

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, May 21, 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 (arrived at 4:07 P.M.)	X	
Terrance Horner	X	
Maria Jones	X	
Jeffrey A. Lehman, PE (arrived at 4:10 P.M.)	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 STAFF:

Data Programmer/Analyst, Hyla Brinkley

Information Technology Manager, Frank Galeazzo

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

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

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

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

#180501 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 **#180501A-C** be, and hereby are approved as written.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180501A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **May 21, 2018** as follows:

ELECTRIC LIGHT FUND	1,625,453.88
WATER RENT FUND	411,575.27
DISTRICT HEATING FUND	120,241.48
WASTEWATER OPERATING FUND	204,100.44
SOLID WASTE OPERATING FUND	140,493.84
Total	\$ 2,501,864.91

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

Weekly Payroll No. 14	187,023.46
Weekly Payroll No. 15	182,851.20
Weekly Payroll No. 16	185,553.41
Weekly Payroll No. 17	183,132.16
EnergyMark LLC	8,200.00
NYISO	174,707.09
NYISO-TCC's	373,892.40
NYPA Purchases	493,987.27
Direct Energy Business Marketing	197,519.50
National Grid – Transmission Costs	265,978.60
Sprague Operating Resources	48,795.00
NYSERDA – ZEC's	77,577.70

United States Post Office - Rome	10,313.44
Mid-American Natural Resources	5,440.00
Crown Energy	21,869.00
NYS Sales Tax	35,000.00
Visa Corporate Payment Systems	21,190.05
Invoice Cloud	484.20
Sage Payment Solutions	8,111.23
Key Bank	301.47
Paypal	11.50
Total	\$ 2,481,938.68

#180501B:

Resolved, That a warrant be drawn on the District Heating Fund to The Depository Trust Company, New York, NY, for \$183,431.25 to pay principal of \$135,000 and six months interest of \$48,431.25 at 4.25 per centum per annum due June 15, 2018 on \$2,390,000 on Public Improvement Serial bonds, Series 2010A.

Discussion: The final payment will be made on June 15, 2030. This is for the 2010 bond issue to fund the natural gas package boiler and building.

#180501C:

Resolved, That the bid of Ermco/Delta-Wye Associates, LTD., of Cazenovia, NY, on BD-13-18 opened May 14, 2018, in the amount of \$43,182 to furnish two 1000Kva pad mounted transformers, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Delta-Wye, for these pad mounted transformers.

Discussion: Four bids were received. After review, staff recommends that the items be awarded to Delta-Wye Associates, LTD. Delta-Wye had the lowest purchase cost and life cost unit that met specifications. The quantities to be purchased are based on planned additions and changes, and for normal stock levels. The purchase of pad mount transformers is included the 2018 Electric Division budget.

#180502 By Mr. Wallace:

Resolved, That the Board accepts the extension proposal of Freed Maxick CPAs, P.C., of Batavia, NY, for the examination of the accounts of the Electric, Water, Wastewater, Solid Waste and District Heating Divisions of the Board of Public Utilities for the years ending December 31, 2017 and December 31, 2018 and reports on their examinations; and be it further

Resolved, That the General Manager is hereby authorized to accept the agreement in the amount of \$28,150 for year ending December 31, 2017 and \$28,650 for year ending December 31, 2018 under the terms of their proposal, is hereby approved and ratified, subject to approval of counsel.

Discussion: This has been reviewed by the BPU Board Finance & Capital Project Committee. Mr. Leathers said that a request for proposal process will begin around this time next year.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180503 By Mr. Horner:

Whereas, Three-quarters ($\frac{3}{4}$) of the members of this Board concurs that it is impractical to take bids for two proprietary replacement pumps for the Chautauqua County landfill leachate station;

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing a purchase order to Shrier-Martin Process Equipment of Mendon, NY, for the purchase of two Moyno Progressive Cavity pumps for a total amount of \$47,026, is hereby approved and ratified.

Discussion: Due to a recent failure of a leachate pump at the Chautauqua County landfill station, an emergency purchase of two replacement pumps was required. One of the two pumps was replaced and the other is being used by the landfill as a backup. Since these pumps are identical and the same age, the second pump is expected to also fail soon and the lead time on this pump is eight weeks. Shrier-Martin Process Equipment is the local authorized dealer for Moyno Equipment. The BPU maintains these pumps, but the County landfill pays for capital purchases of this system. The cost of these pumps will be reimbursed to the BPU by the Chautauqua County landfill.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180504 By Mr. Lehman:

Resolved, That the General Manager is hereby authorized to purchase from CivicPlus of Manhattan, KS, the professional and software services of their Civic Engage Website Design and Content Management solution for a one-time cost of \$37,550 for professional website development and implementation and an annual software maintenance, support, and hosting cost of \$5,070 annually.

Discussion: Requests for proposals were sent out to several potential vendors, and 8 responses were received. Based on a rubric and evaluation CivicPlus was selected as the

recommended vendor and solution for this project. CivicPlus will provide the BPU with a website content management system for BPU staff to update and manage content of the Jamestown BPU website. They will design and implement an upgraded website for the public to access with several customer-centric features, including the availability for customers to pay their bills, look up information about the utility, contact customer service and other BPU staff, apply to receive alerts and messages from the BPU, and allow them to submit requests and information to the BPU from the website, such as reporting street light outages and signing up for service. This project is currently budgeted under the 2018 Capital Budget. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180505 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) Business Development Coordinator

Discussion: The Business Development Coordinator position is a newly created position. The successful candidate will work closely with other Local/Regional Development Organizations to drive a unified Marketing effort within the community for both improved local business retention as well as new business recruitment. This individual will seek grants and funding opportunities for business and site development, and will work with local developers, realtors, and development groups to create a standard format for a comprehensive description and listing of available sites; they will also work to identify business retention areas of concern and work with local, regional, and state resources to drive necessary change and improvement. Lastly, they will be responsible for working with local education institutions and state departments to help coordinate workforce development initiatives. This new employee will serve as the BPU lead for various business coordination programs, including Key Accounts Management and SC-6 Flex Rate for large industrial customers. The salary range for the Business Development Coordinator position has been set at \$46,669 - \$77,635. This position definition and Board resolution has been reviewed by, and is recommended by, the BPU Board Personnel Committee. Mayor Teresi commented that he feels this is a smart move and investment.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180506 By Mr. Horner:

Resolved, That the General Manager is hereby authorized to approve Change Order # 18 to Resolution #170205 for Apollo Dismantling Services LLC., of Niagara Falls, NY, for a total

amount of \$194,900 to complete additional required repairs in conjunction with the demolition of Boilers #11 and #12, Alternate No. 1 at the Samuel A. Carlson Generating Station.

Discussion: During demolition activities of Boilers #11 and #12, Alternate No. 1, the deteriorated condition of the No. 9 & 10 Boiler west wall brick bulge was re-evaluated by retired BPU engineer Dave Gustafson, SSOE engineers & power plant staff. In the original bid specification, the brick wall bulge was identified for partial parapet removal and replacement. After further inspection of the west wall, it was determined that the brick in the west wall below the parapet was structurally compromised. The bulge continues to worsen and extends below the parapet/roof line along the entire length of the west wall (approximately 82 feet).

To repair the west wall brick will require removal of the entire 9 & 10 Boiler west parapet and an 82-ft. x 4-ft. section of the west wall brick. The west wall brick will be rebuilt in kind and the parapet will be replaced by guardrail. Power plant staff recommends this additional work be performed before the No. 9 & 10 Boiler roof is replaced as called for in the Alternate No. 1 bid specification.

This item increases the scope of previously approved work from \$5,490,138 to a new amount of \$5,685,038 and is included as part of the dismantling fund. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. Ms. Zenns asked if the roof work has already been completed. Mr. Leathers replied that the roof work was included in the original bid. Approximately 80% of the roof at boilers 11 & 12 had been completed late last year and the contractor will be returning to finish the top layer of that work. The roof at boilers 9 & 10 is the original roof which will be worked on after the brick work is complete.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

#180507 By Ms. Zenns:

Whereas, SSOE Group of Toledo, OH has recently provided professional consulting services in an efficient and comprehensive manner related to developing project plans and bid specifications for the replacement of the Simple Cycle Stack of the LM6000 gas turbine project at the Samuel A. Carlson Generating Station, and

Whereas, SSOE Group has considerable knowledge of and possesses familiarity of the power plant;

Now, Therefore, Be It

Resolved, That the action of the General Manager in issuing an Electric Division Purchase Order to SSOE Group LLC of Toledo, OH, in the amount of \$21,500, per their proposal dated April 20, 2018 for professional engineering consulting services needed to support the installation of a steam separator on Steam Turbine Generator No. 6, is hereby approved and ratified.

Discussion: After the 2016 overhaul of Steam Turbine Generator No. 6, a steam process assessment was performed by Elliot Group and a report was provided to BPU Staff and was shared with SSOE Group for opinion and comment. To reduce the potential for degradation of Steam Turbine No. 6 due to steam system conditions, the power plant staff and SSOE Group recommend the installation of Steam Separator on Steam Turbine Generator No. 6 for moisture and Foreign Object Damage (FOD) reduction. Due to the complexity of this work, a proposal was sought from SSOE Group LLC for engineering assistance to perform pipe stress analyses and prepare the technical specification for a steam separator bid. SSOE Group's services will be provided and billed on a time and material basis based on the direction they receive from BPU project management personnel. BPU Staff believes that retaining SSOE to provide this support will help ensure the overall project is completed safely and at the lowest cost. This has been reviewed by and is recommended by the BPU Board Finance & Capital Projects Committee. This is included in the 2018 Electric Division Capital Budget. Mr. Leathers commented that this resolution is in response to concerns that were identified during the last overhaul of Steam Turbine Generator No. 6. Mr. Leathers said the original estimates for that overhaul were in the range of around \$1.5M, but when the unit was opened up, it was found to be significantly more degraded and damaged by foreign objects than originally thought. The steam separator is the last step in the process to try to eliminate those foreign particles and metals from getting into the turbine itself and doing more damage over the course of a five or ten-year period. Cory Allen and the power plant staff have also done some preliminary piping in anticipation of this project and plan to have it completed for the October maintenance outage period. Cory explained that the engineering is ultimately a pipe-stress analysis to ensure that it will not cause problems with the steam pipe. Mr. Horner asked if this is a resolution just for the engineering. Mr. Leathers replied, yes, this is for the engineering only and a resolution for the steam separator will likely be included at the June Board meeting.

ADOPTED. Ayes: 9 Nays: 0
May 21, 2018

Mr. Wallace departed at 5:00 P.M.

Mr. Leathers provided a General Manager's Report, which began with an update from Cory Allen who reviewed the status of the LM6000 simple cycle stack at the Power Plant. Mr. Allen said the contractor is currently installing the platform for CEMS testing. We expect to be running testing by mid-June. The stack has been constructed and the silencers were shipped from Germany and are anticipated to be here by by June 1st. Mr. Leathers said that when the contractors are back to install the silencers, that is when they'll inspect the combined cycle stack. If it's not in a degraded state, we will paint the stack in 2019. If it needs to be deconstructed, then that will be pushed out a little farther than next year.

Included in the Board packets is the 2017 Resource Assessment which was prepared by the BPU electric division team. This information has been reviewed and discussed at the Board committee meetings.

There was a higher fuel cost adjustment charge this month. Mr. Leathers explained that since we are currently not running the gas turbine and generating electricity, we are not off-setting our National Grid transmission service and New York Independent System Operator (NYISO) charges. There are also extra charges from the New York Power Authority (NYPA) for substitute energy where they had curtailment issues in January. We continue to have the zero emission credit (ZECs) and renewable energy credit (RECs) charges, with hardly any reimbursement to customers from the off-system sales (OSS) profits from 2017. Mr. Leathers noted that in 2017, we had close to \$800K in OSS refunds to our customers. So far this year, we've had only approximately \$47K in refunds. He explained that there are a lot of different variables affecting the fuel cost adjustment. We anticipate a higher fuel cost adjustment for June as well. The good news is, although the May & June fuel cost adjustment charges are higher, consumption is typically lower in these months, so most residential customers won't notice much of a difference in their bills. Mr. Leathers said that there are a lot of challenges on the variable portion of our bills. There is a risk with the fuel cost adjustment charge increasing over time, primarily because of National Grid transmission service charges, along with the ZECs and RECs. This will continue to be monitored, reviewed, communicated, and managed.

The APPA National Conference is coming up during the week of June 17th and will take place in New Orleans. Mr. Leathers will be attending the conference along with Board members Mayor Teresi, Terry Horner, and Greg Rabb.

We continue to work on and progress the Water and Wastewater Agreement with the Town of Ellicott. We are hoping to review this again at our June BPU Board Meeting. More information to follow on the details and timing of this agreement.

Spring water flushing results went well overall. Mike Saar commented that it was completed with no overtime required.

We are finishing up the water line replacement on Second Street, between Lafayette and Washington Streets in anticipation of the piazza project. This project should be done by mid-week. We are also working on ornamental lighting on Fourth Street, between Lafayette and Washington Streets. This project should be completed soon.

Mr. Leathers said there have been questions about contacting BPU staff members at different times of the week and different times of the day. Tammy Anderson sent out contact information for key staff members that BPU Board members can contact with any questions or concerns.

Upcoming meetings:

- Board Personnel Committee Meeting – Monday, June 25th at 3:00P.M.
- Board Meeting - Monday, June 25th at 4:00 P.M.

Mayor Teresi formally recognized and thanked Dave Leathers and Bill Wright for their hard work and good assistance that they provided to the City Team through the process of the recently completed testimony on the police arbitration. He said they did great work and were key to the City's dealings through the arbitration process. Mayor Teresi said he wanted to be sure

they were publicly recognized for their clutch performances, the good research and background work, and the testimony that they entered into the process. He commented that the process isn't over yet. The process will entail having both parties submit their written briefs to the oral testimony and cross-examinations that took place, which will happen by June 14th. Dave and Bill will both continue to be part of that process. He said our BPU management staff and legal counsel provided a major assist and a key role in the process, which is much appreciated.

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