large	Cellulose sponges
11	Albany Institute of History & Art	Albany	Albany	NIMO	150	26	26	0	0%	Yes	150	173	NFP	Museum
12	Anheuser-Busch	Baldwinsville	Onondaga	NIMO	5,000	808	813	5	1%	Yes	5,000	163	Large	Produces and bottles beer
13	Berzomatic (Irwin Industrial Tool)	Medina	Orleans	NIMO	400	262	261	-1	0%	Yes	400	653	Large	Produces Industrial products
14	Bestway Enterprises	Cortland	Cortland	NIMO	75	55	63	8	15%	Yes	75	840	Small	Lumber Products
15	Burrows Paper Corp.	Little Falls	Herkimer	NIMO	1,000	161	205	44	27%	Yes	1,000	205	Large	Produces light weight specialty paper
16	Confer Plastics Inc.	North Tonawanda	Erie	NIMO	600	92	118	26	28%	Yes	600	197	Large	Manufactures pool ladders & accessories
17	General Mills	Buffalo	Erie	NIMO	1,000	115	109	-6	-5%	Yes	1,000	109	Large	Manufacturer of flour, millfeed products
18	H.H. Dobbins Inc.	Lyndonville	Orleans	NIMO	250	52	59	7	13%	Yes	250	236	Small	Storage of Fresh produce
19	Isadore A. Rapasadi & Sons, Inc.	Canastota	Niagara	NIMO	75	51	47	-4	-8%	Yes	75	627	Small	Agricultural buyer, re-packer & shipper
20	Marquardt Switches, Inc.	Cazenovia	Madison	NIMO	200	252	255	3	1%	Yes	200	1,275	Small	Electrical switches
21	New Venture Gear, Inc. (Div. of Magna	East Syracuse	Onondaga	NIMO	5,000	3,500	3,239	-261	-7%	Yes	5,000	648	Large	Manufacturers automotive drive axles
22	Pelco Electronic Corp (STK)	Cazenovia	Madison	NIMO	100	50	47	-3	-6%	Yes	100	470	Small	Electronic Components
23	Precious Plate, Inc.	Niagara Falls	Niagara	NIMO	235	78	101	23	29%	Yes	235	430	Small	Aerosol Spray Valves
24	Saint-Gobain	Hoosick Falls	Rensselaer	NIMO	225	193	184	-9	-5%	Yes	225	818	Small	Manufacturers pressure sensitive adhesive tapes
25	UltrePet, LLC	Albany	Albany	NIMO	600	61	62	1	2%	Yes	600	103	Large	Reclaimer of post consumer soda bottles
	NIMO		Subtotal	16	16,910	6,149	5,985				16,910	354		
26	Kraft Foods - Campbell	Campbell	Steuben	NYSEG	2,000	382	382	0	0%	Yes	2,000	191	Large	Food processor
27	Miner Institute	Chazy	Clinton	NYSEG	150	37	43	6	16%	Yes	150	287	Small	Educational/agricultural
28	Morton International	Silver Springs	Wyoming	NYSEG	1,000	176	167	-9	-5%	Yes	1,000	167	Large	Produces salt products
29	Norampac Ind. (AIM)	Lancaster	Erie	NYSEG	200	86	172	86	100%	Yes	200	860	Small	Maker of boxes
30	Wilson Greatbatch LTD.	Clarence	Erie	NYSEG	1,200	559	671	112	20%	Yes	1,200	559	Large	Manufactures batteries
	NYSEG		Subtotal	5	4,550	1,240	1,435				4,550	315		
31	Frontier Corporation	Rochester	Monroe	RGE	2,600	2300	3000	700	30%	Yes	2,600	1,154	Large	Leading provider of telecommunications service
32	Strong Health-Highland Hospital	Rochester	Monroe	RGE	450	1250	1745	495	40%	Yes	450	3,877	NFP	Hospital Services
	RGE		Subtotal	2	51,360	24,876	26,201	1,325			51,360	510		

Total	32	75,515	35,539	36,929
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75,515	489
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Economic Development Power Allocation Board

Power for Jobs Extended Benefits

Recommendations for Contract Extensions

Companies Not in Job Compliance

Line	Company	City	County	IOU	Original	Prior	Jobs in	Over (under)	% Over (under)	KW	Recommended	Jobs/MW	Type	Service	
					KW	Job Committed	Application 2005			Reduction	Allocation				
1	Blue Ridge Farms Inc.	Brooklyn	Kings	Con Ed	1,000	602	496	-106	-18%	-176	800	620	Large	Food Manufacturing	
	Con Edison		Subtotal	1	1,000	602	496			-176	800	620			
2	B.H. Aircraft Company, Inc	Ronkonkoma	Suffolk	LIPA	525	107	76	-31	-29%	-152	400	190	Large	Produces noise suppression hardware	
	LIPA		Subtotal	1	525	107	76			-152	400	190			
3	Accumed Technologies, Inc.	Buffalo	Erie	NIMO	125	224	163	-61	-27%	-34	100	1,630	Small	Supplier of contract welding textile	
4	Airsep Corporation	Buffalo	Erie	NIMO	775	354	295	-59	-17%	-129	650	454	Large	Manufactures medical equipment	
5	Atofina Chemicals, Inc. (Arkema)	Piffard	Livingston	NIMO	1,000	118	102	-16	-14%	-136	850	120	Large	Chemical manufacturing plant	
6	BOC Edwards Calumatic (Pharmaceutical Systems)	Tonawanda	Erie	NIMO	350	197	154	-43	-22%	-76	300	513	Small	Semiconductors and related devices	
7	Climax Manufacturing Co.	Carthage	Jefferson	NIMO	1,500	339	289	-50	-15%	-221	1,300	222	Large	Paperboard mills	
8	Graphic Controls LP, A Tyco Int. LT	Buffalo	Erie	NIMO	600	300	264	-36	-12%	-72	550	480	Large	Designs, Manufacturers medical recording charts	
9	Little Falls Hospital	Little Falls	Herkimer	NIMO	200	343	278	-65	-19%	-38	150	1,853	NFP	Hospital Services	
10	Metweld	Altamont	Albany	NIMO	200	121	71	-50	-41%	-83	100	710	Small	Industrial equipment	
11	Oneida Container Co., Inc.	Vernon	Oneida	NIMO	200	123	94	-29	-24%	-47	150	627	Small	Manufacturers corrugated packaging and displays	
12	Rome Specialty Company, Inc.	Rome	Oneida	NIMO	135	21	18	-3	-14%	-19	100	180	Small	Manufacturer of fishing tackle	
13	Sentry Metal Blast, Inc. (dba Sentry Metal Services)	Niagara Falls	Niagara	NIMO	250	41	23	-18	-44%	-110	150	153	Small	Metal blasting and industrial coating	
14	TMP Technologies, Inc.	Buffalo	Erie	NIMO	250	89	47	-42	-47%	-118	150	313	Small	Maker of foam, rubber, plastic products	
	NIMO		Subtotal	12	5,585	2,270	1,798			-1,083	4,550	395			
15	American Pipe & Plastics, Inc.	Binghamton	Broome	NYSEG	500	65	50	-15	-23%	-115	400	125	Large	Manufacturing of Polyvinyl Chloride (PVC) pipe	
16	Diversified Controls & Systems,	East Aurora	Erie	NYSEG	25	14	12	-2	-14%	-4	25	480	Small	Customized electrical & pneumatic controls	
17	International Paper - Geneva Container	Geneva	Ontario	NYSEG	500	105	76	-29	-28%	-138	350	217	Large	Manufacturer of corrugated containers and boxes	
	NYSEG		Subtotal	3	1,025	184	138			-257	775	178			
				Total	17	8,135	3,163	2,508			-1,669	6,525	384		

**4. Power for Jobs Extended Benefits
Recommendations for Electricity Savings Reimbursements**

The members of the Board considered the 37 applications for extended benefits recommendations for electricity savings reimbursements listed below for Power for Jobs. Mr. Pasquale explained that some 41,646 jobs would be impacted. See Exhibit “4-A.”

The following resolution was unanimously adopted by members of the Board present, with the exception of Edison Price, which was deferred to a later date.

WHEREAS, the following entities have applied for extended benefits recommendations for electricity savings reimbursements under the Power for Jobs program:

Con Edison – Service Territory

92nd Street YM-YWHA
New York - New York County

New York Presbyterian Hospital
New York - New York County

Charmer Industries, Inc.
Astoria - Queens County

New York University
New York - New York County

Edison Price Lighting, Inc.
New York - New York County

S. R. Guggenheim Museum
New York - New York County

Long Island Jewish Medical Center
Manhasset - Nassau County

Niagara Mohawk – Service Territory

Amsterdam Printing & Litho
Amsterdam - Montgomery County

Niagara Falls Medical Center
Niagara Falls - Niagara County

Brodock Press, Inc.
Utica - Oneida County

Oneida Healthcare Center
Oneida - Madison County

Diemolding Corporation
Canastota - Madison County

Queensboro Farm Products, Inc. – Canastota
Canastota - Madison County

Edward John Noble Hospital
Gouverneur - St. Lawrence County

Revere Copper Products
Rome - Oneida County

Ford Motor Company
Buffalo - Erie County

Robison & Smith, Inc.
Gloversville - Fulton County

LB Furniture Industries, LLC
Hudson - Columbia County

Snyder Industries, Inc.
N. Tonawanda - Niagara County

Little Falls Hospital
Little Falls - Herkimer County

Spancrete Northeast Inc.
South Bethlehem - Albany County

Mohawk Paper Mills
Cohoes - Albany County

Syracuse China Company
Syracuse - Onondaga County

Nathan Littauer Hospital & Nursing Home
Gloversville - Fulton County

Syracuse University
Syracuse - Onondaga County

Natrium Products, Inc.
Cortland - Cortland County

Welch Allyn Data Collection Inc.
Skaneateles Falls - Onondaga County

New York State Electric & Gas

Agri-Mark, Inc.
Chateaugay - St. Lawrence County

Emerson Power Transmission, Corp.
Ithaca - Tompkins County

Corning, Inc.- (Big Flats)
Corning - Steuben County

Ever Fab, Inc.
East Aurora - Erie County

Corning, Inc. (SCC & TDM)
Corning - Steuben County

Merritt Plywood Machinery, Inc.
Lockport - Niagara County

Corning, Inc.- (Southside)
Corning - Steuben County

Soucy USA
Champlain - Clinton County

Dynabrade, Inc.
Clarence - Erie County

Ultralife Batteries, Inc.
Newark - Wayne County

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the extended benefits provisions of the Power for Jobs legislation contained in Article 6 of the Economic Development Law as amended by Chapter 313 of the Laws of 2005; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the 37 applications for extended benefits recommendations for electricity savings reimbursements discussed herein totaling 35,914 kW until December 31, 2006.

Economic Development Power Allocation Board
 Power for Jobs Extended Benefits
 Recommendations for Electricity Savings Reimbursements

Exhibit "4-A"
 October 18, 2005

Line	Company	City	County	IOU	KW	Jobs in	Jobs/MW	Type	Service
						Application			
1	92nd Street YM-YWHA	New York	New York	CONED	200	516	2,580	NFP	Community/cultural center
2	Charmer Industries, Inc.	Astoria	Queens	CONED	750	732	976	Large	Distributors of wines and spirits
3	Edison Price Lighting, Inc.	New York	New York	CONED	400	160	400	Large	Manufacturer and sales of lighting fixtures
4	Long Island Jewish Medical Center	Manhasset	Nassau	CONED	2,000	6,143	3,072	NFP	Healthcare Center
5	New York Presbyterian Hospital	New York	New York	CONED	5,000	6,958	1,392	NFP	Medical care
6	New York University	New York	New York	CONED	1,700	9,817	5,775	NFP	Institution of Higher Education
7	S. R. Guggenheim Museum	New York	New York	CONED	475	356	749	NFP	Art Museum
	Con Ed		Subtotal	7	10,525	24,682	2,345		
8	Amsterdam Printing & Litho	Amsterdam	Montgomery	NIMO	500	976	1,951	Large	Personalized imprinting technology
9	Brodock Press, Inc.	Utica	Oneida	NIMO	400	110	275	Large	Commercial Printing
10	Diemolding Corporation	Canastota	Madison	NIMO	200	305	1,525	Small	Thermoset plastic forming
11	Edward John Noble Hospital	Gouverneur	Lawrence	NIMO	100	252	2,520	NFP	Healthcare center
12	Ford Motor Company	Buffalo	Erie	NIMO	5,000	1,706	341	Large	Automotive components stamping
13	LB Furniture Industries, LLC	Hudson	Columbia	NIMO	500	237	474	Large	Mfr of restaurant seating
14	Little Falls Hospital	Little Falls	Herkimer	NIMO	200	343	1,717	NFP	Hospital
15	Mohawk Paper Mills	Cohoes	Albany	NIMO	2,250	389	173	Large	Manufacturer of text and cover papers
16	Nathan Littauer Hospital & Nursing Home	Gloversville	Fulton	NIMO	400	662	1,655	NFP	Hospital and Nursing Home
17	Natrium Products, Inc.	Cortland	Cortland	NIMO	90	20	222	Small	Manufacturer of sodium bicarbonate
18	Niagara Falls Medical Center	Niagara Falls	Niagara	NIMO	500	873	1,746	NFP	Medical Center
19	Oneida Healthcare Center	Oneida	Madison	NIMO	400	737	1,843	NFP	General Hospital
20	Queensboro Farm Products, Inc. - Canastota	Canastota	Madison	NIMO	500	79	158	Large	Milk manufacturing
21	Revere Copper Products	Rome	Oneida	NIMO	2,000	452	226	Large	Copper & brass products
22	Robison & Smith, Inc.	Gloversville	Fulton	NIMO	384	176	458	Small	Linen & Laundry Supply
23	Snyder Industries, Inc.	N. Tonawanda	Niagara	NIMO	350	94	269	Small	Machinery
24	Spancrete Northeast Inc.	Bethlehem	Albany	NIMO	350	113	323	Small	Precast products and installation
25	Syracuse China Company	Syracuse	Onondaga	NIMO	500	434	868	Large	Manufactures restaurant china
26	Syracuse University	Syracuse	Onondaga	NIMO	2,000	4,360	2,180	NFP	Institution of Higher Education
27	Welch Allyn Data Collection Inc.	Skaneateles	Onondaga	NIMO	2,000	2,294	1,147	Large	Medical and dental equipment manufacturer
	NIMO		Subtotal	20	18,624	14,612	785		
28	Agri-Mark, Inc	Chateaugay	St. Lawrence	NYSEG	500	106	212	Large	Cheese Manufacturer
29	Corning, Inc.- (Big Flats)	Corning	Steuben	NYSEG	500	143	286	Large	Manufacturer of optical fiber, glass and ceramic products
30	Corning, Inc. (SCC & TDM)	Corning	Steuben	NYSEG	500	161	322	Large	Manufacturer of optical fiber, glass and ceramic products
31	Corning, Inc.- (Southside)	Corning	Steuben	NYSEG	1,500	647	431	Large	Manufacturer of optical fiber, glass and ceramic products
32	Dynabrade, Inc.	Clarence	Erie	NYSEG	300	138	460	Small	Design and manufacture of power abrasive tools
33	Emerson Power Transmission, Corp.	Ithaca	Tompkins	NYSEG	1,400	427	305	Large	Power transmission
34	Ever Fab, Inc.	East Aurora	Erie	NYSEG	150	60	400	Small	Manufacturers precision components
35	Merritt Plywood Machinery, Inc.	Lockport	Niagara	NYSEG	75	19	253	Small	Makes machinery for hardwood
36	Soucy USA	Champlain	Clinton	NYSEG	400	183	458	Large	Storage & Warehouse facility
37	Ultralife Batteries, Inc.	Newark	Wayne	NYSEG	1,440	468	325	Large	Manufacturers batteries
	NYSEG		Subtotal	10	6,765	2,352	348		

Total	37	35,914	41,646	1,160
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5. Recommendations to Extend Existing Economic Development Power Contracts

SUMMARY

The members of the Economic Development Power Allocation Board (Power Allocation Board) are requested to recommend approval of an extension to the term of service to December 31, 2006 for one existing Economic Development Power Program (“EDP Program”) customer, as listed in Exhibit “5-A.”

BACKGROUND

The New York Power Authority sells electricity to businesses under several state-authorized economic development programs. These power sales are made through the EDP Program, High Load Factor Manufacturer program, Municipal Distribution Agency Industrial Power program and other power sales programs. The capacity and energy for these sales are provided by market purchases and supported by other Authority sources as needed. In some instances, these customers are served directly by the Authority and in other cases, the customers receive Authority power through resale arrangements with municipal distribution agencies or investor-owned utilities. Contracts range in length from 5 to more than 20 years.

DISCUSSION

Chapter 313 of the Laws of 2005 was signed into law by Governor George E. Pataki on July 26, 2005. The new law allows certain Authority power program customers who would be exposed to price increases before December 31, 2006 to apply for an Energy Cost Savings Benefit. Under the new law, businesses eligible to receive Energy Cost Savings Benefits are limited to Authority customers currently supplied power under the Economic Development Power, Municipal Distribution Agency and High Load Factor programs. The Energy Cost Savings Benefit will be available for the period November 1, 2005 through December 31, 2006.

The customer mentioned above has an allocation contract, previously recommended by the Power Allocation Board and approved by the Power Authority Trustees, which expires prior to December 31, 2006. We are requesting the Power Allocation Board to recommend that Trustees extend this agreement until December 31, 2006 so that the customer may receive the benefits associated with the recently passed law. The extension will help maintain costs and enable this customer to compete more effectively. In addition, it will further secure employment levels in New York State.

RECOMMENDATION

It is requested that the Power Allocation Board recommend extension to the term of service to December 31, 2006 for the one (1) existing economic development power program customer, as listed in Exhibit “5-A.”

Following consideration of such applications, the Members of the Board present voted unanimously to extend the contracts.

WHEREAS, one customer has applied for an extension to its existing Economic Development Power contract;

NOW THEREFORE BE IT RESOLVED That the Board hereby finds and determines that such application meets the requirements of Section 184 of the Economic Development Law; and be it further

RESOLVED, That the Board hereby recommends to the Power Authority of the State of New York the total allocation of 1,100 kW to extend the existing contract of the business listed on Exhibit “5-A” to December 31, 2006, and that the terms set forth on such Exhibit be incorporated into the Power Authority’s contract for Economic Development Power.

**Economic Development Power Allocation Board
Request to Extend Contracts Until December 31, 2006**

Exhibit "5-A"
October 18, 2005

<u>Line</u>	<u>Company</u>	<u>City</u>	<u>County</u>	<u>Program</u>	<u>IOU</u>	<u>Current Allocation Contract End Date</u>	<u>kW Allocation</u>	<u>Service</u>
1	Barnes and Noble, Inc.	Westbury	Nassau	EDP	LIPA	10/31/2005	1,100	Back office center for nationwide retail bookstores

6. Economic Development Programs - Energy Cost Savings Benefits Recommendations

SUMMARY

The Members of the Economic Development Power Allocation Board (Power Allocation Board) are requested to recommend approval of Energy Cost Savings Benefits for four companies as listed in Exhibits "6-A1" and "6-A2."

BACKGROUND

Chapter 313 of the Laws of 2005 was signed into law by Governor George E. Pataki on July 26, 2005. The new law allows certain New York Power Authority power program customers who would be exposed to bill increases as a result of higher market prices before December 31, 2006 to apply for an Energy Cost Savings Benefit. Under the new law, businesses eligible to receive Energy Cost Savings Benefits are limited to Authority customers currently being supplied power under the Economic Development Power, Municipal Distribution Agency and High Load Factor programs.

The Energy Cost Savings Benefit will be available for the period November 1, 2005 through December 31, 2006. Each application will be evaluated under criteria adopted by the Power Allocation Board in consultation with the Power Authority. The new law states that such criteria shall include:

- overall economic impact of the company in terms of jobs created or retained, payroll, capital investment and the use of in-state suppliers;
- the likelihood that absent approval a company would close, contract or relocate outside of New York State;
- the company's compliance with prior contractual commitments to retain and/or create jobs and
- the extent to which a benefit would affect the overall productivity or competitiveness of the company and its existing in-State employment.

The Power Allocation Board can recommend a partial or complete withdrawal of the Energy Cost Savings Benefit if the company fails to maintain mutually agreed-upon commitments including jobs, capital investment and power utilization.

The legislation also authorizes the sale of Authority power into the wholesale market with net earnings from such sales (and other funds deemed feasible and advisable by the Trustees) to be used for the Energy Cost Savings Benefits. Power available to fund Energy Cost Savings Benefits includes:

- up to 70 MW of unallocated replacement power;
- up to 38.6 MW of preservation power relinquished or withdrawn after the effective date of the new legislation and
- up to 20 MW of power from the St. Lawrence/FDR project for the period ending December 31, 2006.

DISCUSSION

The four organizations listed in Exhibits "6-A1" and "6-A2" have agreed to retain more than 940 jobs in New York State in exchange for these benefits. The companies will be eligible to receive these benefits until December 31, 2006.

FISCAL INFORMATION

Funding of Energy Cost Savings Benefits for the companies listed in Exhibits "6-A1" and "6-A2" is not expected to exceed \$7,500,000.

RECOMMENDATION

The Power Allocation Board is requested to recommend that the Authority's Trustees approve Energy Cost Savings Benefits to the four businesses listed in Exhibits "6-A1" and "6-A2."

Following consideration of such applications, the Members of the Board present voted unanimously to adopt the following resolution:

NOW THEREFORE BE IT RESOLVED, That the Board hereby finds and determines that such applications meet the requirements of the energy cost savings benefits under the Power for Jobs legislation contained in Article 6 of the Economic Development Law as amended by Chapter 313 of the Laws of 2005; and be it further

RESOLVED, That the Board recommends to the Power Authority of the State of New York the four applications for energy cost savings benefits discussed herein totaling 4,175 kW until December 31, 2006.

Economic Development Power Allocation Board
 Energy Cost Savings Benefits
 Companies in Job Compliance

Exhibit "6-A1"
 October 18, 2005

Sorting Line	Company	City	County	Program	IOU	kW Allocation	Prior Job Commitments	Current Jobs in Application	Over/Under	Percentage Over/Under	Jobs/MW	Service
1	Barnes and Noble, Inc.	Westbury	Nassau	EDP	LIPA	1,100	300	288	(12)	-4%	317	Back office center for nationwide retail bookstores

Economic Development Power Allocation Board
 Energy Cost Savings Benefits
 Companies Not Job Compliance

Exhibit "6-A2"
 October 18, 2005

Sorting Line	Company	City	County	Program	IOU	kW Allocation	Prior Job Commitments	Current Jobs in Application	Over/ Under	Percentage Over/Under	Compliance	KW Reduction	Recomm. Allocation KW	Jobs/MW	Service
1	Engelhard Corporation	Peekskill	Westchester	MDA	CONED	1,700	405	292	(113)	-28%	No	-474	1,225	358	Produces specialized pigments and film
2	Engelhard Corporation	Peekskill	Westchester	MDA	CONED	1,300	380	292	(88)	-23%	No	-301	1,000	292	Produces specialized pigments and film
3	Native Textiles	Glens Falls	Warren	EDP	NIMO	1,200	100	71	(29)	-29%	No	-348	850	60	Tricot textile mfr.
Total						4,200	885	655	(230)			-1,123	3,075	213	

7. Transfers of Industrial Power

SUMMARY

The members of the Economic Development Power Allocation Board (“EDPAB”) are requested to recommend approval of the changes to the companies as detailed below.

BACKGROUND

EDPAB is requested to approve the transfer of power allocations for six existing customers that have changed names and/or locations for various business reasons. EDPAB has approved transfers of this nature at past meetings.

DISCUSSION

The proposed transferees are as follows:

Diemolding Corporation manufactures components for the automobile industry using thermoset materials with compression, transfer and injection process technologies. The company was approved for an Economic Development Power (“EDP”) allocation of 800 kW for 186 jobs at its Canastota plant by the Trustees at their May 23, 1995 meeting. Diemolding wishes to transfer the allocation from the Canastota plant to its other facility in Wampsville in order to take advantage of more efficient processing equipment at that facility. The two plants are two miles apart and are served by the same utility. The company is in job compliance and will continue to employ the same labor force and manufacture the same products. Diemolding will honor the employment commitments and all other terms and conditions of its contract.

Gray-Syracuse, Inc. is a manufacturer of precision components for the aerospace, gas turbine, micro-turbine, and other industrial market segments. The company has a facility in Chittenango. At their October 27, 1998 meeting, the Trustees approved Gray-Syracuse for a 1,250 kW Power for Jobs (“PFJ”) allocation in return for 395 jobs. The company changed its name to **ESCO Turbine Technologies – Syracuse**. There was no financial transaction nor asset acquisition; rather the company changed the legal entity name in order to be more in line with corporate branding strategy. All aspects of the facility’s operations remain the same. ESCO Turbine Technologies is in job compliance and was approved for a PFJ extended benefits contract extension at the September 20, 2005 Trustees meeting. The company will honor all contract terms and conditions, including job commitments.

Medeva Pharmaceuticals Manufacturing, a pharmaceutical manufacturer in Rochester, was approved for a 2,000 kW PFJ allocation in return for 475 jobs at the April 28, 1998 Trustees meeting. The company’s parent, Celltech Group PLC, was acquired in 2004 by UCB SA, a Belgian company. The company subsequently changed the name of the manufacturing operations in Rochester to **UCB Manufacturing Inc. UCB Manufacturing Inc.** continues to manufacture pharmaceutical products at the same facility. At their September 20, 2005 meeting, the Trustees approved the company for a PFJ extended benefits contract extension with a reduced allocation of 1,600 kW and a reduced job commitment of 380. The company will honor all extended benefits contract terms and conditions, including job commitments.

New Venture Gear, Inc. is a large manufacturer of parts for the automotive industry with a facility in East Syracuse. The company was approved for a 5,000 kW allocation of PFJ power in return for 3,200 jobs at the December 16, 1997 Trustees meeting. The New Venture Gear plant merged with Magna International and formed **New Process Gear Inc.**, a division of Magna Powertrain. The merger took effect September 29, 2004 with the new company 80% owned by Magna International and 20% by DaimlerChrysler. **New Process Gear Inc.** continues to produce the same types of products at the East Syracuse facility and is in job compliance. The company agrees to honor all contract terms and conditions, including job commitments.

Spectronic Instruments produces diffraction gratings and manufactured scientific instruments and optical components in Rochester as a wholly owned subsidiary of Thermo Electron. The company was approved for an 800 kW PFJ allocation in return for 178 jobs at the March 31, 1998 Trustees meeting. Thermo Electron subsequently

moved the scientific instruments operation to Wisconsin, including the jobs associated with that part of the business. In July 2004, the company sold the remaining Rochester operations to Newport Corporation of Irvine, CA, in an asset-and-liability transfer. Newport subsequently changed the name to **Newport Rochester Inc.** The new company currently maintains 42 jobs in Rochester and continues to provide the same products and services. Because it is below its job commitment, the company's PFJ extended benefits will be reduced accordingly at the time of Trustees approval.

STS Duotek, Inc. is a contract assembler, sterilizer, packager and testing laboratory for the medical device and pharmaceutical industries. The company has a facility in Rush that was approved for a 175 kW PFJ allocation in return for 55 jobs at the April 27, 1999 Trustees meeting. The company was acquired by **Ethox Corporation** of Buffalo in an asset-and-liability purchase in February 2005. Ethox will maintain the current employment level and continue to provide the same products and services; operations at the facility remain the same. The company will honor all contract terms and conditions, including job commitments.

RECOMMENDATION

The Power Allocation Board is requested to approve the name and or/location changes detailed above.

RESOLVED, That the members of the Economic Development Power Allocation Board hereby approve job commitments revisions to six companies, a name change, and allocation modifications to two companies as described in the above memorandum to the Board.

8. **Other Business**

Mr. Duncan thanked Chairman McCullough, Mr. Corbett, Mr. McGarry and especially staff for working so hard to develop fair reconsideration criteria and a process for evaluating them. He said that he thinks the effort and result send the correct message and complimented Chairman McCullough on his leadership in accomplishing this in such a short period of time. Mr. Corbett seconded this sentiment and said that he also appreciated the effort by staff and Chairman McCullough's leadership on this important initiative.

9. **Next Meeting**

The next meeting of the Board is to be determined.

10-05MINS