

BOARD OF PUBLIC UTILITIES—Proceedings by Authority

State of New York:

Office of the Board: ss.

City of Jamestown:

Regular meeting of the Board of Public Utilities, City of Jamestown, New York, held **Monday, January 25, 2021 at 4:00 P.M.** remotely via Microsoft Teams and live streamed on Facebook.

BOARD MEMBERS:	Present	Absent
Greg Anderson	X	
Marie Carrubba	X	
Lana M. Huston	X	
Jeffrey A. Lehman, PE	X	
Kenneth G. Mark	X	
Grant T. Olson	X	
James N. Olson	X	
Gregory Rabb	X	
Mayor Edward A. Sundquist	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	
Secretary to the Board, Shari Lake	X	
Comm. Coordinator, Rebecca Robbins	X	
Transmission & Distribution Mgr., Chris Rodgers	X	
Energy & Gas Resources Mgr, Kris Sellstrom, PE	X	
Associate Power Plant Supervisor, Cory Allen	X	
Information Services Manager, Frank Galeazzo	X	

ADDITIONAL STAFF:

Business Development Coordinator, Craig Garaas-Johnson

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

Mayor Sundquist opened the meeting requesting nominations for Board Chairperson. Mr. James Olson nominated Mr. Gregory Rabb to serve as Chairman of the Board and was seconded by Ms. Carrubba. Mr. Rabb accepted the nomination. There were no other nominations made. Board members voted unanimously to re-elect Mr. Rabb as Chairman of the Jamestown BPU Board for 2021. Mayor Sundquist congratulated Mr. Rabb on his re-election as Chairman and turned the meeting over to him to continue with the agenda. Chairman Rabb thanked the Mayor and the BPU Board for their vote of confidence, and stated he enjoys serving as Chair and is

looking forward to working with the Board, the General Manager, and the talented, hardworking staff to have another successful year.

Chairman Rabb noted that since there were no requests to change BPU Board committee assignments or relinquish committee chair positions, he would keep the same committee structure in place for 2021. The BPU Board Finance & Capital Projects Committee is comprised of James Olson as Chairman, Lana Huston and Jeff Lehman; the BPU Board Personnel Committee is comprised of Marie Carrubba as Chairwoman, Greg Anderson, and Greg Rabb; and the BPU Board Strategic Planning Committee is comprised of Grant Olson as Chairman, Mayor Edward Sundquist and Kenneth Mark.

On motion of Ms. Carrubba, seconded by Mr. J. Olson, the minutes of the previous meeting were unanimously approved by BPU Board Members.

#210101 By Mr. J. Olson:

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 **#210101A-E** be, and hereby are approved as written.

ADOPTED. Ayes: 9 Nays: 0
January 25, 2021

#210101A:

Resolved, That the warrants be drawn on the proper funds to pay bills which have been duly audited for the period ending **January 25, 2021** as follows:

ELECTRIC LIGHT FUND	1,422,462.65
WATER RENT FUND	422,685.71
DISTRICT HEATING FUND	70,495.12
WASTEWATER OPERATING FUND	214,608.59
SOLID WASTE OPERATING FUND	112,180.13
Total	\$ 2,242,432.2

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 2020** to pay the following payrolls and disbursements be approved and ratified:

Weekly Payroll No. 49	214,765.81
Weekly Payroll No. 50	199,698.46
Weekly Payroll No. 51	201,782.82
Weekly Payroll No. 52	203,890.82
Weekly Payroll No. 53	230,792.33
NYISO	158,331.07
Division-D	15,000.00
National Grid – Transmission Costs	252,489.46
Sage Payment Solutions	8,751.97
Invoice Cloud	1,174.65
Corporate Payment Systems	18,151.80
Mid American Natural Resources	4,733.95
Longevity Payroll	76,950.80
Area Development	5,400.00
Wellness Payroll	92,255.22
NYPA Purchases	480,361.99
Energy Mark	21,000.00
Health Ins Opt Out Payroll	60,014.87
Direct Energy	69,145.00
Sprague Operating Resources	6,100.00
NYS Retirement System	1,340,408.34
DTE Energy Trading	140,960.00
Snyder Brothers	14,930.00
Tennessee Gas Pipeline Company	19,742.19
NYSERDA - ZEC	128,508.16
Wellness #2 Payroll	753.55
City of Jamestown (Unemployment Bill)	8,140.74
NYS Sales Tax ST810 Balance Due	13,276.88
NYS Sales Tax	40,000.00
United States Post Office-Rome	9,685.64
Total	\$ 4,037,196.52

#210101B:

Resolved, That a warrant drawn on the Electric Light Fund to Depository Trust Co., New York, New York, to pay \$13,084.38 for six months interest at 4.125 per centum per annum due February 1, 2021 on \$2,500,000 Serial Electric Bonds is hereby approved and ratified.

Discussion: This is from 2005 for both the original/base CFB Project permitting, planning, engineering costs and also for various infrastructure improvements. Final payment is scheduled to be made in August 2025.

#210101C:

Resolved, That the General Manager is hereby authorized to purchase from Ed Shults Chevrolet, Inc. of Jamestown, NY under City of Jamestown Bid COJDFS15 opened October 23, 2020, one (1) 2021 Chevrolet Silverado Double Cab 1500 4X4 pick-up truck at a cost of \$32,360 for the Electric Division.

Discussion: This truck will replace vehicle L6, a 2011 Ford F-150 pick-up truck which will be sold at auction after the new vehicle arrives. This vehicle is included in the 2021 Electric Division Capital Budget.

#210101D:

Resolved, That the General Manager is hereby authorized to purchase from Ed Shults Chevrolet, Inc. of Jamestown, NY under City of Jamestown Bid COJDFS15 opened October 23, 2020, two (2) 2021 Chevrolet Silverado Double Cab 1500 4X4 pick-up trucks at a cost of \$64,720 for the Water Division (\$32,360 each).

Discussion: These trucks will replace vehicles W14 and W15, 2014 Ford F-150 pick-up trucks which will be sold at a later date, after the new vehicles arrive. These vehicles are included in the 2021 Water Division Capital Budget.

#210101E:

Resolved, That the General Manager is hereby authorized to purchase from Fleet Maintenance, Inc. of West Seneca, NY under Cattaraugus County DPW Bid #70, one (1) 2022 Western Star 4700 tandem axle truck cab, chassis, and dump body at \$165,505 for the Water Division.

Discussion: The truck cab, chassis and dump body will replace vehicle #36, a 2012 International dump truck, which will be sold at auction at a later date. This is included in the 2021 Water Division Capital Budget.

#210102 By Mr. Lehman:

Resolved, That the General Manager is hereby authorized to approve change orders to Resolution #200305, for Quackenbush Co., Inc. of Buffalo, NY, for a total amount of \$64,616, which includes one scope reduction and several expanded or unforeseen work items for the installation of the Steam Separator for Steam Turbine 6 (ST# 6) at the Samuel A. Carlson Generating Station.

Discussion: During installation activities of the steam separator the steam blow scope of work was removed, and additional work and materials were identified as needed to keep the overall project moving. These additional work and materials items included structural steel modifications, flow nozzle modifications, piping relocations, pipe boring, welding and x-rays, piping and valves, and extra labor. These items, designated as Change Orders 1 through 4, 6 through 8, 10 through 12 and 14 through 21, increase the amount of previously approved work from \$575,000 to a new amount of \$639,616.

Primarily due to unanticipated challenges directly related to the COVID-19 pandemic, the overall Steam Separator project was significantly delayed. Both Quackenbush and Jamestown BPU experienced additional costs beyond normal potential or unanticipated project change orders. Much work was expedited, and extra hours worked to recover schedule delays so that the plant would be available for end-of-summer operation and the semi-annual DMNC run. Quackenbush originally requested almost \$120K in change order expenses; several months of back and forth discussions resulted in the final, agreed-to number of \$64,616. This resolution closes and completes the Power Plant Steam Separator project from the third quarter of 2020.

ADOPTED. Ayes: 9 Nays: 0
January 25, 2021

#210103 By Ms. Carrubba:

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 True Value Hardware
Unifirst
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
 Jamestown Macadam
 Rexel
 Schaefer Plumbing Supply Company

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.

ADOPTED. Ayes: 9 Nays: 0
 January 25, 2021

#210104 By Ms. Huston:

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 25, 2021

#210105 By Mr. Anderson:

Resolved, That the General Manager is hereby authorized to purchase from Layer 3

Technologies of Rochester, NY, a 3-year renewal of software licensing and support services for SOPHOS network security and Anti-Virus protection in the amount of \$22,992.61.

Discussion: This is the total cost for the 3 years. This is our next 3-year renewal for our anti-virus, firewall and network security licensing to protect the utility network as part of the 2021 approved O&M budget.

ADOPTED. Ayes: 9 Nays: 0
January 25, 2021

#210106 By Mr. Lehman:

Resolved, That the General Manager is hereby authorized to approve a change order to Resolution #200903, for S.T. Cotter Turbine Services, Inc. of Clearwater, MN, for a total amount of \$33,313, to perform additional work to disassemble #5 Steam Turbine for inspection at the Samuel A. Carlson Generating Station.

Discussion: When performing a disassembly and inspection process of this magnitude there are unexpected issues which must be remedied to complete the project. These issues are not included in the base scope as it is not possible to predict in advance the number of extra man-hours and additional measures required to disassemble the turbine for inspection. Past steam turbine outages have required extra work to complete disassembly. After 17 years in service, extra work to disassemble and complete the inspection is considered typical and not uncommon.

To complete the scope of work additional man hours were spent removing many seized items including the high-pressure case bolting, front standard union couplings, control valves bolting, and required destructive removal of two control valve assembly crosshead nuts and all diaphragm packing pins.

This cost is included as part of the #5 Steam Turbine Overhaul project to be paid from the overhaul reserve fund. A new Strategic Planning Committee meeting has been scheduled for next Monday, February 1, to go through the Phase I Assessment report, along with the request that was made at the last BPU Board meeting around some of the historic overhaul information from #5 and #6 and the view forward related to the Maintenance Overhaul of Steam Turbine/Generator Unit #5 bids that are scheduled to come in on February 11th. Mr. Leathers stated this resolution closes the Phase I Assessment and noted these change order tasks are not unexpected given the age of the equipment and the length of time between the last overhaul and this assessment.

ADOPTED. Ayes: 9 Nays: 0
January 25, 2021

#210107 By Mr. J. Olson:

Whereas, The Jamestown Board of Public Utilities (“BPU”) Water Division has been awarded a \$3,000,000 New York State Water Infrastructure Improvement Act (WIIA) grant for a multi-year \$5,000,000 Water Main replacement project, and

Whereas, The Jamestown BPU Water Division is required to match \$2,000,000 of the grant in order to receive the funds, and

Whereas, The Jamestown BPU Solid Waste Division has proposed a Citywide Garbage Container Program, and

Whereas, The Solid Waste Division 2021 Budget was approved by the BPU Board anticipating bonding for \$750,000 to fund this Citywide Garbage Container Program,

Now, Therefore, Be It

Resolved, That the Board does hereby request the City Council to resolve to issue Serial Bonds in the amount of \$2,750,000, at prevailing interest rates, and that the proceeds thereof be paid into the Board of Public Utilities general fund to be used to fund Water Main replacements and Solid Waste Refuse Containers.

Discussion: Staff believes that, through the use of available cash and deferral of scheduled capital projects, the BPU can accomplish these purchases through borrowing a portion of the anticipated spending. As part of the City's Fall 2019 Bonding initiative, the BPU Solid Waste and Water Division projects were included in the total planned borrowing. These expenditures and subsequent borrowings were included in the Solid Waste and Water Budgets for 2021. The timing of the bond issuance was decided based on City-issued BANs being refinanced. The combination of City and BPU bond issuance allows us to share the related expense therefore, creating some cost savings for each organization.

ADOPTED. Ayes: 9 Nays: 0
January 25, 2021

Mr. Leathers began his General Manager's Report introducing Business Development Coordinator Craig Garaas-Johnson to provide some information on what has been done in terms of business development, marketing and communications during the last year. Mr. Garaas-Johnson reviewed methods that were used to generate a positive impression of Jamestown and the BPU to attract businesses by conveying Jamestown's potential to investors, entrepreneurs, and decision makers through direct marketing to audiences in target industries, and to attract talent by communicating Jamestown's quality of life and livability. Business development projects completed during 2020 include theatre ads, streaming ads, video production, in-production, area development ads, Google ads, and social media. Advertising in 2021 will continue to build a strong foundation of positive impressions of Jamestown and be targeted toward markets and to individuals most likely to engage and invest. Positive stories about successful businesses in the area will be pushed to areas outside of our immediate region, focusing on lasting engagement.

Mayor Sundquist thanked Mr. Garaas-Johnson for his presentation and asked if there have been any attempts to look at or advertise in the Canadian market, noting the City is seeing an increase in Canadian investors looking at business properties and locations in the City. Mr. Garaas-Johnson responded that one of the benefits of marketing in the Buffalo area is a shadow market over the border into Toronto. Mr. Leathers thanked Mr. Garaas-Johnson for his

presentation; getting out and building this positive messaging around Jamestown, our community and the BPU; it's a great start forward.

The General Manager's Report continued with a review of the year ending 2020 unaudited financial results presented by Finance & Customer Accounts Manager Kelly Hawkins. The District Heat Division had a negative net income of -\$13K with a cash increase of \$82K due to very limited capital spending. The Solid Waste Division had a Net Income of \$250K, but a cash decrease at year end due to a truck budgeted and ordered in 2019 not being received and paid for until 2020, and a new storage building for trucks was also constructed and paid for in 2020. The Wastewater Division had a net income of \$8K, or \$148K under budget. Ms. Hawkins attributes a majority of the sales decrease to so many businesses closing for the COVID-19 pandemic. The Water Division had a net income of \$374K, however, end of year cash decreased \$110K reflective of doing almost \$1M in capital projects in 2020. The Electric Division had a Net Income under \$1M with total revenues 12% under budget. If we had not had Off System Sales (OSS) profits, the Electric Division would have had a negative Net Income. Ms. Hawkins concluded that based on pandemic and economic conditions, 2020 can be considered a success for the 5 Divisions of the BPU.

Mr. Leathers continued his General Manager's report. Mike Saar and the Water Division team are working with the BPU's engineering firm Nussbaumer and Clarke to finalize the engineering design detail for the Washington Street Water Main Replacement Project. The Washington Street Project is expected to start in April and will run through the end of 2021.

Upcoming meetings are as follows:

- Board Strategic Planning Committee Meeting – Monday, February 1st at 4:00 P.M.
- Board Finance & Capital Projects Committee Meeting – Monday, February 8th at 4:30 P.M.
- Board Personnel Committee Meeting – Monday, February 22nd at 3:00 P.M.
- Board Meeting - Monday, February 22nd at 4:00 P.M.

On motion of Mr. James Olson, seconded by Ms. Carrubba, the Board convened into executive session to discuss one current litigation issue and one potential litigation issue.

On motion of Mr. Anderson, seconded by Mr. Mark, the Board convened into open session.

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

David L. Leathers, General Manager
Shari J. Lake, Secretary to the Board