

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, July 24, 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	X	
Jeffrey A. Lehman, PE	X	
Gregory Rabb	X	
Mayor Samuel Teresi	X	
Ralph Wallace	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
Electrical Engineer, Kris Sellstrom	X	

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

The minutes of the previous meeting were unanimously approved.

#170701 By Mrs. Jones:

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 **#170701A-C** be, and hereby are approved as written.

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

#170701A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **July 24, 2017** as follows:

ELECTRIC LIGHT FUND	1,503,352.34
WATER RENT FUND	448,191.15
DISTRICT HEATING FUND	54,221.69
WASTEWATER OPERATING FUND	172,172.09
SOLID WASTE OPERATING FUND	90,911.28
Total	\$ 2,268,848.55

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

Weekly Payroll No. 22	184,347.12
Weekly Payroll No. 23	194,321.58
Weekly Payroll No. 24	186,580.18
Weekly Payroll No. 25	195,630.62
Weekly Payroll No. 26	197,900.47
Cogsdale	107,531.24
EnergyMark LLC	21,662.00
Key Bank	363.18
NYSDEC	200.00
Chautauqua County WaterWorks Assoc.	50.00
Direct Energy Business Marketing	51,440.00
Invoice Cloud	333.30

National Grid – Transmission Costs	238,707.54
Sage Payment Solutions	6,364.14
NYPA Purchases	445,851.28
NYSERDA	183.39
NYSERDA-ZECs	74,481.06
United States Post Office - Rome	9,866.48
Visa-Corporate Payment Systems	10,813.37
Crown Energy Services	46,111.25
NYS Sales Tax	30,000.00
Total	\$ 2,002,738.2

#170701B:

Resolved, That a warrant be drawn on the Electric Light Fund to Depository Trust Co., New York, NY, for \$300,309.38 to pay principal of \$275,000 and interest of \$25,309.38 for six months at 1.0 per centum per annum due August 1, 2017 on \$2,855,000 Serial Electric Bonds.

Discussion: This is for the CFB Project permitting and engineering costs and various infrastructure improvements with the final payment to be made in August 2025.

#170701C:

Resolved, That a warrant be drawn on the District Heating Fund to Depository Trust Co., New York, NY, for \$10,506.25 for six months interest at 4.0 per centum per annum due August 15, 2017 on \$530,000 Serial District Chilling Bonds.

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

#170702 By Ms. Zenns:

Whereas, The Board of Public Utilities received approval from the New York Public Service Commission to offer flexible-rate contracts (“Flex-Rate”) for the purpose of preserving jobs and promoting economic development, and

Whereas, The Flex-Rate tariff (BPU Tariff, PSC No. 7, Leaf Nos. 124-130) sets forth a structure for offering a negotiated rate, and

Whereas, Monofrax LLC, of Falconer, NY, is a customer of the BPU and has submitted a proposal to satisfy the objectives of the Flex-Rate tariff, and

Whereas, The BPU is committed to enhancing and preserving the economic strength of the community and retaining and creating jobs in an increasingly competitive economy;

Now, Therefore, Be It

Resolved, That the Agreement between the City of Jamestown Board of Public Utilities and Monofrax LLC, a BPU customer, consistent with the Flex-Rate tariff, is hereby approved, subject to final editorial modifications by Counsel and the General Manager, and the General Manager is hereby authorized to execute the subject Agreement.

Discussion: Monofrax LLC, previously RHI Monofrax LTD, has participated in the Flex-Rate program since it was founded in 2005. The proposed Agreement is structured to go into effect on August 1, 2017 and will expire on October 31, 2019. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee.

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

#170703 By Mr. Wallace:

Whereas, Three-quarters of this Board concur that it is impractical to take bids for the purchase of SEL faulted circuit indicators;

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to issue an Electric Division Purchase Order to Robinson Sales, Inc., of Saxtons River, VT, in the amount of \$41,000 for the faulted circuit indicators.

Discussion: Faulted circuit indicators (FCI) are used to help identify the location of a fault on a circuit. The FCI's being proposed for purchase are LED based devices that hang on the overhead primary conductor. The FCI has a long-life lithium ion battery that powers the LED when the device detects a fault on the line. A crew can follow blinking (activated) devices along the circuit until the problem is located. FCI's are critical devices used during outage restoration, they can greatly reduce outage duration and improve overall system reliability. These devices will be used for both replacement of existing older units and for additional locations. We have standardized on the SEL devices throughout our system. SEL products are sold through a designated, authorized vendor, therefore, bidding would be impractical. This is included in the 2017 Electric Division budget.

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

#170704 By Mrs. Jones:

Whereas, in September 1999 and July 2005 the Jamestown Board of Public Utilities (BPU) purchased and installed stadium lighting at Diethrick Park and the Babe Ruth Field, respectively, at the request of the City, and

Whereas, from the time of installation until December 2010 (Diethrick Park) and May 2012 (Babe Ruth Field), the BPU recovered the cost of the lighting and installation costs using the capital recovery mechanism approved by the New York State Public Service Commission (PSC) and incorporated into the BPU tariff of 1.0% per month (formerly 0.9% per month), and

Whereas, the initial capital cost of the lights has been fully recovered, no additional capital costs have been expended, and the City has released the BPU from the obligation to repair or replace the lights in the future,

Now, Therefore, Be It

Resolved, that the Board does hereby authorize the BPU to transfer the stadium lighting to the City of Jamestown and does further authorize the payment of capital charges received in excess of the original lighting cost to the City in the amount of \$127,035.03.

Discussion: The installation of stadium lighting for the City by the BPU was a way to get lights installed quickly and without the need for borrowing by the City. While the parties used the capital recovery mechanism in the tariff, the lights at issue are not part of the BPU's tariff assets and, therefore, no Public Service Commission approval is necessary to transfer them. There are no other assets that have been handled in a similar manner, and Staff recommends that this type of advanced payment approach not be repeated in the future. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. Mr. Leathers commented, "As directed by the City, the City is not going to have the BPU be responsible for this money going forward. They have requested that the money that has been collected be sent to them to be put into a reserve account that they manage for this lighting." Mayor Teresi said, "Councilmembers are aware of this. It has been managed as a separate account through the general fund and it will be utilized in the future if there needs to be upgrades or equipment replacements to any of the lighted athletic fields that the City owns and operates." Mayor Teresi added, "The money will remain in a dedicated reserve fund and will not be absorbed into the general fund."

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

#170705 By Mr. Lehman:

Whereas, The BPU has entered into a contract with EmKey Transportation, Inc. for the purchase of all assets of that company, and

Whereas, During the pendency of that contract, the parties have continued to operate under the terms of the Gas Facilities Lease Agreement between the BPU and EmKey Gathering, Inc., dated July 23, 1999, which calls for monthly rental payments to be made by the BPU in the amount of \$56,508, and

Whereas, EmKey has requested that the BPU advance the August and September 2017 rental payments for a total amount of \$113,061, to be applied against rent for these months, if the assets have not transferred prior, and to be offset against the purchase price if the transfer of assets is approved by the PSC prior to the end of September,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize BPU to advance August and September rental payments to Emkey in the amount of \$113,061.

Discussion: The delay of approval by the PSC of the transfer of assets from EmKey to the BPU has caused cash flow issues for EmKey Transportation, Inc. and its parent company. The advance of rent payments is for EmKey to continue operations in the normal manner and has little annualized risk to the BPU. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. Mr. Leathers said that PSC action on the purchase agreement will hopefully take place at the PSC's September Commission meeting.

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

#170706 By Mr. Horner:

Whereas, The American Public Power Association ("APPA") is the national service organization representing the interests of the approximately 2,000 not-for-profit, publicly-owned electric utilities throughout the United States that collectively serve more than 48 million consumers, and

Whereas, The Jamestown Board of Public Utilities is a charter member of APPA, and

Whereas, APPA provides its members with superior professional representation, information, advocacy, strategy support, and technical resources that are essential to succeed in the changing utility business, legislative, and regulatory environment. In addition to comprehensive legislative and regulatory support on all issues of importance to public power, APPA provides tangible resources in areas that include utility operations assistance in reliability, safety-system improvement and work force development, and

Whereas, These APPA member resources and utility programs, including Demonstration of Energy Efficient Development (DEED), the APPA Academy, Hometown Connections, and other services provide the JBPU with economic access to resources and information that it would be difficult to obtain on our own,

Now, Therefore, Be It

Resolved, That the JBPU be and is hereby authorized to continue membership in APPA for 12 months starting August 1, 2017 and pay a membership fee in the amount of \$21,525.80

Discussion: The APPA rates increased 2.8% from 2016. Mr. Leathers said the engagement, support and resources available to us through APPA is critically important. APPA is engaged at the local, state, and national levels. Mayor Teresi highlighted that the BPU is one of the founding members of APPA.

ADOPTED. Ayes: 8 Nays: 0
July 24, 2017

Dave Leathers provided his General Manager's Report. He began by stating that boilers 11 & 12 deconstruction project continues on schedule. Updates on the project are provided on a weekly basis. The LM6000 gas turbine began operating in combined cycle mode just after the July 4th holiday and is currently in approximately its third week of continuous operation. Pricing and the New York Independent System Operator (NYISO) are supportive of running the turbine, which we will likely continue to run for the coming weeks. Mr. Leathers noted that this could change, however, based on a number of factors.

Mr. Leathers reviewed the draft 2018 Budget Schedule memorandum, which was included in the board packets. This schedule was also reviewed with the BPU Board Finance & Capital Projects Committee last week.

Dan Reynolds attended a meeting hosted by the New York Power Authority (NYPA) on Friday, July 21st in White Plains, NY. This one-day conference was on electrification. Gil Quiniones, the President & CEO of NYPA and who also serves as the Vice Chair of the Board of Directors at Electric Power Research Institute (EPRI), was a presenter at this conference. EPRI does a lot of work related to R&D and technology and what's coming at us. Mr. Leathers highlighted that BPU staff has been spending quite a bit of time on electric vehicles and transportation. Other items reviewed at the conference included technology pipeline updates, building space and water heating, industrial heating & drying, and indoor agriculture opportunities. Discussion on continued trends in the industry took place. People will hopefully be using electricity in a smart and mindful manner.

Mayor Teresi asked if the state-assisted electric vehicle charging stations are separately metered. Mr. Leathers replied that they are not yet metered and anyone can charge their vehicles at those stations for free at this time. He said this is currently being paid for through the 1 MIL adder energy efficiency program. The intent is, at some point, they will be transferred into stations that are set up to accept credit card payments for electric vehicle charging. Mr. Leathers said that the plan is to monitor the use of each of the charging stations for a couple of years. It is currently an incentive for people to use this free service. We are also learning that the state is installing fast charging stations at rest areas along interstates. Mr. Leathers said there is certainly a lot of interest in electric vehicles. He said that this is going to be a challenging and potentially rapid transition and we are trying to get ahead of it.

The signing for Monofrax SC-6 contract is scheduled for Tuesday, July 25th at 1:30PM here at the BPU. Board members are invited to attend. St. Susan's Campaign wrap-up will also take place on Tuesday, July 25th.

The BPU is planning to again participate at the Labor Day Festival at Bergman Park on Sunday, September 3rd. The focus this year will be on work zone safety.

Upcoming meetings:

- Board Strategic Planning Committee meeting – Monday, August 7th at 3:30P.M. The main agenda item for this meeting is Business and Economic Development.
- Board Finance & Capital Projects Committee meeting – Monday, August 14th at 3:30 P.M.
- Board Meeting - Monday, August 28th at 4:00 P.M.

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

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

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

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