

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, December 18, 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

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

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

#171201 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 #171201A-E be, and hereby are approved as written.

ADOPTED. Ayes: 9 Nays: 0
December 18, 2017

#171201A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **December 18, 2017** as follows:

ELECTRIC LIGHT FUND	1,755,165.61
WATER RENT FUND	235,432.28
DISTRICT HEATING FUND	41,681.62
WASTEWATER OPERATING FUND	118,819.36
SOLID WASTE OPERATING FUND	104,107.62
Total	\$ 2,255,206.49

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

Weekly Payroll No. 44	181,464.86
Weekly Payroll No. 45	179,775.96
Weekly Payroll No. 46	189,715.33
Weekly Payroll No. 47	184,887.97
Weekly Payroll No. 48	202,413.64
EnergyMark LLC	10,970.00
NYISO	29,626.82
NYPA Purchases	469,367.25
Direct Energy Business Marketing	6,770.00
National Grid – Transmission Costs	231,777.21
Sprague Operating Resources	3,806.00
NYSERDA	183.39

NYSERDA – ZEC’s	74,481.06
United States Post Office - Rome	9,439.12
Mid-American Natural Resources	1,250.00
Crown Energy Services	7,190.00
NYS Sales Tax	40,000.00
Visa Corporate Payment Systems	16,715.96
RGGI, Inc.	85,000.00
Invoice Cloud	320.70
Sage Payment Solutions	6,166.04
Key Bank	415.84
Otis Elevator Company	1,057.01
EmKey Gathering	113,016.00
Total	\$ 2,045,810.16

#171201B:

Resolved, Pursuant to General Municipal Law of New York State §77-b.2 and §77-b.4, that this Board hereby delegates to General Manager, David L. Leathers, the power to authorize during the year 2018, attendance by BPU employees and board members at such specific conferences, conventions, or schools as the General Manager shall determine to be for the betterment or benefit of the BPU; and be it further

Resolved, That the expenses and disbursements incurred shall be paid through the division fund determined by the General Manager to be appropriate, pursuant to the provisions of the General Municipal Law of New York State.

Discussion: Staff will provide follow-up information on travel by employees and board members as requested. Expenditures for travel are subject to the BPU Travel Policy and budget limits.

#171201C:

Resolved, That the bid of Asplundh Tree Expert Co. of Willow Grove, PA, on BD-14-17 opened November 28, 2017, to perform tree clearing services, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to enter into a contract with Asplundh Tree Expert Co. for this tree clearing service.

Discussion: This was the lowest of two bids received and meets all required specifications. With these services, the BPU’s overhead infrastructure reliability has and will continue to be greatly improved by a comprehensive tree clearing program. The use of contract labor for this function continues to be an effective method of managing tree clearing needs without impacting existing personnel resources. This contract is valid from January 1, 2018 through December 31, 2018 with an estimated cost of \$255,000. This is included in the 2018 Electric Division Budget.

#171201D:

Resolved, That the bids provided by the following three vendors on BD-15-17 opened on November 28, 2017 for curb boxes, fittings, valves, elbows and other miscellaneous parts be accepted as follows:

- Lock City Supply of Lockport, NY, to provide ¾” elbow fittings, 60” curb boxes, and 29” stainless curb box rods,
- Core & Main of Rochester, NY, to provide ¾” curb stops, 1” curb stops, and rite hite valve box risers, and
- EJ Prescott of Blasdell, NY, to provide all other items included as part of the original bid specifications attached hereto,

And Be It Further

Resolved, That the General Manager is hereby authorized to issue Water Division purchase orders to each of the aforementioned vendors for these items.

Discussion: The bid utilizes unit pricing and will be ordered as needed throughout the course of one year with a total estimated cost of \$40,000 for these items. Each bidder was awarded the items they provided the lowest bid amount on. This is included in the proposed 2018 Water Division budget.

#171201E:

Resolved, That the bid of Lock City Supply, Inc. of Lockport, NY, on BD-16-17 opened November 28, 2017, for hydrants, piping, and valves, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division purchase order to Lock City Supply, Inc. for these materials.

Discussion: This was the low bid of the three received for hydrants, piping, and valves and meets all specifications. The bid was per unit pricing and will be ordered as needed throughout the course of one year with a total estimated cost of \$60,000 for these items. This is included in the 2018 Water Division Budget.

#171202 By Ms. Zenns:

Whereas, the BPU has reached an agreement with Bell Atlantic Mobile Systems Of Allentown, Inc. D/B/A Verizon Wireless on the terms and conditions of a Wireless Communications Pole Attachment Agreement,

Now, Therefore, Be It

Resolved, That the General Manager be, and hereby is, authorized to execute the Wireless Communications Pole Attachment Agreement with Bell Atlantic Mobile Systems Of

Allentown, Inc. D/B/A Verizon Wireless, of Basking Ridge, NJ 07920, in the forms attached hereto.

Discussion: BPU staff and counsel have worked with Verizon Wireless to create a new wireless communication pole attachment agreement which is acceptable to each party and follows the guidelines of the New York State Public Service Commission Order in Case No. 14-E-0243 dated April 24, 2017 on Municipal Pole Attachment Rates. The Agreement establishes the application process, attachment costs, annual attachment rate, and other essential terms and conditions. The Pole Attachment Agreement is separate from the Pole Attachment Tariff and does not affect attachers under the tariff. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. Mr. Horner asked how many poles would be affected within the community. Chris Rodgers replied that this currently involves approximately 18 poles which are located mainly outside of the city and is to increase capacity for cellular wireless devices. Mr. Horner asked if this would be in lieu of cellular towers. Mr. Rodgers explained that these small cells would be in addition to those towers to increase capacity. Mr. Wallace asked how the piece of equipment would be identified on a pole. Mr. Rodgers replied that it would include an antenna along with a radio equipment box, an electric meter service, and a distribution panel box with a couple of breakers. Mayor Teresi asked where the box would appear on the pole. Mr. Rodgers said the meter would be low to be accessible for our workers, and the radio equipment would be between approximately 8' to 18', and the 2' antenna would be in the power space at the top of the pole. Mayor Teresi asked about the amount the BPU will receive for each attachment. Mr. Rodgers said it would be about \$180 annually for each attachment, plus electric sales. Antenna installation would be installed by the BPU and also reimbursed to the BPU, along with wire pole attachment revenue per pole. Mr. Horner asked if this precludes other competing entities from entering the space. Bill Wright responded yes, only on the designated poles. He said that once a pole is occupied, it cannot be reoccupied, but other providers can choose other poles that meet requirements. Mr. Case asked if this could present any health concerns to residents who live near the poles. Mr. Rodgers said that a full audit of each pole is required and the BPU will be provided with the radio frequency report. The BPU will have the authority to shut a pole down for utility work, if deemed necessary.

ADOPTED. Ayes: 9 Nays: 0
December 18, 2017

#171203 By Mr. Horner:

Resolved, That the Board does hereby approve an increase in the work scope in the amount of \$146,000 for contract BD-02-17 dated February 17, 2017 to GoTTogo Electric, Inc., of Leroy, NY for furnishing of 150W and 400W equivalent LED roadway cobra-head light fixtures for unit cost of \$128 and \$356, respectively, and be it further

Resolved, That the General Manager is hereby authorized to execute a change order to cover the additional requirements to the original scope of the contract as detailed below.

Present Contract Price	\$ 205,520
Change Order No. 1	\$ 33,440

Change Order No. 2	\$ 146,000
New Contract Price	\$ 384,960

Discussion: Seven (7) bids were received at the bid opening which took place on February 17, 2017. 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. GoTTogo has agreed to continue to provide these fixtures at the original quoted costs. The original award was not to exceed \$220,000; to date, only \$205,520 has been executed. Change order #1 was issued in November for \$33,400 for additional lights for the City project and for general replacement of failed fixtures. These new LED fixtures are for the Town of Ellicott and the Village of Falconer for replacement of overhead cobra head fixtures. The municipalities have been awarded NYSERDA grants that will cover the stranded cost for each fixture as approved by the Public Service Commission in tariff under Service Classification No. 5, Municipal Street Lighting Service. This is included in the 2018 Electric Division Budget.

ADOPTED. Ayes: 9 Nays: 0
December 18, 2017

The General Manager’s Report began with a 2017 Electric Resources Assessment – Risk Management presentation by Dave Gustafson. Mr. Leathers explained that Mr. Gustafson has been leading an effort for resource assessment. Mr. Gustafson began his presentation by reviewing and explaining the current New York Energy Policy, including the Reforming the Energy Vision (REV) which was announced in 2014, the New York State Energy Plan in 2015, and the Clean Energy Standard (CES) in 2016. He said the goal of the CES is by the year 2030, 50% of New York’s electricity will come from renewable sources, including wind, solar, and hydro. He explained that the CES creates two mechanisms to turn New York State’s ambitious clean energy goal into a reality. Together they are termed The Renewable Energy Standard (RES). Mr. Gustafson reviewed Renewable Energy Credits (RECs) which started on March 1, 2017 and the Zero Emission Credits (ZECs) which started on April 1, 2017. He explained that the CES has created a lot of uncertainty and will impact the BPU and its customers by increasing the fuel adjustment charge. Mr. Gustafson reviewed the billed Mwh load trend, which shows that electric consumption primarily for industrial and commercial customers continues to decrease as it has been for the past several years. He also reviewed the expected trends in the market and said the next steps include creating a responsible energy policy and a supportive message that’s consistently delivered to customers to continue the BPU’s overriding mission which is to support its customers. Mr. Gustafson concluded, it is very important to understand how the CES will impact us and our customers.

Ms. Zenns asked if ZECs are being replaced by RECs. Mr. Leathers said that ZECs are supposed to conclude by 2030. He explained that ZECs are to provide a subsidy to nuclear plants in the state to help to keep them from closing. If the price of electricity remains low, then our customers will pay more for ZECs. However, if the price of electricity escalates, then ZECs will decrease. If nuclear plants begin to make money, then ZECs should go away altogether. In 2017, our customers were charged almost \$900,000 in ZEC payments. As changes are occurring and

electric rates are increasing, our overall effective rates increase which negatively affects the businesses and customers in our community.

The English Hill Substation was successfully commissioned last week. It is fully energized at this time. Mr. Leathers thanked Chris Rodgers, Mike Saar and their teams for their work. There will be a similar project in 2019 for the Huxley Substation.

The LM6000 has been and continues to operate in combined cycle mode. Bids are being developed and sent out for the simple cycle stack and coal handling equipment. A board resolution is anticipated at the January board meeting for deconstruction and rebuilding of the simple cycle stack in late April or May timeframe. The bid package for the EmKey pipeline assets operation and maintenance agreement will be sent out in early January. There will also likely be a bid sent out in late January or early February for the removal of the sheet piling in the Chadakoin River. This work is planned to be completed by late Summer or early Fall 2018.

The work the BPU committed to in 2017 for the Celoron water project is complete. There is water main in front of the 8 residential houses in that area and there are currently 4 houses connected to that main. The invoice has been sent to Celoron and payment was received today. Mr. Leathers said, "From a BPU perspective, we are pleased that we could support that important project."

Updated rate schedules have been uploaded to our website for water, wastewater and solid waste. A legal notice will be placed in The Post-Journal tomorrow to let them know where customers can find information about these changes. In addition, letters have been mailed directly to customers to let them know of any changes that will affect them.

Personnel policy changes have been reviewed with the BPU Board Personnel Committee. One additional change is being worked on for the travel policy. Once complete, this will be sent to all board members. A resolution is planned for either the January or February BPU Board meeting.

General BPU Orientations for the incoming City Council members, Vanessa Weinert and Andy Liuzzo, took place within the past week. These orientations are primarily to give the new council members an opportunity to meet BPU staff, to provide an overview of the BPU's five divisions, and to explain the Board structure. Mayor Teresi said that Ms. Weinert reported that the overview was very helpful and she appreciated this opportunity.

Freed Maxick will be providing their annual opening meeting to the BPU Board Finance Committee members on Monday, January 22nd at 3:30PM.

Upcoming meetings are as follows:

- Board Meeting - Monday, January 22nd at 4:00 P.M.
- Board Personnel Committee meeting that was tentatively scheduled for January 8th will be rescheduled to a later date.

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

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

On motion of Ms. Zenns, seconded by Mrs. Jones, the Board meeting was declared adjourned.

David L. Leathers, General Manager

Tammy J. Anderson, Secretary to the Board