

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY**

December 6, 2017

BUFFALO SEWER AUTHORITY

December 6, 2017

REGULAR MEETING

9:00 A.M.

1038 CITY HALL

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ITEM NO. 2

INFORMATIVE: TEMPORARY INVESTMENTS (CERTIFICATES OF DEPOSIT AND TREASURY BILLS)
MARKET VALUE

As of October 31, 2017

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CONSTRUCTION/CAPITAL IMPROVEMENT FUND						
31-Jul-12	Money Market		\$2,655,015.72	Key	0.15%	Public NOW
			\$0.00	Federated Govt. Oblig.	0.88%	
15-Nov-16	13-Nov-17	363	\$13,994,025.00	JP Morgan Securities	1.62%	\$228,060.00
07-June-17	08-Dec-17	184	\$9,987,016.70	Key Banc Capital	1.42%	\$72,577.78
05-June-17	05-Jan-18	214	\$9,977,303.00	JP Morgan Securities	1.34%	\$79,655.56
08-Aug-17	07-Feb-18	183	\$2,301,145.01	Key Banc Capital	1.51%	\$17,828.07
10-Jul-17	27-Mar-18	260	2,982,360.00	Key Banc Capital	1.75%	\$37,916.67
16-Oct-17	17-Apr-18	183	\$5,956,320.06	Key Banc Capital	1.62%	\$49,410.00
			<u>\$47,853,185.49</u>			
LIABILITY AND CASUALTY RESERVE FUND						
31-July-12	Money Market		\$188,736.72	Key	0.15%	Public NOW
20-Oct-17	20-Nov-17	31	\$799,453.34	Key Banc Capital	1.13%	\$778.44
			<u>\$988,190.06</u>			
OPERATING FUND						
31-Jul-12	Super NOW		<u>\$4,016,446.15</u>	Key	0.15%	Public NOW
TRUST & AGENCY FUND						
31-Jul-12	Money Market		<u>\$29,829.52</u>	Key	0.02%	Public Savings
SURPLUS FUND						
			\$82,289.70	Wilmington Fund		
30-Jun-17	02-Jan-18	186	\$9,978,300.00	Key Banc Capital	1.60%	\$82,666.67
			<u>\$10,060,589.70</u>			
NET REVENUE FUND						
			\$8,007.84	Wilmington Fund		
05-Sep-17	06-Nov-17	62	\$5,999,100.00	Key Banc Capital	1.36%	\$14,156.67
03-Oct-17	29-Nov-17	57	\$6,993,980.00	Key Banc Capital	1.13%	\$12,524.17
13-Oct-17	18-Dec-17	66	\$8,475,926.94	Key Banc Capital	1.38%	\$21,477.17
13-Oct-17	12-Jan-18	91	\$1,994,960.00	Key Banc Capital	1.52%	\$7,684.44
27-Oct-17	28-Feb-18	124	\$3,086,267.00	Key Banc Capital	1.36%	\$14,521.78
			<u>\$26,558,241.78</u>			

DEBT RESERVE FUND

				SERIES J	
02-Jul-14	15-Nov-33	7076	\$515,879.00	UST State/Local Govt	2.70%
				Series K	
02-Jul-14	15-Feb-33	6803	\$361,415.00	UST State/Local Govt	2.70%
				Series L	
12-Nov-15	01-Oct-35	7263	\$689,547.00	UST State/Local Govt	2.44%
				Series M	
27-Jun-14	01-May-44	10901	\$595,613.00	US State/Local Govt	2.70%
				Series N	
15-Nov-12	15-Apr-32	7091	\$2,167,157.00	UST State/Local Govt	2.42%

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Board Meeting of December 6, 2017

ITEM NO. 3

INFORMATIVE: REALLOCATION OF FUNDS

The following budgetary transfers have been made to cover unforeseen shortages. These transfers do not change the total amount of the Buffalo Sewer Authority's operating budget.

Wastewater Treatment Plant

10/18/2017	00200105 Plan Miscellaneous	-\$483.00	00510105 LAB Miscellaneous	\$483.00
10/23/2017	00520105 Main Building Materials	-\$545.52	00410105 Hamb Building Materials	\$545.52
10/23/2017	00520105 Main Building Materials	-\$1,774.00	00300105 Blow Building Materials	\$1,774.00
10/23/2017	00380105 INCIN Building Materials	-\$1,220.00	00300105 Fin Building Materials	\$1,220.00
11/16/2017	00380107 INCIN Equipment Maintenance	-\$350.00	00520107 Main Office Equipment	\$350.00
11/16/2017	00330105 INCIN Equipment Maintenance	-\$263.00	00390105 Hamburg DR FLT EQP Maint.	\$263.00

General Financial Charges

10/17/2017	00800183 Fin Contingency	-\$1,000.00	0110107 Admin Office Equipment	\$1,000.00
11/16/2017	00800183 Fin Contingency	-\$858.49	0110107 Admin Office Equipment	\$858.49

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Board Meeting of December 6, 2017

ITEM NO. 4

INFORMATIVE: REPORT ON FISCAL YEAR 2017-2018 RATES AND CHARGES FOR SEWER SERVICES

Periodically a report on the rates and charges for sewer service is prepared for the Buffalo Sewer Authority. This report presents findings regarding the revenue requirements of the sewer system and the adequacy of the budgeted sewer rates and charges.

The Report on Fiscal Year 2017-2018 Rates and Charges for Sewer Services has been made available to your Honorable Body.

This report has been reviewed by the Audit Committee for the Buffalo Sewer Authority Board and is presented to the Board for their information to be acknowledged and received and filed.

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Board Meeting of December 6, 2017

BUFFALO SEWER AUTHORITY

**Report on Fiscal Year 2017-18 Rates and
Charges for Sewer Services**

December 6, 2017

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Buffalo Sewer Authority
1038 City Hall
Buffalo, NY 14202

To the Board Members of the Buffalo Sewer Authority:

I am pleased to submit my report on the adequacy of Fiscal Year July 1, 2017 – June 30, 2018 (Fiscal Year 2017-18) rates and charges for sewer service in the City of Buffalo. The report presents background information regarding the Sewer System and the anticipated cash receipts and disbursements of the Sewer System for the Fiscal Year 2017-18 as well as a mid-year analysis of actual cash receipts and disbursements through October 31, 2017 and as projected through Fiscal Year 2017-18 year end.

There will usually be differences between budgeted and actual results because events and circumstances frequently do not occur as expected and those differences may be material. I have no responsibility to update this report for events and circumstances occurring after the date of this report.

I appreciate the opportunity to be of service to the Sewer Authority and would be pleased to answer any questions you may have regarding the rate study methodology or findings.

Lisa A Foti

Lisa A. Foti, CPA
Rate Consultant

Buffalo, New York
December 6, 2017

SECTION I – INTRODUCTION

A. Overview of the Fiscal Year 2017-18 Rates

This report presents the rate findings for the City of Buffalo Sewer System. The Report presents findings regarding the Fiscal Year 2017-18 revenue requirements of the Sewer System and the adequacy of budgeted sewer rates and charges.

The report is structured in four sections:

- I. Introduction
- II. Revenue Requirements of the Sewer System
- III. Sewer Rates and Revenues
- IV. Conclusions

Section I of the Report provides background information regarding the Sewer System, as well as an outline of the responsibilities of the Buffalo Sewer Authority (Authority) and City of Buffalo (City). This Section also summarizes several potential rate-setting objectives for consideration by the Authority and reviews the methodology, which was used in preparing the Report.

B. The Buffalo Sewer System

The Buffalo Sewer Authority, a public benefit corporation, was created by an Act of the Legislature in 1935. The Authority was given the responsibility for providing an effective means of relieving the Niagara River from pollution by sewage and waste. Operation of the sewage treatment plant serving the City of Buffalo began by the Buffalo Sewer Authority on July 1, 1938. The Bird Island Sewage Treatment Plant receives sewage from approximately 840 miles of sewer and clarifies, deodorizes and disinfects it. The effluent finally discharged into the Niagara River meets all Federal and State water quality standards. Solids removed from the sewage in its passage through the plant are disposed of by incineration. The City's waste water generally includes liquids and waterborne solids from domestic, industrial or commercial uses, as well as other water that has been used, whose quality has been degraded, and discharged to the sewage system.

C. The Roles of the Authority and the City

The Authority establishes rates and charges for sewer service and related services to provide sufficient revenue to pay the operating expenses of the system and for debt service (principal and interest) on the Authority's bonds. The Authority is responsible for financing capital improvements to the Sewer System of the City of Buffalo. The Authority also issues revenue bonds, the proceeds of which are used to pay for capital improvements to the Sewer System. The previously issued bonds and future bonds of the Authority are backed by revenues of the Sewer System. The City has granted the Authority the right to use the agents, employees, records and equipment of the Division of Water, the Division of Treasury, Department of Audit and Control, Department of Assessment and Department of Law. The City of Buffalo charges the Authority for services rendered by City departments.

D. Rate Setting Considerations

In evaluating the rates and charges for sewer service in the City of Buffalo, there are a number of potential objectives, which should be considered by the Sewer Authority:

- Sufficient cash receipts must be raised by rates and charges and other sources of revenues to satisfy the revenue requirements of the Sewer System;
- Rates and charges should be equitable and fair, in the sense that charges levied on different users reflect the associated costs incurred as a result of serving those users;
- The rate structure should provide a reasonably stable and predictable flow of revenue;
- The rate structure should be relatively simple and inexpensive to administer; and
- The rate structure should be understandable to the customer.

E. Fiscal Year 2017-18 Rate Methodology and Report Structure

The Fiscal Year 2017-18 Rate Study has two principal components:

- A determination of the budgeted cash requirements for the Sewer System in Fiscal Year 2017-18; and
- An analysis of the approved budgeted rates and charges and the anticipated annual budgeted cash receipts of the System.

Section II of the Report illustrates the cash requirements and hence revenue required from the Sewer System in Fiscal Year 2017-18. Section III summarizes the customer base, the expected cash receipts from other sources and the amounts to be raised from user charges. The conclusions are presented in Section IV.

F. Sources of Data

The information utilized in the preparation of the Report was obtained from several sources. Historical cash disbursements and cash receipts data was derived from the financial statements of the Sewer Authority and the supporting records for those statements. Current information concerning the Fiscal Year 2017-18 budget for the Sewer System, customer account data and sewer billings and anticipated cash receipts was obtained from the records of the Authority.

SECTION II – REVENUE REQUIREMENTS

This section of the report provides an overview of the current cash requirements of the Sewer System. Fiscal Year 2017-18 cash disbursements for the Sewer System can be classified into ten major categories of cost. A description of each category and the current estimates of Fiscal Year 2017-18 cash disbursements are provided below. Estimated cash requirements are provided for each category of expenditure.

Debt Service (\$3,648,000)

This category of cash disbursements includes the scheduled interest payments to the debt service trustee in Fiscal Year 2017-18 on the outstanding Sewer System Revenue Bonds. The Fiscal 2017-18 Capital Plan reflects a \$19.2MM funding commitment, \$13MM of which is for treatment plant rehabilitation projects and \$6.1MM is for renovations to the current collection system. The plan will be funded in the most cost effective manner, either by additional bonded indebtedness, lease, and/or potential use of reserves. Approximately \$2.2MM has been factored into the FY2017/18 cash requirements in anticipation of funding this capital plan either through a capital outlay/pay-as-you-go methodology or as additional indebtedness.

The proceeds of the bond issues, together with interest earnings on available funds, are used for three purposes:

- Deposits to the construction fund – This represents the amount necessary to meet the construction needs identified in the Authority’s Capital Improvement Plan.
- Deposits to the Debt Service Reserve Fund – This is a standard requirement for revenue bond issues. The Reserve Fund is intended to protect bondholders by providing a dedicated fund which is available to pay debt service in the event the Authority fails to make its annual principal and interest payment. It is typically structured to be equal to the maximum annual debt service, which occurs during the term of the bond issue.
- Cost of issuance – These costs cover the expenses associated with bond underwriters, attorneys, consultants and related expenses.

Actual Debt Service costs are consistent with the prior year. Final payments on the Series I Bonds were made in recent years resulting in a decrease in historical debt service levels. Series J, K, & M bonds, in the aggregate amount of \$16.9MM, were converted to long-term in FY 2014-15 and Series L in the amount of \$7MM was converted in FY 2015-16 and Series N Bonds also remain outstanding. Debt service on these issuances and any other contemplated issuance for FY2017-18 is included in the FY2017-18 cash requirements.

General Administration (\$1,875,000)

The management of the business and fiscal affairs of the Authority is the responsibility of the Administrative Department. In general, these affairs include all fiscal operations such as preparation and control of operating and construction budgets, keeping of accounts and books of records, billings and collections, purchasing, maintaining an insurance program against fire, theft and public liability, preparation of all matters relating to bond sales, preparation of payrolls and payroll records, handling investments of funds, and other related matters.

Waste Water Treatment Facilities (\$22,069,000)

The Sewage Treatment Department is responsible for operation, maintenance and repair of the various facilities at the Bird Island Treatment Plant and at the outlying pumping station included in the sewerage system. All units of the plant have been maintained to insure continuous pumping, disinfection and treatment of domestic and industrial wastes in fulfillment of the Authority's basic requirements.

The Bird Island laboratory is an important plant adjunct. Personnel are continually trained to be abreast of all technological advances in the field of sanitary science.

Industrial Waste (\$573,000)

The Industrial Waste Section operates an industrial waste control program, which was developed and initiated on January 1, 1976. This control program was instituted to enable the Buffalo Sewer Authority (Authority) to comply with its State Pollution Discharge Elimination System (SPDES) permit and with Environment Protection Agency (EPA) requirements associated with the acceptance of federal aid by the Authority to upgrade existing facilities and to construct secondary treatment facilities. This control program has been updated and expanded to comply with the requirements of the EPA General Pretreatment Regulations.

The primary objective of the Industrial Waste Section is to monitor and control these industrial discharges, as necessary, to:

- protect the public health,
- protect the receiving stream quality (i.e. the Niagara River),
- enable the Authority to comply with its SPDES permit,
- protect the integrity of the Authority's facilities, and
- administrate Industrial Surcharges and outside service area agreements and charges.

Sewer System Engineering (\$1,397,000)

The Engineering Department handles engineering studies, surveys, preparation of plans and specifications, contract preparation, the construction budget and construction supervision and inspection. It continues to be actively engaged in design, and the preparation of contract drawings and specifications for needed storm water relief sewers and for sewer extension for local area development, and in other work pertinent to the Authority's operations.

Sewer Maintenance Department (\$4,198,000)

Routine inspection is made of all sewers and of appurtenances of the system such as intercepting and overflow chambers and inverted siphons. Sewers, street inlets and catch basins are cleaned both on a routine preventative maintenance basis and in response to flooding complaints. Sewer repairs are made as necessary and are usually of an emergency nature.

Employee Benefits (\$10,940,000)

Employee benefits include the disbursements for the fringe benefits provided to the Authority employees including hospital, dental and life insurance, social security, pension, unemployment insurance and worker's compensation. The Buffalo Sewer Authorities labor agreement with CSEA Local 815, which is the white collar union of the Authority was settled and runs through June, 30, 2018 expired on June 30, 2014. The labor agreement with the Communications Workers of America (CWA), the blue collar union was also settled and runs through June 30, 2018. Both agreements addressed issues surrounding wages increases, insurance, and compensated absences. Retroactive increases, where appropriate have been factored into FY 2017-18 cash requirements.

City of Buffalo Services (\$3,900,000)

Services provided by the City of Buffalo include Division of Water billings for sewer rent, treasury functions, assessment of properties, and billing of sewer rent based on assessed value, data processing and payroll services as well as legal and auditing services. This amount remains unchanged and is consistent with FY 2016-17.

Miscellaneous and Contingencies (\$2,950,000)

Miscellaneous disbursements include a contingency provision for judgments and claims, a sewer rent adjustment and a contingency for unanticipated expenditures not otherwise covered in the budget.

Capital Improvements Including Departmental Capital Outlays–On-Going Projects (\$1,188,000)

Departmental capital outlays are budgeted capital improvements to be made to the System from current operating revenues.

The capital improvement fund is provided to make necessary improvements to the system on an as needed basis. Expected cash disbursements must be adjusted to arrive at the cash requirements for the Sewer System.

Debt Service Coverage Provision (\$541,000)

Lastly, the authority has covenanted that from time to time and as often as it shall appear necessary, the rates, charges, rents and sewer rents, fees and assessments established for the Sewer System will be adjusted whenever necessary to cause revenues collected in each fiscal year from the Sewer System to be at least equal to the Minimum Revenue Requirement, which shall be equal to the sum of (i) the amount estimated to be required in the current fiscal year to pay operating expenses and to meet debt service reserve requirements, plus (ii) 115% of debt service for such fiscal year. The budgeted Fiscal Year 2017-18 debt service coverage provision, including additional reserves total \$2.2MM.

Total Operation and Maintenance Costs for the Sewer System

Based on the preceding categories of cost, the total expected operation and maintenance cash disbursements for the Sewer System in Fiscal Year 2017-18 are \$49,090,000 and include \$2.6MM in anticipated funding for contingencies/reserves.

SECTION III SEWER RATES AND REVENUES

A. Sewer Rents

The authority has adopted a schedule of sewer rates based upon the assessed valuation of real estate and also based upon water usage. Additionally, the Authority provides for assigning sanitary sewer construction costs to benefiting property owners as a condition precedent to granting a permit to connect such facilities. Outlying communities also utilize the services of the facilities. This is provided under a separate agreement with each of the municipalities.

Largest Customers of the System

An analysis of the customer base of the Sewer System shows that the users of the System are diversified. Only a few customers, represent more than 2% of the sewer billings.

B. Comparison of Buffalo Sewer Rates with the Rates of Other Communities

A significant consideration in evaluating sewer rates is the reasonableness of current rates and charges compared to those of other communities. Rates for the City of Buffalo and other municipalities within New York State have been compared for purposes of comparison, residential user charges are based upon information provided by the identified cities and standardized assumptions regarding water consumption namely 12,000 cubic feet or the equivalent of 89,760 gallons. Annual water use at this volume figure is used consistently for comparative purposes, recognizing that the typical customer in each class in each city may use different volumes of sewer. Finally, average assessed value in each community was considered.

The Buffalo Sewer Authority's rates have historically been low on average in comparison to other communities.

C. Rate Setting Actions of the Buffalo Sewer Authority

The total assessed value of property applicable for sewer purposes is \$7,387,607,671 and the levy of sewer rents based on assessed value for 2017-18 will remain constant at \$12,050,000. This will result in an annual sewer rent of approximately \$1.63110990 per \$1,000 of assessed valuation which is an adjustment of (\$0.02200909) from the previous year. All flat and metered accounts will continue to be assessed a capacity/drainage charge at a minimum of \$6.00 per month. The estimated user payments for Fiscal Year 2017-18 reflect these consistent Sewer Authority actions.

D. Fiscal Year 2016-17 Receipts and Projected Fiscal Year 2017-18 Receipts

Metered and Flat Sewer Rents

Cash receipts from user charges were \$27.7MM for Fiscal Year 2016-17. This is based upon actual cash receipts through June 2017. The expected cash receipts in Fiscal Year 2017-18 are budgeted at \$26.1MM and reflect no increase in rates and a consistent customer base in the City of Buffalo. It appears that collections rates including payments on arrears accounts are trending more favorably than budget. Finally, for FY 2017-18, through October 31, 2017 cash receipts total \$8.6MM, and annualized are projected at \$27.2MM which compares \$1.1MM favorably against budget.

Assessment Sewer Rent (\$12,083,000)

The Authority also charges a sewer rent based upon the assessed valuation of all real property in the City (except as exempted by law). The total assessment sewer rent is expected to be \$12,050,000 for Fiscal Year 2017-18. This is based upon the estimated assessed value of chargeable property for fiscal year 2017-18, which remains consistent with the previous year.

Outside City Contracts (\$12,000,000)

There are currently eight service contracts involving communities outside the corporate limits of the city from which the Authority receives and treats sanitary sewage.

The contract areas are billed in accordance with an agreement using actual measured flows that are discharged into the Authority's facilities in relation to total flow received at the Treatment Plant. Actual operating and maintenance costs and capital costs of the facilities used are applied to each billing. The charge for the ensuing fiscal year is in an amount representing the actual capital and operating costs to the Authority over the most recently completed fiscal year of treating the estimated flow from the district.

Industrial Waste (\$2,021,000)

Industrial waste revenue accounts for less than 2.5% of Sewer Authority revenues. This category mainly includes charges for hauling and surcharges relating to industrial type waste from commercial users of the system

Interest Income (\$1,765,000)

Interest income includes interest on investments from both the operating and debt service funds and is higher than in prior years as the result of a more prudent investment strategy that seeks to match funding requirements with cash/investment liquidity. Excess funds are reinvested real-time and measured against upcoming cash flow needs.

Miscellaneous (\$981,000)

Miscellaneous revenue includes user fees for specific services provided. These revenues are derived from billing services for the Buffalo Sewer Authority.

SECTION IV – CONCLUSIONS

Based on the information presented in Sections I through III, current Authority budget estimates of cash receipts in Fiscal Year 2017-18 and actual cash receipts through October 31, 2017 are commensurate and in fact exceed the amount required for the anticipated annual budgeted cash requirements and are consistent with the stated goal of building a reserve balance to a level expected by rating agencies for an Authority the size of the Buffalo Sewer Authority and to support capital improvements to the System over the long term.

The current budgeted reserves for Fiscal Year 2017-18 are \$4.8MM. This does not reflect the additional \$1.1MM in projected receipts that may ultimately flow into reserve balances. Accumulated unrestricted reserves through Fiscal Year 2016-17 total \$88.3MM.

No adjustments to current rates and/or drainage/capacity charges are proposed for consideration by the Authority at this time.

December 6, 2017

Exhibit 1**ANTICIPATED FISCAL 2017-18 CASH REQUIREMENTS****Cash Requirements**

Debt Service	\$ 3,648,000
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Operating Disbursements:

General administration	\$ 1,875,000
Waste Water Treatment Facilities	22,069,000
Industrial Waste	573,000
Sewer System Engineering	1,397,000
Sewer Maintenance Department	4,198,000
Employee benefits	10,940,000
City of Buffalo and Collection Services	3,900,000
Miscellaneous and contingency	2,950,000
Capital Improvements, including Departmental capital outlays & -on-going projects	1,188,000

Total operating disbursements	<u>49,090,000</u>
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Total cash disbursements	52,738,000
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Less amounts available for use for Capital Improvements	(1,188,000)
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Add debt service cov. prov. & antic. add'l debt service	<u>2,200,000</u>
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Total anticipated cash requirements	<u>\$53,750,000</u>
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Minimum debt service coverage provision on outstanding indebtedness:	<u>\$541,000</u>
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Required debt service coverage:	1.15
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Budgeted debt service coverage: <i>(with anticipated reserves)</i>	<u>3.06</u>
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Exhibit 2**ANTICIPATED FISCAL 2017-18 CASH RECEIPTS****Cash Receipts**

Operating Revenue:

Metered and Flat Sewer Rents	\$ 26,100,000
Assessment Sewer Rent	12,083,000
Outside City Contracts	12,000,000
Industrial Waste	2,021,000

Other Revenues:

Interest Income	1,765,000	
Miscellaneous	<u>981,000</u>	
Total anticipated cash receipts		<u>\$54,950,000</u>

ITEM NO. 5

PAYMENT FROM JUDGMENT AND CLAIMS

WHEREAS: Board approval is required for charges made against the Buffalo Sewer Authority's current budget for services and/or materials received during a prior fiscal year; and

WHEREAS: The following materials were received during a prior fiscal year and charged to the 2017-2018 budget account no. 00800108-480214:

Staples	\$66.26 for office supplies
---------	-----------------------------

; and

WHEREAS: The General Manager and staff recommend the above payment from the Judgment and Claims account.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the above payment from the Judgment and Claims account.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 6

TRAVEL AUTHORIZATION - NEW YORK, NEW YORK

WHEREAS: The Buffalo Sewer Authority must be up-to-date on current environmental regulations in order to maintain compliance; and

WHEREAS: The 90th Annual Meeting of the New York Water Environment Association, Inc., (NYWEA) will be held in New York from February 4, 2018 – February 7, 2018, covering an overview of environmental requirements and aging infrastructures; and

WHEREAS: The Chairman of the Board, General Manager, Treatment Plant Superintendent, Treatment Plant Administrator, Assistant Principal Engineer, Senior Instrument Technican and Shift Superintendents need to remain current with regulations affecting their respective programs; and

WHEREAS: The General Manager recommends attendance at the 90th Annual Meeting of NYWEA.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the Chairman of the Board, General Manager, Treatment Plant Superintendent, Treatment Plant Administrator, Assistant Principal Engineer, Senior Instrument Technician and Shift Superintendents to travel to New York City from February 3 –7, 2018, to attend the 90th Annual Meeting of the New York Water Environment Association, Inc., at a total cost not to exceed \$18,000.00. Account nos. 00110104-458010, 00110104-458012, 00100104-458010, 00100104-458012, 00200104-458010, 00200104-458012, 00600104-458010, 00600104-458012, 00650104-458010 and 00650104-458012 will be utilized for this travel.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MS. PETRUCCI</u>
2 ND BY	<u>MR. ROOSEVELT</u>
AYES	<u>4</u> NOES <u>0</u>

Board Meeting of December 6, 2017

ITEM NO. 7

TRAVEL AUTHORIZATION - SAN ANTONIO, TEXAS

WHEREAS: The Buffalo Sewer Authority seeks to embark on a strategic effort, focused on effective utility management approach endorsed by the US Environmental Protection Agency, Water Environment Federation (WEF) and American Water Works Association (AWWA); and

WHEREAS: The WEF/AWWA Utility Management Conference will be held in San Antonio, Texas from February 20, 2018 – February 23, 2018, covering latest approaches, practices, case studies and research in various areas of utility management; and

WHEREAS: The Chairman of the Board and General Manager are leading the efforts in exploration of best industry performance practices; and

WHEREAS: The General Manager recommends attendance at the WEF/AWWA Utility Management Conference.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the Chairman of the Board and General Manager to travel to San Antonio, Texas from February 19 – 23, 2018, to attend the WEF/AWWA Utility Management Conference at a total cost not to exceed \$6,000.00. Account nos. 00110104-458010, 00110104-458012, 00100104-458010, and 00100104-458012 will be utilized for this travel.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MS. PETRUCCI

AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 8

ADDITION OF DESIGNATED SINGLE SOURCE VENDOR

WHEREAS: A Single Source procurement, in accordance with the New York State Procurement Guidelines, is one in which two or more vendors can supply the commodity, technology and/or perform the services required by an agency, but the agency selects one vendor over the others for reasons such as expertise or previous experience with similar contracts; and

WHEREAS: On July 29, 2015, the Board of the Buffalo Sewer Authority designated various vendors as Single Sources; and

WHEREAS: The Buffalo Sewer Authority has a need to classify the following as an additional vendor as a Single Source and has supporting documentation for this designation:

VENDOR	PRODUCT/SERVICE
Emerson Process Management	Ovation DCS System Parts

; and

WHEREAS: Ovation parts are a proprietary product of Emerson Process Management; and

WHEREAS: The Treatment Plant Administrator, The Treatment Plant Superintendent and staff have reviewed all documentation and recommend the addition of Emerson Process Management as a Single Source for the listed commodities, technology and /or services only.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby declares Emerson Process Management the Single Source for the specifically listed commodities, technology and /or services only.

MOTION TO APPROVE

MADE BY MS. PETRUCCI

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 9

AUTHORIZATION FOR PURCHASE OF PARTS FOR THE MUFFIN MONSTER

WHEREAS: On July 29, 2015, the Board of the Buffalo Sewer Authority designated JWC Environmental, the original equipment manufacturer, and/or their authorized local representative, as a sole source for all Muffin Monster brand grinder products, supplies and service; and

WHEREAS: The Principal Chief Stationary Engineer has determined a need for Muffin Monster parts. Upon request, JWC Environmental submitted a quote in the amount of \$1,394.06 for the parts; and

WHEREAS: The Treatment Plant Superintendent, Treatment Plant Administrator, Principal Chief Stationary Engineer and staff reviewed the quote received and recommend the purchase of the Muffin Monster parts; and

WHEREAS: Monies payable to date to JWC Environmental for all Muffin Monster brand grinder products and supplies in fiscal year 2017-2018 are \$64,557.74. This purchase will bring the total monies payable for purchase to \$65,951.80; and

WHEREAS: Board approval is required on purchases over \$20,000.00.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the parts for the Muffin Monster brand grinder products from JWC Environmental at a cost of \$1,394.06. This purchase will be charged to account no. 00240105-466107. The Board further authorizes total monies payable to JWC Environmental in an amount not to exceed \$65,951.80 for fiscal year 2017-2018.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MR. KENNEDY</u>
2 ND BY	<u>MS. PETRUCCI</u>
AYES	<u>4</u> NOES <u>0</u>

Board Meeting of December 6, 2017

ITEM NO. 11

AUTHORIZATION FOR THE PURCHASE OF RESTOCK TAPERED ROLLER BEARINGS

- WHEREAS: On July 29, 2015, the Board of the Buffalo Sewer Authority designated Moyno, Inc., the original equipment manufacturer, and/or their authorized local service representative, as a sole source for replacement parts, supplies and services for Moyno brand pumps and parts installed at the Bird Island Wastewater Treatment Plant; and
- WHEREAS: The division formerly known as Moyno, Inc., has legally changed names to National Oilwell Varco (NOV) Process and Flow Technologies U.S., Inc., c/o Shrier-Martin Process Equipment, Inc., and is the authorized representative and distributor for the Moyno product line; and
- WHEREAS: The Principal Chief Stationary Engineer has determined a need for restock of Moyno brand tapered roller bearings; and
- WHEREAS: Upon request NOV Process and Flow Technologies US, Inc., c/o Shrier Martin Process Equipment, Inc., the local representative, submitted a quote in the amount of \$629.74 for the restock tapered roller bearings; and
- WHEREAS: The Treatment Plant Superintendent, Treatment Plant Administrator, Principal Chief Stationary Engineer and staff reviewed the quote received and recommend this purchase; and
- WHEREAS: Monies payable to date to NOV Process and Flow Technologies U.S., Inc., c/o Shrier Martin Process Equipment, Inc., for parts and supplies in fiscal year 2017-2018 are \$32,856.99. This purchase will bring the total monies payable for purchase to \$33,486.73; and
- WHEREAS: Board approval is required on purchases over \$20,000.00.

ITEM NO. 13

CHANGE ORDER NO. 1 – CONTRACT NO. 81600027

CONTRACTOR:	ORIGINAL CONTRACT COST	\$2,313,475.00
Mark Cerrone, Inc.	PREVIOUS CHANGE ORDER	N/A
2368 Maryland Avenue	THIS CHANGE ORDER	<u>\$311,478.00</u>
Niagara Falls, NY 14305	ADJUSTED CONTRACT COST	\$2,624,953.00

PROJECT: Miscellaneous System Wide Sewer Repairs

DESCRIPTION OF CHANGE OR EXTRA WORK:

Item #1 Increase in contract due to unanticipated additional work in the amount of \$311,478.00.

REASON FOR CHANGE OR EXTRA WORK:

Item #1 Unanticipated emergency repairs including under I-190 overpass near Michigan Street, on the end of the off-ramp from the NY-33 at Oak Street, at the intersection of West Ferry Street and Niagara Street, and on High Street in front of the newly constructed UB Medical building, together with a higher than normal volume of required sewer repairs throughout the city has resulted in increased costs.

COST OF CHANGE OR EXTRA WORK:

Item #1 \$311,478.00

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$311,478.00

The total INCREASE to the contract as a result of this Change Order is \$311,478.00

ITEM NO. 14

REPORTS ON BIDS RECEIVED - PURCHASE OF VARIOUS NEW AND UNUSED GRAY IRON CASTINGS

WHEREAS: Formal bids were advertised and solicited for the purchase of the following various new and unused gray iron castings:

- 1.) 50 Stand Manhole Frame and Cover Sets
 - 2.) 100 Standard Manhole Frames
 - 3.) 60 Dark 12"x18 1/8" Receiver Grates
 - 4.) 50 Dark 18 1/8" x 18 1/8" Receiver Grates
 - 5.) 25 McConnell 23" x 23" Grates
 - 6.) 25 Catch Basin Frame – 30 inch Heavy Duty HS-25
 - 7.) 23 Catch Basin Grate 25 1/4 inch Heavy Duty
 - 8.) 2 Solid Cover for Catch Basin – Square 24 1/4 inch –Heavy Duty
- ; and

WHEREAS: The following bids were received and opened by the Buffalo Sewer Authority Purchase Department on November 15, 2017:

Vendor	Total Cost:
EJ USA	\$45,911.00
Neenah Foundry	\$59,175.00

; and

WHEREAS: The Principal Sanitary Engineer and staff have reviewed the bids and recommend awarding the entire purchase to the lowest bidder, EJ USA, for a total cost of \$45,911.00.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the above listed various new and unused gray iron castings from the lowest bidder, EJ USA, at a total cost of \$45,911.00. This purchase will be charged to account no. 00660105-466269.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 15

REPORT ON BIDS RECEIVED - PURCHASE OF VARIOUS NEW AND UNUSED STEEL PRODUCTS

WHEREAS: Formal bids were advertised and solicited for the purchase of the following various new and unused steel products:

- 1.) 30 Receiver Bottom Section w/slide
 - 2.) 120 Curb Box: 23" x 9"; 7" Reveal
 - 3.) 40 McConnell Curb Box: 23"x10"; 8" Reveal
 - 4.) 120 6" Dark Curb Boxes
- ; and

WHEREAS: The following bids were received and opened by the Buffalo Sewer Authority Purchase Department on November 15, 2017:

Vendor	Total Cost:
Hohl Machine	\$39,760.00
Neenah Foundry	\$42,600.00 * did not quote line 3
Melius Welding	\$46,700.00
EJ USA	\$69,010.40

; and

WHEREAS: The Principal Sanitary Engineer and staff have reviewed the bids and recommend awarding the entire purchase to the lowest bidder, Hohl Machine, for a total cost of \$39,760.00.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the above listed various new and unused steel products from the lowest bidder, Hohl Machine, at a total cost of \$39,760.00. This purchase will be charged to account no. 00660105-466269.

MOTION TO _____ APPROVE _____

MADE BY _____ MS. PETRUCCI _____

2ND BY _____ MR. KENNEDY _____

AYES _____ 4 _____ NOES _____ 0 _____

Board Meeting of December 6, 2017

ITEM NO. 16

REPORT ON BIDS RECEIVED FOR ONE (1) NEW AND UNUSED COLOR SEWER TELEVISIONS INSPECTION SYSTEM

WHEREAS: Formal bids were advertised and solicited for the purchase of one (1) new and unused color televising inspection system. The following bids were received and opened by the Buffalo Sewer Authority Purchasing Department on November 14, 2017:

Vendor	Manufacturer	Cost
Joe Johnson Equipment	Envirosight Rovver X	\$175,006.00
MVR Sales Co. Agent for RS Technology Services	RS Technical –AMC Single Color	\$173,536.60
CUES, Inc.	CUES	\$171,000.00
J&J Equipment	No Bid	
Peirce Eagle	No Response	
Cyncon Equipment	No Response	

; and

WHEREAS: The bids were carefully reviewed for conformance with the Formal Bid Proposal Package; and

WHEREAS: MVR Sales Co. did not complete several pages of the Formal Bid Proposal Package in deviation from the instructions for response and also did not provide an explanation for the deviations in the required format; and

WHEREAS: The Formal Bid Proposal Package states that the proposed system must work in conformance with existing or new WinCan software and the proposed CUES system requires the usage of GraniteNet software; and

WHEREAS: The Formal Bid Proposal Package requires the proposed camera system to have the ability to accept a pan/tilt color zoom camera or side scanning camera and the proposed CUES system requires a separate side system to perform this functionality which was not included in the CUES proposal; and

WHEREAS: The Formal Bid Proposal Package requires a total camera weight of no more than 3.3 lb and that the motorized automatic cable drum weigh no more than 125 lb. and the proposed CUES system does not meet this criteria; and

WHEREAS: The Formal Bid Proposal Package requires that the lightweight heavy duty transmission cable have a diameter of no more than 0.255” (6.5mm) and weight of no more than 10.8 lb per 328’ (.03 lb per ft.) and the proposed CUES system does not meet this criteria; and

ITEM NO. 17

AUTHORIZATION TO ENTER INTO A PROFESSIONAL ENGINEERING SERVICES AGREEMENT FOR THE HERTEL SOUTH REAL TIME CONTROL IN-LINE STORAGE PROJECT

- WHEREAS: The Buffalo Sewer Authority (BSA) has negotiated with the United States Environmental Protection Agency, the United States Department of Justice and the New York State Department of Environmental Conservation to address sewer system improvements to comply with the Federal Clean Water Act through the Combined Sewer Overflow Long-Term Control Plan (LTCP) which was approved by the agencies on March 18, 2014; and
- WHEREAS: As part of the approved LTCP, the BSA committed to the installation of up to 16 Real Time Control (RTC) projects; and
- WHEREAS: The Board of the Buffalo Sewer Authority prequalified five (5) engineering firms to allow for the submission of proposals for Real Time Control projects in Resolution 21 at its July 26, 2017 Board Meeting; and
- WHEREAS: Upon request, one of the five (5) prequalified firms, Wendel, has submitted a letter proposal to complete applicable tasks for the preliminary design, planning and permitting, and design phase services for the Hertel South RTC project in the amount of \$185,000.00; and
- WHEREAS: The Principal Sanitary Engineer finds the proposal acceptable and recommends retaining Wendel for the professional engineering services associated with the Hertel South RTC project.

ITEM NO. 20

REQUEST FOR LEAVE OF ABSENCE

WHEREAS: Ronald Christopher II, a permanent Millwright Helper, has requested an unpaid personal leave of absence beginning December 15, 2017, for a period of six (6) months to pursue an employment opportunity with the City of Buffalo Water Department; and

WHEREAS: The General Manager has reviewed this request and recommends the unpaid leave of absence be granted for a period of six (6) months.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby grants Ronald Christopher II a six (6) month unpaid personal leave of absence beginning December 15, 2017, and extending to June 15, 2018.

MOTION TO	<u>APPROVE</u>		
MADE BY	<u>MR. KENNEDY</u>		
2 ND BY	<u>MR. ROOSEVELT</u>		
AYES	<u>4</u>	NOES	<u>0</u>

Board Meeting of December 6, 2017

ITEM NO. 21

CONFIRMATION OF APPOINTMENTS

LABORER I (PERMANENT)
SEWAGE TREATMENT PLANT
\$18.46 PER HOUR
EFFECTIVE: NOVEMBER 20, 2017

MOUSSA FAZILI
748 PROSPECT
BUFFALO, NY

MILLWRIGHT HELPER (PERMANENT)
SEWAGE TREATMENT PLANT
\$18.46 PER HOUR
EFFECTIVE: NOVEMBER 20, 2017

MICHAEL CRAPO
48 PAUL PLACE
BUFFALO, NY

LABORER I (SEASONAL)
SEWAGE TREATMENT PLANT
\$110.00 PER DAY
EFFECTIVE: NOVEMBER 27, 2017

RICKY VIRGIL
295 WALNUT STREET (LOWER #1)
BUFFALO, NY

MAINTENANCE ASSISTANT SEWER CLEANING (PROVISIONAL)
SEWAGE TREATMENT PLANT
\$21.79 PER HOUR
EFFECTIVE: NOVEMBER 27, 2017

MENELIK BROWN
319 MAY STREET
BUFFALO, NY

LABORER I (TEMPORARY)
SEWAGE TREATMENT PLANT
\$18.46 PER HOUR
EFFECTIVE: NOVEMBER 27, 2017

PATRICK SCANLON
128 LANCASTER AVENUE (LOWER)
BUFFALO, NY

WHEREAS: The preceding appointments were made by the General Manger since the last Board Meeting; and

WHEREAS: The General Manager requests confirmation of each appointment.

NOW THEREFORE
BE IT RESOLVED: That the preceding appointments are hereby confirmed by the Board of the Buffalo Sewer Authority.

MOTION TO APPROVE
MADE BY MS. PETRUCCI
2ND BY MR. ROOSEVELT
AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 22

TUITION REIMBURSEMENT

WHEREAS: In accordance with the Agreements between the Buffalo Sewer Authority and CSEA Local 815 and the Communications Workers of America, the following Buffalo Sewer Authority employee has applied for Tuition Reimbursement:

<u>EMPLOYEE</u>	<u>SCHOOL</u>	<u>COURSE</u>	<u>TUITION%</u>	<u>TOTAL</u>
Rosaleen B. Nogle	Indiana University	Proposal Development & Grant Administration	90%	\$3,277.96

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Reimbursement totaling \$3,277.96. This Reimbursement will be charged to account no. 00820102-421026.

MOTION TO APPROVE
MADE BY MR. ROOSEVELT
2ND BY MR. KENNEDY
AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 23

TUITION ASSISTANCE

WHEREAS: In accordance with the Agreements between the Buffalo Sewer Authority and CSEA Local 815 and the Communications Workers of America, the following Buffalo Sewer Authority employee has applied for Tuition Assistance:

<u>EMPLOYEE</u>	<u>SCHOOL</u>	<u>COURSE</u>	<u>TUITION</u>
Latasha Lamont	St. Bonaventure University	Masters of Business Administration	\$30,786.00

WHEREAS: No Funds will be expended at this time.

NOW THEREFORE

BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Assistance.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MS. PETRUCCI

AYES 4 NOES 0

Board Meeting of December 6, 2017

ITEM NO. 24

ADJOURNMENT OF MEETING

MOTION TO APPROVE

MADE BY MS. PETRUCCI

2ND BY MR. KENNEDY

AYES 3 NOES 0

Board Meeting of December 6, 2017