

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, September 25, 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	
Associate Power Plant Supervisor, Cory Allen	X	
Energy Efficiency Coordinator, Daniel Reynolds	X	

OTHER STAFF:

David Paterniti, Electrical Engineer

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

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

Mayor Teresi presented a longevity certificate from the NYS Conference of Mayors (NYCOM) to David Paterniti for 30 years of service as a municipal employee.

#170901 By Mrs. Jones:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **September 25, 2017** as follows:

ELECTRIC LIGHT FUND	1,225,488.37
WATER RENT FUND	303,325.33
DISTRICT HEATING FUND	31,885.12
WASTEWATER OPERATING FUND	700,924.08
SOLID WASTE OPERATING FUND	82,003.27
Total	\$ 2,343,626.17

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

Weekly Payroll No. 31	191,182.17
Weekly Payroll No. 32	191,145.60
Weekly Payroll No. 33	189,652.91
Weekly Payroll No. 34	191,195.78
Weekly Payroll No. 35	246,951.78
EnergyMark LLC	72,941.00
NYPA Purchases	459,224.52
Direct Energy Business Marketing	276,298.00
National Grid – Transmission Costs	86,876.08
Sprague Operating Resources	54,030.00
NYSERDA	183.39
NYSERDA – ZEC's	74,481.06
United States Post Office - Rome	7,638.66
Mid-American Natural Resources	128,030.00
Crown Energy Services	15,450.00
NYS Sales Tax	40,000.00
Visa Corporate Payment Systems	16,899.48
Invoice Cloud	295.80
Sage Payment Solutions	5,985.36
Key Bank	354.96
Total	\$ 2,248,816.55

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

#170902 By Mr. Horner:

Resolved, That three-quarters ($\frac{3}{4}$) of the Board concurs that it is impracticable to take bids for repair of metal aprons at the base of the North and South Stacks and does hereby ratify the action of the General Manager in issuing an Electric Division Purchase Order to International Chimney, Inc., of Buffalo, NY, in the amount of \$56,288 for this work.

Discussion: During demolition activities of Boilers #11 and #12, it was discovered that the metal aprons on the bottom of the North and South Stacks were severely eroded. These aprons required immediate repair to keep their structural integrity intact and to avoid delay in that area since demolition activities abutt to these stack bases. Pricing for this work was solicited from Apollo Construction, the current demolition contractor, and International Chimney, the contractor that has performed work in the past on all of the stacks at the Power Plant. Apollo's proposal was \$68,238 and International Chimney's proposal was much lower at \$56,288. Staff accepted the proposal from International Chimney based on their previous proven work and the cost effectiveness of their proposal. This is included as part of the dismantling fund.

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

#170903 By Mrs. Jones:

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, SKF Aeroengine North America ("SKF"), of Falconer, NY, is a customer of the BPU and has submitted a letter of request which satisfies 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 SKF, 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: The main SKF facility in Falconer has participated in the Flex-Rate program since 2007 with the adjacent Heat Treat facility being separately enrolled in the program since March 1, 2011. The Falconer facilities were combined into one Agreement which was effective

on November 1, 2013 until October 31, 2017. The proposed agreement will go into effect when the existing Agreement expires with a term of four years, for a period beginning November 1, 2017 and ending October 31, 2021. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. Mr. Leathers thanked Kris Sellstrom and Dave Gustafson for their work on this Agreement. Mayor Teresi also commended BPU management and staff for continuing this program to help retain and in some cases, create, jobs to keep the economy moving forward. He also expressed appreciation to SKF, Monofrax, and other companies for continuing to show confidence to remain in our community.

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

#170904 By Mr. Case:

Whereas, The JBPU and Teamsters, Local Union #264 are parties to a collective bargaining agreement which commenced on January 1, 2015, and is set to expire on December 31, 2018, and

Whereas, Staff has negotiated with the Teamsters union for a three-year extension of the collective bargaining agreement to expire on December 31, 2021,

Now, Therefore, Be It

Resolved, That the Chairman of the Board and the Board's Negotiating Committee be and they hereby are authorized to extend the existing contract with the Teamsters Local # 264, for the period between October 1, 2017 and December 31, 2021 on the terms and conditions heretofore negotiated by and between the bargaining representatives of the said parties as set forth in the annexed contract extension terms and conditions document.

Discussion: This contract extension fixes the BPU's contribution towards the Teamsters Royale Medical Healthcare Plan to not more than \$1,206.52 per month for another three years. This contribution amount was originally set on January 1, 2014. This contract also provides increased wages which ultimately combines the wage scales (1/1/19) for second and third tier Teamsters employees. This has been reviewed by and is recommend by the BPU Board Personnel Committee. Mr. Leathers highlighted that quite a bit of work has gone into development of this contract which represents our solid waste employees. He said the primary driver for this was to adjust the lower wages to be more in line with what's going on in the Western New York region related to minimum wage increases in other similar jobs. This new contract is extended by three years. It also freezes the BPU contribution amounts toward the Teamsters insurance plan. Mr. Case added, in terms of the Affordable Care Act's Affordability component, since this health insurnace plan is through the teamsters and not the BPU self-funded plan, it's considered a non-issue. Ms. Zenns asked for clarification on which employees are included in this plan. Mr. Leathers responded that solid waste employees are included in this healthcare plan. Bill Wright highlighted that it has been nine years or more since this contribution amount of \$1,206.52 was implemented. It carried over from two contracts ago to

this contract. He said, the freeze in the contribution amount toward the insurance is a real success story, given what is going on currently in the healthcare market.

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

#170905 By Mrs. Jones:

Whereas, The law firm of Duncan, Weinberg, Genzer & Pembroke, P.C., (DWGP) has provided professional legal services for ongoing municipal representation of the Jamestown Board of Public Utilities for several years, and

Whereas, DWGP has continued to provide this service and representation for the same rates in place since September 2009,

Now, Therefore, Be It

Resolved, That the General Manager is hereby authorized to enter into an agreement with DWGP to provide these services and representation to the Jamestown Board of Public Utilities pursuant to the legal services agreement dated August 3, 2017, and be it further

Resolved, That the agreement includes an hourly billing rate increase to be effective January 1, 2018 and is on file with the Secretary to the Board.

Discussion: DWGP's extensive experience and insight into municipal law enables it to provide effective and focused legal support to the BPU. This firm has proven itself to be very qualified and has continued providing exceptional service and representation using the same hourly billing rates that have been in place since September 2009. Other options for this type of service would be much more costly. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee.

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

#170906 By Ms. Zenns:

Resolved, That the action by the General Manager in authorizing change orders to Resolution #170205, for Apollo Dismantling Services LLC., of Niagara Falls, NY, for a total amount of \$141,240, to complete additional repairs in conjunction with the demolition of Boilers #11 and #12 at the Samuel A. Carlson Generating Station is hereby approved and ratified.

Discussion: During demolition activities of Boilers # 11 and 12, previously unknown conditions of deterioration were identified requiring that additional work be performed to keep the overall project moving on schedule. This work included the removal of asbestos containing materials, repairs to a corroded structural building column, minor repairs to the HRSG building roof, modification of the North Stack breaching, replacement of building siding supports and the

re-routing of a condensate vent pipe. These items, designated as Change Orders #1 and #3 through #9, increase the scope of previously approved work from \$5,265,224 to a new amount of \$5,406,464. This is included as part of the dismantling fund.

ADOPTED. Ayes: 8 Nays: 0
September 25, 2017

Dave Leathers provided a General Manager's Report, which began with an update from Kelly Hawkins on the draft 2018 division budgets for the wastewater, solid waste, and district heating divisions.

For the wastewater division, staff is currently not recommending a rate increase for 2018. Staff is, however, recommending an increase to the leachate and municipal sludge delivery rates. Although cash on hand is declining, staff believes this is a direct result of the \$1.5M belt filter press project and expects to recover cash over the five years following the project.

For the solid waste division, although there is no proposed rate increase for 2018, staff is proposing the implementation of an "out of the City" rate. This rate is being proposed at \$27.50 with a \$10.50 credit for recycling. The goal for the solid waste division is to continue to grow cash for the building rehabilitation project in 2020, which would eliminate the need for the division to secure any additional outside funding. Mr. Case said he is concerned that people may be hoarding because there are costs associated with garbage disposal. He is also concerned that people may be dumping in areas, within the City, that are not designated as dumping areas. Mayor Teresi said the reason that spring clean-up weeks were originally initiated for fire protection and public health and safety. He said although he fully understands the rationale for discontinuing the clean-up weeks, which includes strains on personnel and equipment, and concerns over people bringing in garbage from outside the City, he feels the program had value and we may need to consider reinstating it. He said we need to continue to monitor this closely.

For the district heating division, staff is recommending an increase to the fuel cost adjustment rate from \$2.75 to \$3.00 starting November 1, 2017. This need for an increase is primarily due to the projected net income loss for year-end 2017. This is projected to increase revenues by approximately \$44,000 for 2018.

Dan Reynolds provided an update on the Energy Efficiency programs. From July 1, 2016 to June 30, 2017, the Jamestown BPU reimbursed \$384,665 in rebates. Of that, \$73,721 was for 907 products rebated under the Energy Star Program, \$28,239.37 was for the weatherization of 13 homes, and \$2,712.84 was for 11 attic insulation projects. For commercial customers, the BPU rebated \$260,857.50 on 110 projects under the Lighting and Motors Program, \$39,537 for the Custom Incentive Program, and \$14,206.29 on 4 projects under the Commercial Weatherization Program.

Changes that were recommended for the Energy Efficiency Programs in 2018 include reduced incentives for LED Lighting, T5 Lighting and VFDs under the Lighting and Motor Program. It was also recommended that the following three programs be eliminated; Commercial Weatherization, Custom Incentive, and Attic Insulation. It is anticipated that these reductions

will reduce rebates by approximately \$160,000 per year. The savings from the program reductions will allow the BPU to invest in Renewing the Energy Vision (“REV”) related projects. Some of the possible projects the BPU is exploring include utility solar development, EV charging, Smart Metering, battery storage, and load factor improvement. A team of staff members is currently working on better defining projects under these categories.

Mr. Leathers provided an update on the EmKey Transportation pipeline and equipment asset purchase. He announced that it was denied by the New York State Public Service Commission per their order issued on September 15th, after their September 14th Commission meeting. Staff and legal counsel has reviewed the order details and is working on recommendations for consideration by the board as next steps to this process. A brief press release is included in the board packets which highlights the decision by the PSC and the work that needs to take place now to determine priorities and follow up work. Mr. Leathers reminded the Board members that there is currently a lease agreement in place with EmKey which expires in 2020.

Daytime fall water flushing is scheduled to begin with preliminary work on Friday, October 6th, and flushing will start in Falconer on October 7th and 8th. Extensive communication with regard to daytime flushing has taken place.

BPU Staff has invited the new Director of Administrator Services and City Clerk for the City of Jamestown, Mr. Todd Thomas, to visit the BPU, meet staff, and review interaction and communication needs between the respective areas.

The LM6000 has been running in simple cycle during this hot weather period. This is primarily for off-system sales.

The English Hill Substation project is progressing and is planned to be completed by the end of November.

There is a fall New York Association of Public Power (NYAPP) meeting in Albany scheduled for October 3rd and 4th. Dave Leathers and Dave Gustafson are planning to attend.

Upcoming meetings are as follows:

- Board Strategic Planning Committee meeting – Monday, October 2nd at 3:30 P.M. Erin Brickley, who represents the Chautauqua Lake Watershed Alliance Group, and Bill Stevenson, who chairs the Jamestown Riverfront Management Commission, will also be attending. Mayor Teresi requested that we also invite Julia Ciesla-Hanley to this meeting as she is the staff person for the Jamestown Riverfront Management Commission.
- Board Personnel Committee meeting – Monday, October 9th at 4:00 P.M.
- Board Finance & Capital Projects Committee meeting – Monday, October 16th at 3:30 P.M.
- Board Meeting – Monday, October 23rd at 4:00 P.M.

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

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

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

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