

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, April 23, 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	
Transmission & Distribution Mgr., Chris Rodgers	X	
Electrical Engineer, Kris Sellstrom	X	
Associate Power Plant Supervisor, Cory Allen		X

OTHER ATTENDEE:

Laura Landers, CPA, MPA, Director, Freed Maxick CPAs,

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

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

On motion of Ms. Carrubba, seconded by Mr. Horner, the Board convened into executive session to discuss one contract negotiation issue.

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

#180401 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 **#180401A-D** be, and hereby are approved as written.

ADOPTED. Ayes: 7 Nays: 0
April 23, 2018

#180401A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **April 23, 2018** as follows:

ELECTRIC LIGHT FUND	1,316,531.74
WATER RENT FUND	364,942.59
DISTRICT HEATING FUND	80,602.38
WASTEWATER OPERATING FUND	143,018.53
SOLID WASTE OPERATING FUND	87,128.35
Total	\$ 1,992,223.59

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 **March 2018** to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 9	187,007.93
Weekly Payroll No. 10	186,850.00
Weekly Payroll No. 11	181,617.58
Weekly Payroll No. 12	183,150.48
Weekly Payroll No. 13	224,756.88
RGGI	210,000.00
NYISO (wire error)	210,000.00
NYISO-TCC's	221,599.00
EnergyMark LLC	35,790.00
NYISO	51,131.25
NYPA Purchases	46,3036.41
Direct Energy Business Marketing	262,301.00

National Grid – Transmission Costs	147,351.99
Sprague Operating Resources	111,927.00
NYSERDA – ZEC’s	74,481.09
United States Post Office - Rome	10,358.02
Mid-American Natural Resources	7,200.00
Crown Energy Services	110,068.00
NYS Sales Tax	80,000.00
Visa Corporate Payment Systems	11,687.95
Invoice Cloud	225.30
Sage Payment Solutions	7,451.91
Key Bank	321.83
Total	\$ 2,978,313.62

#180401B:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company, New York, NY, for \$88,500 to pay six months interest at 4.04 per centum per annum due May 15, 2018 on \$8,505,000 on Public Improvement Serial bonds, Series 1999A.

Discussion: This bond is for the gas turbine and the final payment will be made on November 15, 2019.

#180401C:

Resolved, That a warrant be drawn on the Electric Light Fund to The Depository Trust Company, New York, NY, for \$3,300 to pay six months interest at 4.04 per centum per annum due May 15, 2018 on \$315,000 on Public Improvement Serial bonds, Series 2000B.

Discussion: This bond is for the gas turbine and the final payment will be made on November 15, 2019.

#180401D:

Resolved, That the bid from Roddie, Inc. of Columbia Falls, MT, on BD-08-18 opened April 6, 2018, in the amount of \$62,456.13 for the supply of a pit launched horizontal drilling machine be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Water Division Purchase Order to Roddie, Inc. for the supply of a pit launched horizontal drilling machine.

Discussion: This is the only bid received and meets all required specifications. This piece of equipment will be used to install long-side services throughout the distribution system. This purchase will be reimbursed through the grant received by the Water Division for the Lead Service Line Replacement.

#180402 By Mr. Wallace:

Resolved, that the Board of Public Utilities' Roster Sheets dated November 16, 1976 as heretofore adopted, amended and continued be, and the same are hereby further amended as follows, subject to the approval of the Civil Service Commission:

Add one (1) Assistant Labor Relations Administrator

Discussion: The Assistant Labor Relations Administrator position addition represents a succession planning move for the expected retirement later this year of the Senior Account Clerk/Typist (Payroll Coordinator) within the Human Resource Department. Once the retirement occurs, the Senior Account Clerk/Typist position will be eliminated. The proposed salary range for the Assistant Labor Relations Administrator is \$50,423 - \$67,305. Many of the Senior Account Clerk's current duties revolve around the payroll process. Over the course of time, there have been numerous improvements and changes made to the payroll process which in turn has freed up the Senior Account Clerk Typist to do other things. Replacing this title with the Assistant Labor Relations Administrator job description allows us to expand duties to be in line with the needs, service responsibilities, and overall performance expectations of the Human Resource Department. The Senior Account Clerk Typist salary range is currently \$44,950 - \$67,305. This position addition and succession plan has been reviewed by and is recommended for approval by the BPU Board Personnel Committee. Mr. Leathers commented that this is ultimately not an additional position, but rather a change in title and qualifications to encompass additional responsibilities and more accurately reflect the position duties.

ADOPTED. Ayes: 7 Nays: 0
April 23, 2018

#180403 By Mr. Wallace:

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 the City of Jamestown Director of Administrative Services/City Clerk 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 the Jamestown Board of Public Utilities' Finance & Customer Accounts Manager be and be hereby designated as the Records Management Representative for the City of Jamestown Board of Public Utilities.

Discussion: A similar resolution was adopted previously, using employee names instead of employee titles. This resolution uses titles to capture the employee currently occupying the position.

ADOPTED. Ayes: 7 Nays: 0
April 23, 2018

#180404 By Mr. Lehman:

Whereas, The BPU has reached an agreement with Eaglezip.com LLC on the terms and conditions of a Fiber Optic Lease/Service Agreement,

Now, Therefore, Be It

Resolved, That the General Manager be, and hereby is, authorized to execute the Fiber Optic Lease/Service Agreement with Eaglezip.com LLC of Jamestown, NY, in the forms attached hereto and pending approval by counsel.

Discussion: BPU staff and counsel have worked on providing a proposal to Eaglezip.com for leasing excess dark fiber. The lease requires a new contract be executed with Eaglezip.com. Eaglezip.com has requested a single fiber lease from the Hotel Jamestown to the Russell E. Diethrick, Jr. Park stadium at 485 Falconer Street. Chris Rodgers said that this will be a single fiber connection between the two buildings. This will be a five-year agreement, with automatic renewals, at approximately \$250 per month. Ms. Carrubba asked if the fiber is already in place or if new fiber would be run. Chris Rodgers replied that the fiber is already existing and in place, but additional fiber would have to be run at both ends to connect the services. Bill Wright explained that this is a fairly standardized agreement. Ms. Zenns asked why fiber was being requested between the Hotel Jamestown and the stadium. Chris Rodgers replied that this is to provide service to the stadium.

ADOPTED. Ayes: 7 Nays: 0
April 23, 2018

#180405 This resolution was tabled by Chairman Rabb.

#180406 By Mr. Horner:

Whereas, On May 27, 1971, the City of Jamestown deeded a parcel of real property to the BPU for stated utility purposes, and

Whereas, The City later deeded the same property to the Jamestown Urban Renewal Agency which, subsequently, deeded it to L-S Aero Marine, Inc., and

Whereas, The BPU has not, and does not, use this property for any purpose, and

Whereas, The attorney for David Lawson, as the successor in interest to L-S Aero, Marine, Inc. has requested that the BPU quit-claim any interest that it may have in the real property to Mr. Lawson, for the purpose of clearing title to the real property for sale to a purchaser,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize the General Manager to execute a quit-claim deed and corresponding recording documents, to David Lawson subject to review and approval by counsel.

Discussion: While performing a title search for the transfer of real property, the attorney for David Lawson discovered a deed to the BPU with no corresponding deed out of the BPU. Current Staff does not know why this property was titled to the BPU, as it is not, and has not been, used for utility purposes. The BPU has no need for this property, and has not considered itself to be the owner of this property. The BPU believes that clearing title to the property is in the best interest of the City. A quit-claim deed transfers any interest that the BPU may have, which is believed to be none. Bill Wright explained that the City of Jamestown deeded the property to the Board of Public Utilities in 1971. A short time later, they deeded the same property to JURA, which was later deeded on down to L-S Aero, Marine, Inc. The property was deeded twice, which has caused this issue. Mr. Wright explained that he worked with counsel to the city, Marilyn Fiore-Lehman, along with Jeff Lehman, and the City Assessor, to conclude that if the Jamestown BPU owns any part of this property, this quit-claim deed would transfer the ownership of the property. Mr. Wright highlighted that there is a small area on the property where the BPU holds a sewage pump station, as well as a pole that services that pump station, and both are accessed through the L-S Aero driveway. Through a verbal agreement with attorney Neil Robinson, easement is granted to the BPU for ingress and egress to the pump station and the utility pole as it services the pump station. This resolution is for the BPU to authorize the drafting and execution of this quit claim deed by the general manager. Ms. Zenns asked if there were any existing easements in the title search. Mr. Wright responded no, there are no existing easements. This resolution is to clear up the records.

ADOPTED. Ayes: 7 Nays: 0
April 23, 2018

The General Manager's Report began with a year-ending 2017 financial audit results presentation by Laura Landers, Director of Freed Maxick, CPAs. Ms. Landers began by reviewing the control deficiency observations and recommendations provided to the Jamestown BPU related to investments and cash reconciliations, tracking and recording of capital assets, valuation, and tracking of District Heat inventory. Kelly Hawkins explained that there are already methods and actions in place to work on these identified deficiencies.

Ms. Landers provided an overview and analysis of each division's financial performance. The Electric Division ended 2017 with a change in net position of \$3,328,306. Operating revenues, cost of power expenses, and administrative and general expenses all decreased, while transmission & distribution expenses and tax equivalent payments increased compared to 2016.

For the Water Division, the change in net position for 2017 was \$84,680 compared to \$149,576 in 2016. Total operating revenues, transmission and distribution expenses, and tax equivalent payments all increased, while power and pumping expenses and administrative and general expenses decreased compared to 2016.

In the Wastewater Division, the net position changed by \$113,174 and (\$117,310) for 2017 and 2016, respectively. The total operating revenues and transmission and distribution expenses increased, while outside taxes and administrative and general expenses decreased compared to 2016.

For the Solid Waste Division, the change in net position for 2017 was \$202,951 as compared to last year's net change of \$118,153. Operating revenues and administrative and general expenses both increased, while labor expenses, repairs and maintenance, landfill tipping fees, and contribution in lieu of taxes all decreased compared to 2016. Capital expenditures for this division were \$197,164 and \$259,628 for 2017 and 2016, respectively.

In the District Heating Division, the change in net position for 2017 was (\$147,286) as compared to last year's net change of (\$92,436). Heat sales and cost of energy both increased for 2017, and the year-end cash position was \$1,115,261 compared to \$509,437 at the beginning of the year. Capital improvements of \$28,038 were added to the division which were paid for with cash from operations. Investments in US Treasury Notes were \$1,883,480 at December 31, 2017.

Ms. Landers said, overall, except for the District Heating division, all BPU divisions had a positive performance in 2017.

Included in the board packets for awareness purposes are copies of the letters that were recently mailed to Senator Young and Assemblyman Goodell related to the Jamestown BPU's support of S3292-A3907 to create the Safe Water Infrastructure Action Program, known as SWAP. Mr. Leathers explained that this establishes a safe water and infrastructure action program to support the replacement and rehabilitation of existing local municipally-owned and funded drinking water, storm water and sanitary sewer systems. He said that a lot of New York State clean water and drinking water programs are related to new lines, but this program is modeled after the CHIPS program for road restoration and upkeep. The request for support came to us from the New York Rural Water Association. Mike Saar vetted the organization and the senate and assembly bills to try to get support for this type of program. Mr. Leathers said he will be in Albany next week with the NYAPP Government Affairs Committee and will be able to talk more with Senator Young and Assemblyman Goodell to get their input on this program.

Mr. Wallace departed at 5:00 P.M. during the General Manager's Report.

Also included in the board packets are copies of the BPU Electric tariff leaves that were created and are proposed to be filed with the New York State Public Service Commission related to new Service Class No. 7, High Density Loads. Mr. Leathers said there are different municipal tariff requests currently being sent into the PSC related to high density load customers. He explained that this new service classification has been created due to the recent increase of

businesses that consume high density loads. These types of businesses are installing hundreds, if not thousands, of servers into areas, which draw high electrical demand loads using bitcoin-mining centers, server farms and crypto-currency generators. These businesses, however, do not provide many jobs or any commitment to the community. The proposed tariff leaves are designed to allow the BPU to require these businesses pay for a feasibility study, charge a deposit and agree to different electric rates. Mr. Leathers explained that there could be a negative impact that could be experienced within some communities by these types of businesses. They could potentially increase everyone's electric rates because they use such large amounts of power. Some time is still needed to figure everything out, but in the meantime, the tariff filing will better control these types of businesses potentially entering our community. Mr. Leathers said it is our intention to file these tariff leaves with the New York State Public Service Commission so as to try to head-off any potential system exposures or negative customer rate-related impacts. Mr. Leathers said BPU Staff is working with legal counsel to finalize the tariff filing. Ms. Carrubba asked if it would be possible for this type of business to set up without the BPU knowing about it. Kris Sellstrom responded that smaller types of these businesses could, but aren't currently our main concern. Larger businesses would require more infrastructure, and the customer would have to request that. Mr. Leathers added that there are certain controls already in place with our tariff today, but the reality is that there could be issues, including safety issues, if a customer doesn't make us aware of their load needs.

Spring daytime flushing is scheduled to begin at the end of this week. Flushing will begin in the Village of Falconer on April 27, 28, & 29, then will proceed through to the Jamestown system on April 30. Mr. Leathers commented that during his recent trip to Saratoga, the utility crews in that area were also performing flushing during the daytime, which seems to be more common in different municipalities.

Dave Leathers & Kris Sellstrom recently attended the New York Association of Public Power's (NYAPP) Annual Conference in Glens Falls, NY. Mr. Leathers announced that Jamestown is being considered to host a NYAPP meeting in October. There may be anywhere between 25 to 40 people who will be here for approximately 2 ½ days. The Board members will be kept informed and are welcome to attend, if they are interested in meeting some of the other NYAPP members.

The LM6000 simple cycle stack deconstruction project is starting on Wednesday, April 25th and will continue for approximately the next one and a half months.

Requests for proposals have been sent out for the Jamestown BPU website redesign project. Several proposals have been received and are currently being analyzed. A board resolution is planned for the May board meeting.

A new water well is being constructed and is nearing completion at the Cassadaga Well Field. Mike Saar said that a 72-hour water flow rate test was conducted. The water well flow capacity on the new well is approximately 700 gallons per minute, while the well that is being abandoned only allowed for approximately 50 gallons per minute. Mr. Leathers commented that in some years we are performing water well and pump rehabilitation, while in other years we are drilling new wells.

The dual water meter program will be starting soon and a press release is included in the board packets. The Yard Waste Site is open on Saturdays from 9:00 A.M. to 3:00 P.M. and will begin opening on Wednesday afternoons from 4:00 P.M. to 7:00 P.M. beginning on Wednesday, May 2nd.

Upcoming meetings are as follows:

- Board Strategic Planning Committee meeting – Monday, April 30th at 3:30 P.M.
- Board Finance & Capital Projects Committee meetings – Monday, May 14th at 3:30 P.M.
- Board Meeting - Monday, May 21st at 4:00 P.M.

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

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

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

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