

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 22, 2018 at 4:00 P.M.** in the offices of the Board, 92 Steele Street, Jamestown, New York.

BOARD MEMBERS:	Present	Absent
Marie Carrubba	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	

OTHER STAFF:

Environmental Compliance Administrator, Steve Dineen

Information Technology Manager, Frank Galeazzo

GENERAL PUBLIC ATTENDEES:

Doug Champ, 225 Bowen Street, Jamestown, NY.

Andrew Liuzzo, 35 Hopkins Avenue, Jamestown, NY.

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

Mayor Teresi opened the meeting by welcoming back Greg Rabb as a citizen board member and Marie Carrubba, President of the Jamestown City Council, as a new board member.

Mayor Teresi also welcomed back and thanked the members who were recently reappointed, Chuck Cornell, Martha Zenns, Ralph Wallace, and Maria Jones.

Mayor Teresi requested nominations for the position of Board Chairperson. Mr. Cornell said although he has enjoyed serving as chairman for the past two years, he would decline if nominated due to time constraints. Mr. Cornell nominated Dr. Greg Rabb to serve as Chairman of the Board. Ms. Zenns seconded the nomination. Mr. Horner moved to close nominations and requested that one unanimous ballot be cast for Dr. Rabb. Board members were unanimously in favor of electing Dr. Rabb as Chairman of the Jamestown BPU Board for 2018.

Dr. Rabb thanked the Board members and indicated that 2018 Board Member committee assignments would be announced at a later date.

Dave Gustafson, Electric & Gas Resource Manager, who is retiring soon, was honored and recognized for his service of almost 35 years. Mr. Leathers said, "Dave Gustafson is, and has been, a shining example of service to our community." Mr. Leathers continued, he will be very hard to replace and is an example of what a true leader is.

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

Mr. Doug Champ addressed the Board. He said he is questioning the sale of the wastewater treatment plant to the Jamestown Local Development Corporation (JLDC). He feels a public hearing should take place and that the rationale behind the sale should be explained to the public. He feels that the City Charter is not being followed. He said that the wastewater treatment plant is a stand-alone system and this transaction is taking a non-debt laden facility and now making it debt-laden. He feels that this will undoubtedly increase the wastewater rates. Mr. Champ said that in the past, no public discussion was offered when the profits from the utility were transferred to the City's General Fund, instead of being refunded to utility rate payers. He feels there should have been a public hearing made available at that time. Mr. Champ added that he continues to try to bring energy-related opportunities to the City and wants to know what the platform will be for citizens like him to present this type of information. He feels a lot of opportunities have been missed and said there needs to be transparency in this community.

There were no other comments from other general public attendees.

#180101 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 #**180101A-C** be, and hereby are approved as written.

ADOPTED. Ayes: 9 Nays: 0

January 22, 2018

#180101A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **January 22, 2018** as follows:

ELECTRIC LIGHT FUND	1,324,425.52
WATER RENT FUND	366,050.90
DISTRICT HEATING FUND	84,686.40
WASTEWATER OPERATING FUND	248,352.60
SOLID WASTE OPERATING FUND	108,473.44
Total	\$ 2,131,988.86

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

Weekly Payroll No. 49	182,210.91
Weekly Payroll No. 50	187,582.75
Weekly Payroll No. 51	192,294.08
Weekly Payroll No. 52	188,982.12
Longevity Payroll	42,379.82
NYS Retirement System	1,337,901.00
NYPA Purchases	469,911.60
National Grid – Transmission Costs	249,317.51
NYSERDA – ZEC’s	74,481.06
EnergyMark LLC	66,680.00
Direct Energy Business Marketing	54,540.00
Sprague Operating Resources	53,210.00
NYS Sales Tax	40,000.00
Mid-American Natural Resources	36,875.00
Wellness Payroll	30,154.22
Health Insurance Incentive Payroll	21,820.21
United States Post Office - Rome	10,086.42
Visa Corporate Payment Systems	9,986.29
Sage Payment Solutions	5,877.59
Key Bank	400.48
Butena & Company LLC	377.05

Invoice Cloud	328.80
NYSERDA	183.35
Transfer Wellness #2 - Payroll	161.47
Total	\$ 3,255,741.73

#180101B:

Resolved, That the bids provided by Wesco of Aurora, OH, Graybar of Cheektowaga, NY, and Irby Utility Supply of Syracuse, NY on BD-03-18 opened January 17, 2018 to supply general utility line materials and supplies be accepted and hereby awarded in accordance to the attached bid tabulation sheet, and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division purchase order 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 effective January 1, 2018 through December 31, 2018, with a total estimated cost of \$170,000 for these items.

#180101C:

Resolved, That the General Manager is hereby authorized to purchase from Navistar, Inc. of Loudonville, NY, under NYS Contract Bid Reference #7823, two 2018 International Model 7600 SBA 6x4 Refuse Trucks with a 25 cubic yard rear loading refuse collector at a cost of \$370,640 for the Solid Waste Division.

Discussion: These new trucks will replace vehicles #89 and #92, which will be sold at a later date. These trucks are included in the 2018 Solid Waste Capital Budget.

#180102 By Mr. Wallace:

Resolved, That the General Manager is hereby authorized to purchase from SpryPoint, Inc., of Charlottetown, PE, Canada, the professional services and software subscription services of their Mobile Field Service, Work Order and Asset Management, and Key Account Analytics solutions for a one-time cost of \$52,500 for professional implementation services and a software subscription cost of \$20,205 for year one.

Discussion: The Mobile Field Service solution will integrate with our Cogsdale customer service order system. Service orders can be scheduled and delivered remotely and our Customer Service Field Representatives can complete these service orders in the field on provided tablets. The Work Order and Asset Management solution will allow utility departments to track and manage their physical assets, create preventative and repair work orders against them and have employees complete them remotely on provided tablets. Lastly, the Key Account Analytics will allow us to manage our larger customer accounts and aggregate them for more efficient reporting on their usage and billing. This will also include a portal for the customer to manage all

of their accounts as a whole and provide to them the ability to see their consumption aggregated for all their accounts, by specific location and all the way down to the individual meter. SpryPoint is a Canadian vendor and the services they provide communicate with our current Customer Information Management Solution (Cogsdale). SpryPoint works with various other Cogsdale customers and has been highly recommended. They provide specific software applications that communicate with our current systems and there are no local vendors that can provide these services. This purchase project is currently budgeted under the 2018 Capital and Operating Budgets. Mr. Leathers said this is an example of technology and productivity improvements. Mr. Galeazzo said we are still currently providing paper service orders to the customer service field representatives (CSFR). This software will allow the CSFR's to access and update the service orders on tablets in the field. In addition, asset management & preventive maintenance schedules for the power plant will be implemented, GIS system field applications are being created, and a key accounts module will give our larger customers the ability to view their aggregated accounts.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180103 By Ms. Zenns:

Whereas, At a regular meeting of the Board held on June 26, 2017, the Board approved the application to the New York State Environmental Facilities Corporation for a grant under the Clean Water Infrastructure Improvement Act for a major sanitary sewer pipeline rehabilitation project, and

Whereas, On October 12, 2017, a grant was awarded to pay 25% of cost of the sanitary sewer improvement project, and

Whereas, The City is eligible to receive no-interest loan funding for the local share of the sanitary sewer improvement project through the State Revolving Loan Fund, and may desire to use this vehicle to pay the local share, and

Whereas, The New York State Environmental Facilities Corporation desires the grant funding, if applied for and if approved, to be issued to the City of Jamestown, the entity which will borrow the local share amount,

Now, Therefore, Be It

Resolved, That the BPU does hereby transfer its rights and obligations under the Clean Water Infrastructure Improvement grant to the City of Jamestown, and authorizes the City to enter into a WIIA Grant Agreement with the NYS Environmental Facilities Corporation, to pursue bonding or Clean Water State Revolving Fund financing for any portion of the project not covered by the Grant (if it is mutually agreed to utilize this funding mechanism), and to execute any and all other contracts, documents and instruments necessary to bring about the Project and to fulfill the City of Jamestown's obligations under the WIIA Grant Agreement, subject to review and approval by counsel.

Discussion: This resolution will give the City of Jamestown, authorization to sign a WIIA Grant Agreement with NYSEFC and to have the option to pursue any financing necessary for the sanitary sewer slip-lining and rehabilitation of approximately 30,000 linear feet of sanitary sewer collection pipe within the City of Jamestown. Mr. Leathers explained that this is to assign responsibility for the grant funding that we received. He said that if we pursue the grant funding option, it will ultimately go to the City and forwarded to the BPU. Mayor Teresi added that City Council would be the entity accepting the grant on the recommendation of BPU staff, and then designating BPU staff to implement the grant to the Board.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180104 By Mr. Lehman:

Resolved, That the General Manager is hereby authorized to execute Change Order #2 in the amount of \$70,000 to previously-approved Board resolution #170111 to Bond, Schoeneck & King, One Lincoln Center, 110 W. Fayette Street, Syracuse, NY 13202-1355, for services provided to the City of Jamestown with regard to the proposed annexation of the Dow Street Substation property.

Discussion: This is the second Change Order to the previously-approved \$40,000 board resolution for legal services provided by Bond, Schoeneck, and King. Change Order #1 was approved in the amount of \$60,000 in August of 2017, which included finalizing SEQRA findings and draft resolution, finalizing response to comments, compiling public hearing records, drafting and revising annexation resolution/findings, drafting petition, compiling records, drafting briefs to appellate division, responding to town/village answers to petition, and oral arguments. Mr. Leathers said that an additional resolution will likely be presented at the February Board meeting which will include anticipated future expenses.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180105 By Mrs. Jones:

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
 Schaefer Plumbing Supply Company
 Southern Tier Municipal & Supply
 Unifirst

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. Mayor Teresi said he was pleased to see that all vendors listed in this resolution are local.

ADOPTED. Ayes: 9 Nays: 0
 January 22, 2018

#180106 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.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180107 By Mr. Horner:

Resolved, That the bid of Wargo Enterprises, Inc. of Akron, NY, on BD-01-18 opened January 16, 2018, in the amount of \$125,800 for the supply of labor, equipment, and supervision, for the demolition and removal of Coal Conveyor No. 4 and Associated Work located within the Samuel A. Carlson Generating Station, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Wargo Enterprises, Inc. for this work, pending final review of staff and counsel.

Discussion: This was the lowest of the five (5) proposals that were received for the project scope. The scope of work for this project includes various tasks, such as the demolition of conveyor no. 4, it's associated tube and building on top of the coal silo, repair of impacted siding from removal of the coal tube, along with the removal of coal and legacy coal dust from the conveyor, it's associated tube and building on top of the coal silo. The BPU has performed its bid review with the assistance of SSOE Consultants. It is the conclusion of the BPU Staff that Wargo's proposal met the intent of the bidding documents. Furthermore, Wargo appears to be capable of performing the work based on responses from their references for similar work. BPU Staff recommends that Wargo Enterprises, Inc. be awarded the contract for the demolition and removal of Coal Conveyor No. 4. This is included in the dismantling fund portion of the 2018 Capital Budget. Note: This project will precede the repair/overhaul of the simple cycle stack. Mr. Leathers said that this is one of two resolutions related to the replacement of the simple cycle stack on the LM6000. This is the dismantling part of this project.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180108 By Ms. Zenns:

Resolved, That the bid of International Chimney, Inc., of Buffalo, NY, on BD-02-18 opened on January 16, 2018, for the furnishing of labor, materials, and equipment to repair/replace the LM6000 gas turbine simple cycle stack in the amount of \$884,514 be accepted

for a new 130' stainless steel stack or \$1,063,141 for a new stainless steel 199' stack; and be it further,

Resolved, That the General Manager is hereby authorized to enter into a contract with International Chimney, Inc., for this stack repair/replace for a sum of \$884,514 or \$1,063,141, subject to review by counsel.

Discussion: In September 2017, an extensive inspection of the simple cycle stack revealed unexpectedly high steel wall thickness loss and severely deteriorated internal components. To enable this targeted date (Spring 2018) to be achieved requires an aggressive schedule that allows for detailed engineering and material fabrication by the selected contractor to be performed in early 2018. In an effort to reduce costs, the stack repair/replacement work was opened to competitive bidding. A total of three bids were received to perform the work for the stack repair/replacement. International Chimney, Inc. was the low bidder and had the lowest evaluated bid. Based on International Chimney, Inc. bid for the upcoming work, along with their excellent performance on work they performed previously on the repair of the North and South Stacks in September 2017, staff recommends that International Chimney, Inc. be awarded the contract to repair/overhaul the simple cycle stack. This is included in the 2018 Capital Budget. (Note: The Jamestown Board of Public Utilities [JBPU] is currently waiting the approval of the New York State Department of Environmental Conservation [NYSDEC] to possibly lower the stack height from 199' to 130' based on air modeling results conducted at the S.A. Carlson Generating Facility. If the NYSDEC approves the 130' stack, then the costs will equate to \$884,514, if they disapprove the JBPU's submittal, then the stack will need to be 199' tall at a cost of \$1,063,141.) Mr. Leathers said there was an exception on part of the bid from International Chimney and, therefore, he anticipates a change order on this part of the project at the February Board meeting.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180109 By Mr. Wallace:

Resolved, That the action of the General Manager in purchasing from Terracai of North Syracuse, NY, the annual Maintenance and Support Agreement for the coverage period of January 11, 2018 through January 10, 2019 in the amount of \$23,166 is hereby approved and ratified.

Discussion: This Maintenance and Support Agreement is to cover any software upgrades to our Cisco Network equipment and phone system and for any technical support needed for the continued operation of the BPU's Networking equipment. This is an annual support agreement that must be renewed every January and is included as part of our annual operating budget.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

#180110 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 \$34,674, 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, additional Kalwall panels for the North Wall, Installation of framing for Kalwall, Crane support for North & South Stack repairs, additional fly ash removal from #12 Boiler, Steel modifications for new siding installation, and repairs to a corroded inlet flange for new duct connection on #9 boiler. These items, designated as Change Orders #10 through 15 and #17, increase the scope of previously approved work from \$5,406,464 to a new amount of \$5,490,138. This is included as part of the dismantling fund. Mr. Leathers explained that a resolution that was approved in November for \$49k for an asbestos change order is included. Mr. Leathers said that as we are nearing the completion of this project, this resolution includes several change orders that are required to complete this project. He said this project has gone extremely well under the leadership of plant staff Cory Allen, Steve Dineen, and James Samonsky, with oversight by Dave Gustafson. Mayor Teresi asked when the target completion date is. Mr. Leathers replied that we are hoping for completion by mid-June.

ADOPTED. Ayes: 9 Nays: 0
January 22, 2018

Mr. Leathers provided his General Manager's report. BPU Board member biographies are being reviewed and, if needed, will be updated on the BPU website. BPU Board members are also asked to complete the conflict of interest disclosure forms that were included in the packets and return them to the office of the Secretary of the Board.

Two draft resolutions were provided for consideration for the February Board meeting. The first resolution is to approve the updates and changes to the BPU Personnel Policy Manual. The proposed changes included in the policy manual have been reviewed in detail with the BPU Board Personnel Committee and will be sent out to all board members prior to the February Board meeting. The other proposed draft resolution is to add two new positions, a Junior Civil Engineer and a Senior Account Clerk. This resolution will also be reviewed with the BPU Board Personnel Committee and more information will be sent out to the board. The Junior Civil Engineer position is part of a succession plan as it relates to a mechanical engineering position in the water resources division, which has an anticipated retirement on the horizon. The Senior Account Clerk position is to manage the suspended debtor process and bring the past due collections process in-house.

We have been running the LM6000 in combined cycle mode during the cold weather period in early January while power prices were quite high. Mr. Leathers said that there are short periods where the power prices are really high, and then more periods of time when the prices are very low. Mr. Leathers explained that because of our ability to produce our own power, we are able to offset high pricing spikes on our customers' bills. He said it is getting harder to determine when and how often we should run the power plant. We do not want to turn it on and off continually as it takes a lot of work to get the equipment running, especially in combined cycle mode, but we need to be ready to run when there is a cold period to offset the high pricing spikes. The power plant elevator project was recently completed.

The City LED street lighting project is going well and is nearing completion. The 150 watt changeouts are complete and the 400 watt equivalent changeouts are underway. Ms. Zenns said that she received a comment about how the lights seem a lot brighter and people seem to be pleased with the new lighting.

Mike Saar and the Solid Waste team, along with Becky Robbins and Dave Leathers, are planning to attend the City Planning Commission meeting on Tuesday, January 23rd to provide a presentation on downtown solid waste pickup. The objective of the discussion will be how solid waste pickup gets better incorporated into new development projects in the downtown area. This presentation has also been provided to the Strategic Planning & Partnership Commission.

Mr. Leathers said he has had some questions recently related to solid waste pickup procedures. He explained that, in the past, the solid waste employees would first take the garbage can lid off the container, then bring the entire trash container to the back of the truck and empty it into the garbage truck. Since the Fall of 2017, the new procedure is to take off the lid, remove the garbage bags from the can, turn the can upside down, and put the garbage into the truck. This procedure has been changed for several reasons, including employee safety, damage to customers' garbage containers, and ensuring they are keeping the customers' garbage totes in the same place the customer placed it.

Freed Maxick CPAs, the BPU's independent financial auditing firm, is on site at the BPU today. We anticipate a draft report to the BPU Board Finance & Customer Accounts committee in April, and a final report to the Board at the April Board meeting.

Upcoming meetings are as follows:

- Board Meeting - Monday, February 26th at 4:00 P.M.

Mr. Leathers said he will work directly with each newly assigned committee chairperson to finalize the 2018 BPU Board Committee meeting schedules.

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

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

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

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