

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, March 27, 2017 at 4:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
Tyler Case	X	
Chuck Cornell		X
Terrance Horner	X	
Maria Jones (arrived at 4:30 P.M.)	X	
Jeffrey A. Lehman, PE	X	
Gregory Rabb	X	
Mayor Samuel Teresi	X	
Ralph Wallace (arrived at 4:05 P.M.)	X	
Martha Zenns	X	
STAFF:		
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	
Energy Efficiency Coordinator, Dan Reynolds	X	

OTHER STAFF:

Associate Power Plant Supervisor, Steve Kulig

Information Technology Manager, Frank Galeazzo

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

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

Mr. Wallace arrived at 4:05 P.M.

Dave Leathers provided a General Manager's Report, which began with an Energy Efficiency program overview presented by Dan Reynolds.

The Energy Efficiency Program began in mid-2008 with Energy Star rebates provided to customers. The one-mil adder was implemented in April 2009. The Lighting & Motors and Home Energy Audits began in July 2009, the Attic Insulation program was added in 2011 and the Customized Incentives & Commercial Weatherization programs began in 2014. Since 2005, electric sales to all customers, including residential, commercial, and industrial, have all decreased, with the largest decline in industrial customer electric sales. Along with the economic downturn in 2008 to 2009, a portion of the decrease in electric sales is attributed to the implementation of our energy efficiency programs; 1.7% residential, 5.1% commercial, and 6.9% industrial decreases are attributed to the impact of our programs. Mr. Reynolds reviewed the rebates by fixture types and noted that, from a numbers standpoint (not a dollars standpoint), approximately 75% of the rebates are going to LED for the Lighting & Motors Program. The commercial customer base makes up 80% of the projects, while industrial is 17% and public authority at 3%. For lighting projects, commercial customers were 61%, industrial at 38%, and public authority at 1% of the dollars spent. Cumulatively, 19,514 items have been rebated through the BPU's energy star program to date. The BPU's Home Energy Audits and the Customized Incentive Programs continue. In summary, Mr. Reynolds said that since the inception of the program, the BPU has collected \$3.6 million and spent \$3.5 million on the programs, reducing electric consumption by 16 million Kwh and demand by 3.6 Mw. For every \$1 million spent, we reduce sales by approximately 1%, reduced carbon offsets by 8,600 tons, and customers are saving \$1.35 million annually on their electricity bills. Dan Reynolds said that with all of the changes that are coming from New York State, we are trying to better align our programs and come up with ideas that would have less of an impact on our financial bottom line. Mr. Leathers said that he, along with Dan Reynolds, Kris Sellstrom, Dave Gustafson and others are working with the Board Strategic Planning Committee to progress clean energy technology, renewables, and potentially different uses for the 1 mil adder that fit into the overall scope of the energy efficiency program and the state energy objectives.

There are a couple of resolutions that are included in today's meeting agenda on Boilers 11 & 12 demolition project. One is related to continued SSOE project engineering and oversight work, and the other is for Stohl Environmental. Mr. Leathers explained that Stohl is a third-party oversight management and administration related to the asbestos abatement work. Apollo Dismantling will be on-site mobilizing later this week. The entire dismantling project will begin next Monday, April 3rd. These contractors and BPU staff from the power plant met this morning for a contractor safety overview to ensure that everyone and everything is aligned to execute this significant project. Mr. Leathers said he feels we are in good shape overall, both from a bid requirement, insurance, performance bond, and contractual standpoint, as well as staffing at the power plant. We will continue to work with the DPW as needed related to parking while this work is taking place. Steve Kulig commented that there may be between 15 to 30 contractors on-site at any given time, which could cause congestion, but staff will do their best to avoid any issues.

Mr. Leathers said that power plant staff had a challenging week last week as they ran all generation for the required DMNC capacity program. By Thursday last week, all units, including the steam turbine generators, steam boilers, and the gas turbine, were running and the power plant was operating at 80 to 84 megawatts output for a four hour period. Everything went very well during this capacity run. Mr. Leathers said that it is important to do this full-plant operation every 6 months for our capacity payments, should we be called on for a NYISO or State need. Mr. Leathers congratulated Steve Kulig and the power plant team for a successful run.

At the April Board meeting, we plan to provide an annual overview of our risk management program related to our energy and gas resources. There are quarterly reviews at the Board Finance & Capital Projects committees meetings.

Daytime water flushing and the accompanying communications continues to be worked on. Mr. Leathers is planning to attend a City Council meeting in April to review and get input on this new plan.

The Yard Waste Site is opening on Saturdays from 9:00 A.M. to 3:00 P.M. beginning on Saturday, April 15th. The hours are again extended this year. Yard Waste Site stickers for 2017 – 2018 are now available. BPU employees Becky Robbins, Dan Reynolds, and Gloria Smith are hosting a booth at the Home & Garden Show this coming Saturday, April 1st to provide customers with these stickers. Dan Reynolds will be also be providing a Home Energy & Weatherization presentation at the show.

Fundraising for St. Susan's has begun behind the scenes and will be kicked off soon.

Upcoming meetings are as follows:

- Board Personnel Committee meeting - Monday, April 3rd at 4:00 P.M.
- Board Personnel Committee meeting - Monday, April 10th at 4:00 P.M. – this meeting was cancelled. A “Special” Board Meeting was scheduled for Monday, April 10th at 4:00 P.M.
- Board Finance & Capital Projects Committee meeting - Monday, April 17th at 3:30 P.M.
- Board Meeting - Monday, April 24th at 4:00 P.M.
- Board Strategic Planning Committee meeting - Monday, May 1st at 3:30 P.M.

Mr. Leathers said very good coordination between Chris Rodgers' staff and Mike Saar's staff took place during the recent fire event in Falconer. We were given direction to cut power to the Falconer circuit, which would have shut off water to the Cassadaga Well Field. However, due to the good communication and coordination efforts by staff, we instead cut power at certain load points which allowed water flow to continue. Ms. Zenns asked if anyone gets charged for the water usage. Mr. Saar replied that water expelled through hydrants is considered lost and unaccounted and is not charged to anyone.

#170301 By Mr. Lehman:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **March 27, 2017** as follows:

ELECTRIC LIGHT FUND	1,116,910.66
WATER RENT FUND	245,999.20
DISTRICT HEATING FUND	112,330.58
WASTEWATER OPERATING FUND	181,740.01
SOLID WASTE OPERATING FUND	84,180.85
Total	\$ 1,741,161.30

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 **February 2017** to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 5	183,429.69
Weekly Payroll No. 6	185,094.50
Weekly Payroll No. 7	186,678.10
Weekly Payroll No. 8	192,540.24
Visa – Corporate Payment Systems	9,312.65
NYPA Purchases	482,007.69
NYSERDA	366.78
EnergyMark LLC	280,969.00
Direct Energy Business Marketing, LLC	253,429.00
National Grid – Transmission Costs	180,266.40
NYISO	172,602.16
NYISO-TCC's	14,315.64
Town of Ellicott	236,558.57
Town of Busti	895.69
United States Post Office - Rome	9,694.28
Mid-American Natural Resources	14,000.00
Crown Energy Services	157,560.00
Sage Payment Solutions	6,033.70
Invoice Cloud (for paperless billing)	249.00
NYS Sales Tax	25,000.00
Key Bank	898.84
Slone-Melhuish Insurance	78,621.62
Total	\$ 2,670,523.55

ADOPTED. Ayes: 7 Nays: 0
March 27, 2017

#170302 By Mr. Case:

Whereas, Article 18 of the New York State General Municipal Law requires municipal entities to require members of municipal boards to disclose potential conflicts of interest on an annual basis, and

Whereas, Each written disclosure has been completed, submitted to the Secretary to the Board, and is made a part of the official record of the municipal entity, and

Whereas, The annual statements of financial disclosure indicate no conflicts which may not be excused;

Now, Therefore, Be It

Resolved, That the Board does hereby accept the annual statements of financial disclosure submitted by each BPU Board member for the calendar year of 2017.

Discussion: The Board adopted the annual statement of financial disclosure form pursuant to Section §812 of the General Municipal Law.

ADOPTED. Ayes: 7 Nays: 0
March 27, 2017

#170303 By Mr. Lehman:

Resolved, That the bid of GoTTogo Electric, Inc., of Leroy, NY, on BD-02-17 opened February 17, 2017, for furnishing of 150W and 400W equivalent LED roadway cobra-head light fixtures for unit cost of \$128 and \$356, respectfully, with a total cost not to exceed \$220,000 be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division purchase order to GoTTogo Electric, Inc. for these light fixtures.

Discussion: Of the seven (7) bids received, GoTTogo Electric, supplying Leotek LED fixtures, was the successful bidder and provided the lowest initial and long term cost “150W fixture” and lowest long term cost “400W fixture”, that met specifications and installation requirements. The total amount of \$220,000 includes the purchase of light fixtures for the City LED replacement project, replacement of failed fixtures, and general stock. Estimated quantities for purchase are approximately (600) 150W and (300) 400W fixtures for the City project and up to (200) fixtures for other purposes. Delivery was quoted at 5-6 weeks and we anticipate starting installation in early to mid-May 2017. This is included in the 2017 Electric Division Budget and will be reimbursed by the State Grant. Chris Rodgers showed samples of the new LED light fixtures to the Board members. The lights each come with a full 10 year warranty. Life expectancy is approximately 20 years. Ms. Zenns asked if the old light fixtures would be recycled. Chris Rodgers confirmed that yes, they will be recycled, but the bulbs must be handled

separately due to the mercury contained within them. Mayor Teresi said there are approximately 3,700 street lights within the City limits. Mr. Leathers said that once these lights are on order, our internal team will confirm that we are within financial alignment with the state Financial Restructuring Board grant.

Maria Jones arrived at 4:30 P.M.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170304 By Ms. Zenns:

Resolved, That the bid of United Survey, Inc. of Cleveland, OH, on BD-07-17 opened March 16, 2017, for sanitary sewer slip lining in 5,966 feet of sanitary sewer lines as specified in the bid for the Wastewater Division in the amount of \$202,600 be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Wastewater Division purchase order to United Survey, Inc. for the sanitary sewer slip lining work.

Discussion: This was the only bid received and meets all specifications. United Survey has successfully performed this work for the BPU in the past. This is included in the 2017 Wastewater Division Budget. Mr. Leathers said we were pleased that this bid was about \$100,000 less than what we had budgeted for.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170305 By Mr. Horner:

Resolved, That the bid of BDP, Inc. of Greenwich, NY, on BD-05-17 opened March 15, 2017, for furnishing two (2) belt filter presses, press accessories, and a dry polymer make-down system for the dewatering of digester sludge for the wastewater treatment plant in the amount of \$964,500 be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Wastewater Division purchase order to BDP for these materials.

Discussion: This was the only bid received and meets all specifications. This is included in the 2017 Wastewater Division Capital Budget. Mr. Leathers said this is a very significant project for the Wastewater Treatment Plant with the majority of the work planned to take place later this year. Ms. Zenns asked if this was specialized work. Mike Saar replied yes, there are not many vendors who produce these materials and added that they are also very heavy so shipping within the state helps to keep the costs down.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170306 By Mr. Case:

Resolved, That pursuant to the power vested in the Board by Section §C-50.D of the Charter of the City of Jamestown, the Board does hereby authorize that salary ranges of management staff be revised effective January 1, 2017, in accordance with the tables on file at the BPU office, 92 Steele Street, Jamestown, NY.

Discussion: This represents a 2.50% adjustment to the salary ranges in effect from 2016 for all salaried positions. The revision of salary ranges does not impact the current salary of any employee. Individual salaries continue to be set in accordance with the established BPU employee performance evaluation program, which is based solely on merit. This resolution has been reviewed by and is recommended by the BPU Board Personnel Committee. Mayor Teresi explained that this does not mean that all salaried employees receive a 2.50% pay increase. This is an administrative adjustment to salary ranges to ensure that we are keeping pace with the value of the positions in the marketplace.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170307 By Mr. Horner:

Whereas, SSOE Group of Toledo, OH has recently provided professional consulting services in an efficient and comprehensive manner as related to developing a project plan and bid specifications which enabled the JBPU to hire a qualified contractor to remove pulverized coal boilers no. 11 & 12 and associated obsolete equipment from the Samuel A. Carlson Generating Station, and

Whereas, SSOE Group has considerable knowledge of said demolition project and possesses familiarity with the power plant;

Now, Therefore, Be It

Resolved, That three-quarters ($\frac{3}{4}$) of the members of the Board of Public Utilities concur that it is impractical to take bids for professional engineering consulting services needed to support the completion of the Boiler #11 and #12 dismantling project, and be it further

Resolved, That the General Manager is hereby authorized to enter into an agreement with SSOE Group of Toledo, OH, for professional engineering consulting services for an amount not to exceed \$79,200, per their proposal dated March 8, 2017.

Discussion: The demolition and reconstruction phase of the dismantling project of boilers 11 & 12 will begin on April 3, 2017 utilizing Apollo Dismantling Services LLC to execute the scope of work defined by specification BD-01-17 which was prepared by SSOE under a prior workscope and agreement. It is anticipated that Apollo's work will take up to 12 months to complete. During this period, additional engineering services are needed to review Apollo's execution submittals, answer technical questions, inspect work as it's completed and to provide

coordination support. SSOE's services will be provided and billed on a time and material basis based on the direction they receive from BPU project management personnel. Staff believes that retaining SSOE to provide this support will help ensure the overall project is completed safely and at the lowest cost. This has been reviewed by and approved by the Board Finance & Capital Projects Committee. This is included in the 2017 Electric Division Capital Budget within the Dismantling Fund. Mr. Leathers explained that SSOE services will be used when staff feels they are needed as related to execution submittals and project oversight. SSOE will also confirm that we are in full compliance with everything that needs to be done as part of the demolition. Mr. Leathers highlighted that this will be paid out of the Dismantling Fund.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170308 By Ms. Zenns:

Whereas, Three-quarters ($\frac{3}{4}$) of this Board concurs that it is impractical to take bids for the supply of professional services provided by Stohl Environmental of Buffalo, NY, for the independent air/project monitoring services related to the asbestos and hazardous abatement work in support of the 11 & 12 demolition project,

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an Electric Division Purchase Order to Stohl Environmental for an amount not to exceed \$100,000 for independent air monitoring services is hereby approved and ratified.

Discussion: The State of New York requires that an independent air/project monitoring service that is licensed and approved by the State be retained by the owner for any large asbestos abatement project. Stohl Environmental has satisfactorily provided these services to us in the past and has also provided project design services as required. Staff has evaluated Stohl Environmental's approach and recommend their services. This has been reviewed by and approved by the Board Finance & Capital Projects Committee. This is included in the 2017 Electric Division Capital Budget within the Dismantling Fund. Mr. Leathers explained that Stohl Environmental has worked with us before and will be performing professional services including verification and air modeling to ensure that the contractor is in compliance as it relates to the environmental approach in the asbestos abatement process.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170309 By Mr. Rabb:

Whereas, The New York Local Government Records Law was signed into law by Governor Mario Cuomo as Chapter 737 of the Laws of 1987 in order to pave the way for the efficient and economical management of local government records in New York State, and

Whereas, According to the New York Local Government Records Law, the City of Jamestown as the local government unit has designated Mr. James Olson as its Records Management Officer, and

Whereas, The City of Jamestown Board of Public Utilities shall designate an internal representative to oversee adherence to the adopted Records Management Program;

Now, Therefore, Be It

Resolved, That Kelly Hawkins be and be hereby designated as the Records Management Representative for the City of Jamestown Board of Public Utilities.

Discussion: Mr. Leathers highlighted that retired BPU Business Manager, Mike Anderson, was designated BPU Records Management Officer by Board resolution from 1989. As Records Retention Representative, Kelly Hawkins will work with the Records Management Officer and oversee the internal compliance to the adopted Records Management Program.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

#170310 By Mr. Wallace:

Resolved, That the General Manager is hereby authorized to purchase from DLT Solutions, Inc. of Herndon, VA, under New York State Contract #PM20920, the hardware and support for the utilities Storage Array Network in the amount of \$35,758.73.

Discussion: This Storage Array Network (SAN) is used to house the BPU's important data, including the financial and customer service database, as well as GIS, and user file shares. This upgrade will give us better management of files and better performance of utility databases. Our current infrastructure is nearing capacity and this upgrade will also include better disaster recovery options moving forward. This project is currently budgeted under the 2017 Electric Capital Budget. Frank Galeazzo said that the storage on the SAN is nearing capacity and technology has advanced quite significantly. This component will increase our capacity and performance for our main system databases, including geographic information system (GIS) and customer information system (CIS). Mr. Wallace asked how long this capacity will last. Frank Galeazzo replied that he cannot give an exact timeframe, but would hope that it would last at least five to six more years. Mayor Teresi asked if this includes cybersecurity. Mr. Galeazzo replied no, that is kept separately on the network. Ms. Zenns asked if there were other bids. Mr. Galeazzo replied that this was purchased off of the state contract.

ADOPTED. Ayes: 8 Nays: 0
March 27, 2017

On motion of Mr. Lehman, seconded by Mr. Wallace, the Board convened into executive session to discuss two potential litigation issues, one contract negotiation issue, and one personnel issue.

On motion of Mr. Wallace, seconded by Mr. Horner, the Board convened into open session.

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

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