

**BOARD OF PUBLIC UTILITIES**—Proceedings by Authority

State of New York:

Office of the Board:

City of Jamestown:

Regular meeting of the Board of Public Utilities, City of Jamestown, New York, held **Monday, January 23, 2017 at 4:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

<b>BOARD MEMBERS:</b>	<b>Present</b>	<b>Absent</b>
Tyler Case	X	
Chuck Cornell	X	
Terrance Horner	X	
Maria Jones		X
Jeffrey A. Lehman, PE	X	
Gregory Rabb		X
Mayor Samuel Teresi	X	
Ralph Wallace	X	
Martha Zenns	X	
<b>STAFF:</b>		
General Manager, David L. Leathers	X	
Deputy General Manager, Michael Saar, PE	X	
Finance & Customer Accts. Mgr., Kelly Hawkins	X	
Counsel, William Wright	X	
Sec. to the Board, Tammy J. Anderson	X	
Comm. Coordinator, Rebecca Robbins	X	
Electric & Gas Resource Mgr., Dave Gustafson	X	
Transmission & Distribution Mgr., Chris Rodgers	X	

**OTHER STAFF:**

Information Technology Manager, Frank Galeazzo

The media was notified of this meeting and was represented by Dennis Phillips, The Post Journal.

Mayor Teresi opened the meeting by requesting nominations for the position of Board Chairperson. Mr. Horner nominated Chuck Cornell to again serve as Chairman of the Board. Mr. Lehman seconded this nomination. Board members were unanimously in favor of re-electing Chuck Cornell as BPU Board Chairman for 2017.

Chairman Cornell thanked the Board members and proceeded to announce the 2017 Board Member committee assignments. The BPU Board Strategic Planning Committee is comprised of Martha Zenns as Chairwoman, Terry Horner, and Chuck Cornell; BPU Board Personnel Committee is comprised of Tyler Case as Chairman, Greg Rabb, and Ralph Wallace;

and BPU Board Finance & Capital Projects Committee is comprised of Maria Jones as Chairwoman, Jeff Lehman, and Sam Teresi.

On motion of Ms. Zenns, seconded by Mr. Case, the minutes of the previous meeting were approved.

**#170101 By Mr. Lehman:**

Whereas, the Board has been provided with proposed written resolutions prior to this meeting and,

Whereas, each Board Member has been given adequate opportunity to discuss each resolution,

Now, Therefore, Be It

Resolved, that proposed resolutions **#170101A-G** be, and hereby are approved as written.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170101A:**

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **January 23, 2017** as follows:

ELECTRIC LIGHT FUND	1,961,895.37
WATER RENT FUND	302,092.17
DISTRICT HEATING FUND	89,031.60
WASTEWATER OPERATING FUND	270,045.55
SOLID WASTE OPERATING FUND	100,599.95
Total	<b>\$ 2,723,664.64</b>

itemized copies of such audits to be placed on file in the office of this Board; and be it further

Resolved, that the action of the executive officers of this Board in drawing warrants on the General Fund in **December 2016** to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 48	198,467.57
Weekly Payroll No. 49	198,798.92
Weekly Payroll No. 50	194,157.45
Weekly Payroll No. 51	188,210.40
Weekly Payroll No. 52	198,202.72
NYS Retirement Systems	1,329,650.00

Longevity Payroll	39,912.92
EnergyMark LLC	62,325.00
Long Island Enterprises	10,250.00
National Grid – Transmission Costs	226,867.52
Essex Specialty Products	53,377.88
NYPA Purchases	467,472.46
Reliability Svcs./Colfax Fluid Handling	39,850.00
Sage Payment Solutions	5,398.19
United States Post Office - Rome	10,360.11
Invoice Cloud (paperless billing)	310.50
Direct Energy Business Marketing	7,125.00
Crown Energy Services	1,710.00
Martin Tatoian	600.00
NYS Sales Tax	20,050.00
Visa – Corporate Payment Systems	14,573.93
Wellness Payroll	24,166.66
Wellness Payroll #2	296.04
Key Bank	3,412.46
Total	<b>\$ 3,295,545.73</b>

**#170101B:**

Resolved, That a warrant drawn on the Electric Light Fund to Depository Trust Co., New York, New York, to pay \$50,625 for six months interest at 4.125 per centum per annum due February 1, 2017 on \$2,500,000 Serial Electric Bonds is hereby approved.

Discussion: This is from 2005 for both the original/base CFB Project permitting, planning, engineering costs and also for various infrastructure improvements. Final payment is scheduled to be made in August 2025.

**#170101C:**

Resolved, That a warrant be drawn on the District Heating Fund to Depository Trust Co., New York, New York for \$51,306.25 to pay principal of \$40,000 and \$11,306.25 for six months interest at 4.0 per centum per annum due February 15, 2017 on \$530,000 Serial District Chilling Bonds is hereby approved.

Discussion: This is for the BPU Chiller Unit. Final payment is scheduled to be made in February 2025.

**#170101D:**

Resolved, That the General Manager is hereby authorized to purchase from Fleet Maintenance, Inc. of West Seneca, NY under Cattaraugus County DPW Bid #70, one (1) 2018 Western Star 4700 tandem axle truck cab and chassis at \$117,923 for the Water Division.

Discussion: The truck cab and chassis will replace vehicle #67, a 2009 International dump truck, which will be sold at a later date. This is included in the 2017 Water Division Capital Budget.

**#170101E:**

Resolved, That the General Manager is hereby authorized to purchase from Henderson Truck Equipment of Watertown, NY, under NJPA Contract #080114-HPI, one stainless steel dump body at a cost of \$37,090 for the Water Division.

Discussion: The stainless steel dump box will be installed on the new cab and chassis which will replace vehicle #67, a 2009 International dump truck, which will be sold at a later date. This is included in the 2017 Water Division Capital Budget.

**#170101F:**

Resolved, That the General Manager is hereby authorized to purchase from Henderson Truck Equipment of Watertown, NY, under NJPA Contract #080114-HPI, one stainless steel dump body at a cost of \$27,771 for the Water Division.

Discussion: The stainless steel dump box will be installed on vehicle #66. The existing dump box on vehicle #66 will be scrapped. This is included in the 2017 Water Division Capital Budget.

**#170101G:**

Resolved, That the General Manager is hereby authorized to purchase from Milton Cat of Batavia, NY, under NJPA Contract #PC66988, one 2017 Caterpillar 930M Front End Loader at a cost of \$149,892 for the Water Division.

Discussion: The new Caterpillar 930M will replace vehicle #73, a 2002 John Deere 544H Front End Loader, which will be sold at a later date. This is included in the 2017 Water Division Capital Budget.

**#170102 By Mr. Horner:**

Whereas, At the December 19, 2016 meeting, the BPU Board passed resolution #161205 approving the 2017 budget for the Water Division, and

Whereas, It has been discovered that the financial details highlighted in the resolution failed to include the 2.5% rate increase details for that division, which increase was discussed and approved by the Board,

Now, Therefore, Be It

Resolved, That resolution #161205 be, and hereby is, corrected and amended as follows:

Resolved, That the Water Division Budget for 2017, anticipating cash and investments of \$1,597,139, cash receipts of \$5,560,684, and cash disbursements of \$5,678,529, leaving a cash balance of \$1,514,699, be and hereby is adopted; and be it further,

Resolved, That the disbursements shall be divided \$1,171,379 for Fixed Charges, \$3,133,403 for Operation and Maintenance, and \$1,349,415 for Capital Projects, all as set forth in said budget for 2017; and be it further

Resolved, That the amounts set forth in the budget schedules for the benefit of each account against which charges may properly be made, on file in the office of the Board, are hereby appropriated for the purposes therein stated, and the officers and employees of the Board are hereby authorized and directed to contract for necessary expenditures in accordance therewith.

Discussion: This budget includes a 2.5% rate increase for 2017. Mr. Leathers clarified that this resolution corrects the previously adopted resolution to correctly align the information with the rate increase.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170103 By Mr. Lehman:**

Whereas, Three-quarters ( $\frac{3}{4}$ ) of this Board in Resolution #160510 concurred that it was impractical to take bids for the supply of Oil flushing services for the #6 turbine rebuild in the amount of \$39,850 and awarded Colfax Fluid Handling of Canton, OH, the vendor who provided the lowest of two quotes received for this specialized service,

Now, Therefore, Be It

Resolved, That Change Order #1 in the amount of \$61,110 for services rendered by Colfax Fluid Handling of Canton, OH, to thoroughly clean the oil and lines for #6 turbine is hereby approved and ratified.

Discussion: This resolution was originally included in December 2016. Once the oil flush began on #6 turbine, it was immediately apparent that the oil system was in much worse condition than originally anticipated. The original quote included 5 days of on-site service. The actual time spent on-site was 15 days, which included two weekends. Samples were taken frequently and examined on-site to assess the progress on the procedure. Staff and Elliott have inspected the oil sample results and agree that the cleanliness now meets our expectations. The original estimate was for a normal job with no extraneous problems and normal cleaning times. All extra time spent during this procedure was addressed on a time and material basis and is covered by this change order. Mr. Leathers explained that this resolution was originally included in the December Board meeting packets, but had to be delayed until this meeting because there

were not at least three-quarters of the board members present at the December meeting. Mr. Leathers stated that this increased amount will be paid out of the Overhaul Reserve Fund.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170104 By Mr. Lehman:**

Whereas, The Board believes that it is in the best interest of the BPU to purchase miscellaneous supplies, materials and equipment from local vendors under blanket annual purchase orders;

Now, Therefore, Be It

Resolved, That the Board authorizes the General Manager to execute blanket purchase orders in an amount not to exceed \$20,000 to the following local vendors:

Danielson Oil Company  
Dave Tanner's Garage  
Everydays Hardware  
Jamestown Macadam  
Valpro Sanitary Supplies  
Welders Supply Company

And be it further

Resolved, That the Board authorizes the General Manager to execute blanket purchase orders in an amount not to exceed \$40,000 to the following local vendors:

Barmore Sellstrom  
Chautauqua Brick  
Chautauqua Metal Finishing Supply  
Fastenal  
Free-Col Laboratories  
Jamestown Electric Supply  
Rexel  
Unifirst  
Schaefer Plumbing Supply Company  
Southern Tier Municipal & Supply

Discussion: The BPU purchases and stocks most items used in the operation and maintenance of the utility divisions. For those items which it is impracticable to stock, the BPU has historically permitted employees to make purchases of miscellaneous supplies, materials and equipment from local vendors under blanket purchase orders issued on an annual basis. This resolution formalizes this process and requires that purchase orders be issued prior to any purchases. This process is in compliance with the BPU's procurement policy. If purchases from

any vendor during the calendar year are going to exceed the purchase order amount in this resolution, further Board authorization will be sought.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170105 By Mr. Horner:**

Whereas, AECOM has provided environmental consulting services for the last twelve years to support the compliance of environmental regulations affecting the Samuel A. Carlson Generating Station, and

Whereas, AECOM is a certified Environmental Protection Agency (EPA) & Emissions Collection and Monitoring Plan Systems (ECMPS) representative, and

Whereas, AECOM is an Authorized Submittal Agent and consultant to the Jamestown Board of Public Utilities' EPA's electronic emission reporting system which requires access to our sensitive emission data base,

Now, Therefore, Be It

Resolved, That the General Manager be authorized to enter into an agreement with AECOM Environment of Westford, MA, to provide professional environmental engineering services for the calendar year 2017 for a cost not to exceed \$30,000.

Discussion: AECOM will continue to provide engineering and consulting support to the JBPU related to the Title V Air Permit & Environmental Regulations, and for Boiler No. 9 conversion. AECOM has been used by the JBPU for this specialized work since 2003 and continues to provide exceptional professional and timely service. AECOM maintains a complete listing of JBPU air emission sources documentation. Funding for this resolution to be provided under the 2017 Operations budget. Mr. Leathers highlighted that although AECOM has been used by the JBPU for several years, bid proposals for this professional service work are sought periodically to confirm that we are getting the most competitive quote. He said that AECOM does an excellent job, are extremely responsive and technically competent.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170106 By Mr. Lehman:**

Whereas, the Board believes that it is in the best interest of the Jamestown Board of Public Utilities (JBPU) to have vehicles maintained and repaired from local vendors under blanket annual purchase orders;

Now, Therefore, Be It

Resolved, that the Board authorizes the General Manager to execute a blanket purchase order in an amount not to exceed \$90,000 to Boyles Motor Sales of Jamestown, NY.

Discussion: The JBPU Fleet has numerous Freightliner and International Heavy Duty Trucks used in all divisions (primarily large solid waste and electric line department vehicles) that need repaired or serviced by certified repair centers due to warranties on the vehicles. Boyles is the only local certified Freightliner and International heavy duty truck repair center. This resolution formalizes this process and requires that purchase orders be issued prior to any repairs or maintenance. This process is in compliance with the JBPU's procurement policy. If purchases from this vendor during the calendar year are going to exceed the purchase order amount in this resolution, further Board authorization will be sought. JBPU staff will continue to investigate having more of this vehicle work performed by the City Department of Public Works. Ms. Zenns asked if we are still looking into the possibility of the DPW doing some of this work in the future. Mr. Leathers replied, yes, that continues to be looked at and some of the trucks in the water division have already made this change. He said that this will likely be reviewed during the Fleet Management Study that will be taking place soon. Mayor Teresi added that funding for the Fleet Management Study has already been approved, the contracts have been signed by the City. He said the City is currently waiting for the contracts to be signed by the state and the money to be released. Once that is done, then the contract with the consulting firm, Mercury Associates, will be signed and the fleet management study can begin. Mayor Teresi said that some of the maintenance of the City's large fleet may still need to be outsourced while some may be able to take place at the DPW.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170107 By Ms. Zenns:**

Whereas, Three-quarters (3/4) of the members of the Board of Public Utilities concur that it is impractical to take bids for the increase in scope of supply from B.J. Muirhead Co. Inc. of Orchard Park, NY under resolution #160504 and concur that Change Order #1 in the amount of \$13,650 be executed.

Now, Therefore, Be It

Resolved, That the Board does hereby approve an increase in the work scope to B.J. Muirhead Co. Inc. and authorizes the General Manager to execute Change Order #1 to add items totaling \$13,650 to the previously approved contract.

Discussion: The controls for the Air handling unit for District Heat Auxiliary boiler 2 needed to be upgraded to be compatible with the new control system that is being installed under the original contract. Staff has concluded that it would be the most cost effective and reliable option to integrate both control systems. B.J. Muirhead has the expertise to accomplish the integration. Mr. Leathers explained that this is to integrate the controls work that BJ Muirhead



has already done in the power plant on boilers 9 and 10.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170108 By Ms. Zenns:**

Resolved, That the General Manager is hereby authorized to purchase from Cogsdale Company, Inc of Charlottetown, PE, Canada a Long-Term Consulting Engagement Services Agreement for the coverage period of January 1, 2017 through December 31, 2017 in the amount of \$47,025.

Discussion: This agreement includes 225 Professional Service hours and 60 Project Management hours at a reduced rate. The hours will be used for an Infrastructure Process Review (IPR) to prepare for an upgrade which will look at our server, database performance and capacity, as well as overall system health of Dynamics GP and Cogsdale products. The hours include 6 weeks of Cogsdale onsite at Jamestown for training and development. Approximately 75 of the 225 hours will be allocated to the IPR. The remaining hours will potentially be used for training and software development. This project is included in the approved 2017 Electric Budget Capital Plan. Frank Galeazzo said that this is to prepare for an upgrade that will be taking place and includes time for an engineer to be on-site to help with GIS mapping and leveraging integrations that are planned for this coming year. He explained that Cogsdale is the software provider and developer that was awarded the original contract in 2007.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170109 By Mr. Wallace:**

Resolved, That the General Manager is hereby authorized to enter into an agreement with Remote Solutions, LLC, of Tucson, AZ, to provide Safe-T-Rack remote racking equipment and installation services for the 35KV Switchgear at Dow Street Substation, the 35kV Switchgear at the Power Plant, and the switchgear at Allen Street Substation in the amount of \$67,505.

Discussion: Remote racking equipment is utilized for employee safety. Traditionally, employee(s) would be required to stand directly in front of switchgear and hand crank circuit breakers in or out of the cubicle either connecting or disconnecting it from an energized bus. This is one of the more dangerous duties the workers perform due to the potential for equipment failure, the close proximity of employees to the equipment and the directed nature of a potential arc flash. With remote racking equipment, the circuit breaker is installed and removed by a motorized control system operated by the employee from a safe distance. The same Safe-T-Rack equipment was successfully installed at Dow St. Substation in 2016. The control unit and motor operator will be interchangeable between all of the Safe-T-Rack installations. Safe-T-Rack represented by Remote Solutions was the only responsive company for providing equipment and installation services. This equipment will be installed on the 35KV switchgear at Dow St., 35kV switchgear at the power plant, and the switchgear at Allen St. Substation. Since the Safe-T-Rack

system is universal, we can pursue the same system for our other Siemens, ABB and GE switchgear assemblies. The motorized remote control unit is also mobile so it could be shared or used as backup for other locations. The cost is under the original budgeted amount. This is included in the 2017 Electric Division budget. Chris Rodgers explained that this remote racking equipment significantly improves safety for our employees performing this type of work.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

Mr. Leathers provided his General Manager's Report. Staff is working on year-ending 2016 financial results for all divisions. The unaudited detailed results will be reviewed at the Board Finance & Capital Projects Committee meeting in February. An in depth review will take place at the Board meeting on February 27<sup>th</sup>. The financial audit with auditors Freed Maxick is scheduled to begin in February. A presentation to the Board is planned for the April Board meeting.

Mr. Leathers said that we are currently waiting for feedback and decisions from the Public Service Commission (PSC) on two items. The first item is the LED streetlight rate filing which will, hopefully, be approved later this week. This filing has an effective date of February 1<sup>st</sup>. The other filing is related to the Zero Emission Credits (ZECs) and Renewable Energy Credits (RECs). As requested by the PSC, we submitted a filing to determine a way to charge customers for ZECs and RECs. We believe this will be voted on at the February Commission meeting. As a side note, there is a change coming at the PSC. The Chair, Audrey Zibelman, will be leaving the PSC.

For information, we are currently not running the LM6000 due to the mild weather pattern. We will continue to monitor the weather, the need for generation, and electricity prices in the NYISO western zone. This is an example of when the price of electricity doesn't justify running the gas turbine, but there is flexibility to run it if needed.

The daytime water flushing proposal will be reviewed at the upcoming BPU Board Strategic Planning Committee meeting and also at the Finance & Capital Projects Committee meeting with hopes to finalize support for it at the February Board meeting. Staff has been spending a lot of time working out the details. Mr. Leathers said that we are working with businesses, restaurants, grocery stores, and others to build the schedule and make this transition as easy and problem-free as possible. He said that feedback from most of the businesses is that this proposed change is not an issue for them.

Included in the Board packets is a petition letter that has been drafted by American Public Power Association (APPA) which is addressed to US House & Senate Leadership, House Ways & Means Committee and Senate Finance Committee for the preservation of tax exemption for municipal bonds. We have been asked to sign on to this petition letter to support this effort. Mayor Teresi suggested that we sign the on-line version of this petition, and also send letters to Senator Schumer, Senator Gillibrand, Congressman Reed, and to the White House. He said that New York Conference of Mayors (NYCOM) is on board with this as well because it is not just a

municipal public power issue, it is also for any municipality that would like to preserve the tax exempt nature of municipal bonds.

Upcoming meetings are as follows:

- Board Strategic Planning Committee meeting is scheduled for Monday, February 6<sup>th</sup> at 3:30 P.M.
- Board Finance & Capital Projects Committee meeting is scheduled for Friday, February 17<sup>th</sup> at 3:30 P.M.
- Board Personnel Committee meeting schedule is still being worked on.
- Board Meeting is scheduled for Monday, February 27<sup>th</sup> at 4:00 P.M.

Mr. Leathers said that he will be departing immediately after the February Board meeting for the APPA Legislative Rally in Washington D.C. This is an annual meeting scheduled on Monday, Tuesday and Wednesday of that week. It is our opportunity to see APPA's priorities at the national level and also an opportunity to communicate those priorities, as well as utility priorities, to our NYS representatives.

Ms. Zenns asked Mr. Leathers if he had received any feedback about the article regarding the NYS surcharge for nuclear power plants. Mr. Leathers replied that he has received very little feedback. He commended Dennis Phillips of The Post-Journal for how well the article was written.

On motion of Mr. Lehman, seconded by Mr. Wallace, the Board convened into executive session to discuss two current litigation issues.

On motion of Mr. Case, seconded by Mr. Lehman, the Board convened into open session.

**#170110 By Mr. Wallace:**

Whereas, The City of Jamestown, through its Board of Public Utilities, is the sole owner of the entire assessed valuation of the real property known as the Dow Street Substation, which is located in the Town of Ellicott, between Dow Street and Tiffany Avenue, and

Whereas, The assessment of said property totals \$7,861,599, presently yielding a total of real property tax payments by the City of Jamestown of approximately \$322,100 to all subject taxing jurisdictions, and

Whereas, Said Dow Street Substation property is located directly contiguous to the City of Jamestown border along Tiffany Avenue and is therefore eligible for annexation into the City of Jamestown, and

Whereas, The Board of Public Utilities, is desirous of saving the costs associated with the payment of real property taxes;

Now, Therefore, Be It

Resolved, That the City Council is hereby requested to initiate the proceedings necessary to annex the property known as the Dow Street Substation with the understanding that any and all costs associated with the annexation proceeding will be borne by the Board of Public Utilities, Electric Division.

Discussion: Mr. Leathers said that Staff continually looks for cost savings measures. This annexation process has an opportunity to save the Electric Division approximately \$162,000 on an annual basis. As a requirement of those assets being inside of the city limits, there will also be approximately an \$80,000 tax equivalent payment (TEP) to the City and approximately an \$80,000 TEP to the Jamestown Public Schools. Therefore, from a utility Electric Division perspective, this is a project that we strongly endorse to the Board. Mayor Teresi added that, over the years, various members of this Board have encouraged and pushed Staff in all of our operating divisions to find revenues without raising rates, and to cut expenses to become more efficient to improve the bottom line, rate of return and cash positions. This is a good example of Staff leaving no stone unturned and looking for ways to achieve that directive.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

**#170111 By Ms. Zenns**

Resolved, That the General Manager be, and hereby is authorized to enter into an agreement with Kathleen Bennett, Esq., Bond, Schoeneck & King, One Lincoln Center, 110 W. Fayette Street, Syracuse, NY 13202-1355 for services to be provided to the City of Jamestown, and its Board of Public Utilities, with regard to the proposed annexation of the Dow Street Substation property, subject to the approval as to form by the Corporation Counsel.

Discussion: The agreement with Bond, Schoeneck, and King is expected to have a not-to-exceed spending limit of \$40,000. This amount should allow us to adequately work through all initial phases of the annexation process, and to allow for 6-9 months of legal support dependent on any formal challenges to the annexation decision.

**ADOPTED.** Ayes: 7 Nays: 0  
January 23, 2017

On motion of Ms. Zenns, seconded by Mr. Lehman, the Board meeting was declared adjourned.

**David L. Leathers, General Manager**  
**Tammy J. Anderson, Secretary to the Board**