

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, July 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 STAFF:

Customer Service, Shari J. Lake

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.

#180701 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 **#180701A-C** be, and hereby are approved as written.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

#180701A:

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

ELECTRIC LIGHT FUND	940,356.13
WATER RENT FUND	266,146.23
DISTRICT HEATING FUND	56,958.78
WASTEWATER OPERATING FUND	189,383.69
SOLID WASTE OPERATING FUND	107,150.32
Total	\$ 1,559,995.15

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

Weekly Payroll No. 23	206,234.26
Weekly Payroll No. 24	184,878.33
Weekly Payroll No. 25	194,999.31
Weekly Payroll No. 26	183,673.62
EnergyMark LLC	2,620.00
NYPA Purchases	487,980.73
NYISO	165,381.73
Direct Energy Business Marketing	7,484.00
National Grid – Transmission Costs	255,714.12
Sprague Operating Resources	9,366.50
NYSERDA – ZEC's	77,577.70
United States Post Office - Rome	10,053.98

NYS Sales Tax	35,000.00
Visa Corporate Payment Systems	18,005.13
Invoice Cloud	374.70
Sage Payment Solutions	7,293.27
Key Bank	282.38
Total	\$ 1,846,919.76

#180701B:

Resolved, That a warrant be drawn on the Electric Light Fund to Depository Trust Co., New York, NY, for \$296,184.38 to pay principal of \$275,000 and interest of \$21,184.38 for six months at 1.0 per centum per annum due August 1, 2018 on \$2,855,000 Serial Electric Bonds.

Discussion: This is for the CFB Project permitting and engineering costs and various infrastructure improvements with the final payment to be made in August 2025.

#180701C:

Resolved, That a warrant be drawn on the District Heating Fund to Depository Trust Co., New York, NY, for \$9,706.25 for six months interest at 4.0 per centum per annum due August 15, 2018 on \$530,000 Serial District Chilling Bonds.

Discussion: This is for the BPU Chiller Unit with the final payment to be made in February 2025.

#180702 By Ms. Zenns:

Resolved, That the bid of Lakeshore Paving, Jamestown, NY, on BD-10-18 opened on May 22, 2018, in the amount of \$169,690 for the removal and installation of the asphalt driveway at the Wastewater Treatment Plant, be accepted; and be it further

Resolved, That the General Manager is hereby authorized to issue a Wastewater Division Purchase Order to Lakeshore Paving, for this asphalt driveway.

Discussion: This is the only bid received and meets all of the specifications. This is included in the 2018 Wastewater Division Capital Budget. This project is over budget, however, the Wastewater Treatment Plant belt filter press project was under budget which allowed additional spending for this project. Mr. Leathers noted this is an important project for the treatment plant employees and the delivery contractors there. Ms. Zenns questioned if it was the material costs that were higher, or more to do than what was anticipated. Mike Saar answered it was material costs.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

#180703 By Mr. Horner:

Whereas, The BPU has entered into a contract with EmKey Transportation, Inc. for the purchase of all assets of that company, and

Whereas, During the pendency of that contract, the parties have continued to operate under the terms of the Gas Facilities Lease Agreement between the BPU and EmKey Gathering, Inc., dated July 23, 1999, which calls for monthly rental payments to be made by the BPU in the amount of \$56,508, and

Whereas, EmKey has requested that the BPU advance the August and September 2018 rental payments for a total amount of \$113,016, to be applied against rent for these months, if the assets have not transferred prior, and to be offset against the purchase price if the transfer of assets is approved by the PSC prior to the end of September,

Now, Therefore, Be It

Resolved, That the Board does hereby authorize BPU to advance August and September rental payments to Emkey in the amount of \$113,016.

Discussion: The delay of approval by the PSC of the transfer of assets from EmKey to the BPU has caused cash flow issues for EmKey Gathering, Inc. and its parent company. The advance of rent payments is for EmKey to continue operations in the normal manner and has little annualized risk to the BPU. If this advance payment resolution is approved the BPU would not be required to forward the August and September payments. This has been reviewed by and is recommended by the BPU Board Strategic Planning Committee.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

#180704 By Ms. Zenns:

Resolved, That the Keystone Purchasing Network (KPN) bid of Tremco Roofing, Inc. for the application of an Acrylic Elastomeric Coating on the roof at 86 Steele Street, at \$10.00 - \$14.00 per square foot and a cost not to exceed \$325,000 is hereby accepted, and be it further

Resolved, That the General Manager is hereby authorized to issue an Electric Division Purchase Order to Tremco Roofing, Inc. for this roof application work.

Discussion: The restoration work will be completed by Jamestown Roofing through Tremco Roofing, Inc. Tremco Roofing is a contractor through The Keystone Purchasing Network (KPN). KPN is authorized through the subdivision 16 of the NYS General Municipal Law 103. Due to the proximity of the salt barn, which is located directly across the street from 86 Steele Street, the vendor, Tremco Roofing, applied several applications of coatings on the roof

for testing earlier this year in an effort to ensure the correct product was quoted. The top coat has a 20-year warranty. This is included in the 2018 Electric Capital Budget.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

#180705 By Ms. Carrubba:

Whereas, The American Public Power Association (“APPA”) is the national service organization representing the interests of the approximately 2,000 not-for-profit, publicly-owned electric utilities throughout the United States that collectively serve more than 48 million consumers, and

Whereas, The Jamestown Board of Public Utilities is a charter member of APPA, and

Whereas, APPA provides its members with superior professional representation, information, advocacy, strategy support, and technical resources that are essential to succeed in the changing utility business, legislative, and regulatory environment. In addition to comprehensive legislative and regulatory support on all issues of importance to public power, APPA provides tangible resources in areas that include utility operations assistance in reliability, safety-system improvement and work force development, and

Whereas, These APPA member resources and utility programs, including Demonstration of Energy Efficient Development (DEED), the APPA Academy, Hometown Connections, and other services provide the JBPU with economic access to resources and information that it would be difficult to obtain on our own,

Now, Therefore, Be It

Resolved, That the JBPU be and is hereby authorized to continue membership in APPA for 12 months starting August 1, 2018 and pay a membership fee in the amount of \$20,707.27.

Discussion: The APPA rates decreased by 3.8% from 2017.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

#180706 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 \$80,000 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. Purchase orders must be issued prior to any repairs or maintenance. The original approved amount for this vendor was \$90,000. JBPU staff has investigated having more of this vehicle work performed by the City Department of Public Works on an ongoing basis, and therefore has reduced the resolution amount as we expect to begin transferring some additional work to the DPW in the coming months. Mr. Leathers met with Pat Monaghan at DPW.

ADOPTED. Ayes: 6 Nays: 0
July 23, 2018

Dave Leathers provided a General Manager's Report. Two internal employee moves were announced as follows: 1) Tammy Anderson has accepted the position of Assistant Labor Relations Administrator in the Human Resources Group. Tammy will be replacing Lori Lincoln, Payroll Coordinator, who is retiring towards the end of August. Tammy will fill her role with the Board through the August meeting. 2) Shari Lake has accepted the role of Secretary to the Board, after working 2-1/2 years in the Customer Service Department. She will assume the role on August 27, 2018.

Tammy Anderson highlighted the Wellness Program, announcing that the Jamestown BPU received the Western New York Healthiest Employer award in the medium-sized business category. Ms. Anderson noted the Wellness Committee worked extremely hard to get this award. There were 10 finalists in our category and the JBPU beat the 9 finalists and many other businesses that did not make the finalist cut. Our Wellness Committee is very dedicated to get employee participation. The award is sponsored by Buffalo Business First. There are 4 categories; Small, Medium, Large and Extra-Large, based on size of the company.

In Power Plant news, LM6000 gas turbine running 5 or 6 weeks in a row with some changes around the July 4th holiday, running in simple cycle mode every day, typically from 7 in the morning to 9 or later at night. We have not had overnight pricing or weekend pricing that would justify transitioning into combined cycle mode, we are going to continue to look at that. Cory Allen and the power plant team will look at our semi-annual DMNC capacity run; we're looking at that the week of August 6th tentatively where we will put the plant into combined cycle mode, then start up boilers 9 and 10 and run the plant full like we have to do every 6 months to justify proven megawatts for our capacity payment. The plant continues to operate well overall. The combined cycle stack was inspected, there's not significant deterioration in the stack so the recommended direction right now is probably minor repairs this year, and painting of the stack similar to the simple cycle stack was painted 10 years ago. We can go through a bid process for painting of the stack in 2019.

Half-year financial results were included in Board packets; Kelly Hawkins will be providing an overview to the Finance Committee in August. Highlights will be shared in a memorandum at the August Board meeting. Overall, all divisions are performing pretty well. Solid Waste has a few different challenges and is a bit behind budget targets, otherwise we are in line with financial expectations at the mid-point of the year. Also in the packets, is a draft budget schedule for preparing 2019 budgets. Board members were asked to review the dates and report process related or date comments back to Tammy or Dave to finalize the schedule between now and the August Board Finance Committee meeting.

The Board Strategic Planning Committee was notified about recycling challenges. The Solid Waste Division is seeing higher and higher costs to get rid of recycling. Except for our equipment, labor and efforts to pick up recycling, the plastic and tin mix we're getting rid of at no cost, but the cardboard and paper mix was costing us over \$55 a ton to get rid of, and recently it's been costing \$38 a ton to get rid of. It's a national issue right now where recycling is getting more expensive to process and dispose of. We will be working on that with the Strategic Planning Committee and the Finance Committee on the details of what's changing in the market and what potential options the staff recommends related to solutions. We will get some general board direction in August and then start building that into a January 1st Solid Waste and Recycling plan. It is currently costing more to get rid of cardboard and paper than it is to get rid of garbage, and in some cases, significantly more. There will be more to follow. This is an item that seems to have changed from a market standpoint, there are a few different ways we can address it, and we will work through that. Ms. Carrubba asked why this is happening. Mr. Leathers replied that there are a lot of different factors. He said one of those factors is that the Chinese stopped accepting cardboard/paper mix recycling late last year or early this year.

Upcoming meetings are as follows:

- Board Strategic Planning Committee Meeting – Monday, August 13th at 3:30 P.M.
- Board Finance & Capital Projects Committee Meeting – Monday, August 20th at 3:30 P.M.
- Board Personnel Committee - Monday, August 27th at 3:00 P.M.
- Board Meeting - Monday, August 27th at 4:00 P.M.

On motion of Ms. Carrubba, seconded by Mr. Lehman, the Board convened into executive session to discuss two contract negotiation issues.

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

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

David L. Leathers, General Manager
Tammy J. Anderson, Secretary to the Board
Shari J. Lake, Customer Service