

**MINUTES OF THE REGULAR MEETING**

**OF THE**

**BUFFALO SEWER AUTHORITY**

**May 27, 2020**

**57152 .....**

**57184**

# BUFFALO SEWER AUTHORITY

May 27, 2020

**REGULAR MEETING**                      **9:00 A.M.**                      **VIA TELECONFERENCE**  
**+ 1 929-229-5044 United States, New York City (Toll)**  
**Conference ID: 576 871 20#**

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**CALL OF THE ROLL**

Present:	<u>Herbert L. Bellamy, Jr.</u>	<u>Chairman</u>
	<u>Christopher Roosevelt</u>	<u>Assistant Vice Chairman</u>
	<u>Eleanor Petrucci</u>	<u>Secretary</u>
	<u>Oluwole A. McFoy, P.E.</u>	<u>General Manager</u>
	<u>Ronald Brown</u>	<u>Executive Secretary</u>
	<u>Thomas Smith</u>	<u>Secretary to the General Manager</u>
	<u>Gelea Y. James</u>	<u>Director of Employee Relations</u>
	<u>Allison Lack</u>	<u>General Counsel (BSA)</u>
	<u>LaToya Cunningham</u>	<u>Special Assistant</u>
	<u>Tracy King</u>	<u>Press Information Officer</u>
	<u>David Rossney</u>	<u>Treatment Plant Superintendent</u>
	<u>Roberta Gaiek, P.E.</u>	<u>Treatment Plant Administrator</u>
	<u>Paul Harris</u>	<u>Superintendent of Mechanical Maintenance</u>
	<u>Brian Hargrave</u>	<u>Systems Administrator</u>
	<u>Delano D. Dowell</u>	<u>Special Assistant to COB</u>
	<u>Laura Surdej</u>	<u>Comptroller</u>
Absent:	<u>none</u>	<u>Erie County Dept. of Sewerage</u>

The meeting was called to order at 9:05 AM. A quorum was present.

## ITEM NO. 1

Motion to Adopt the Minutes of the Meeting of May 6, 2020

MOTION TO	<u>ADOPT</u>
MADE BY	<u>MS. PETRUCCI</u>
2 <sup>ND</sup> BY	<u>MR. ROOSEVELT</u>
AYES	<u>3</u> NOES <u>0</u>

Board Meeting of May 27, 2020

## ITEM NO. 2

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

As of April 30, 2020

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
<b>CONSTRUCTION/CAPITAL IMPROVEMENT FUND</b>						
31-Jul-12	Money Market		\$362,336.76	Key	0.01%	Public NOW
01-Nov-19	Money Market		\$12,731,664.56	Bank on Buffalo	1.00%	
16-Dec-19	29-May-20	165	\$8,051,166.17	JP Morgan Securities	2.18%	\$80,652.73
20-Mar-20	16-Jun-20	88	\$7,833,237.81	Key Banc Capital	1.80%	\$34,478.40
28-Feb-20	29-Jun-20	122	\$5,860,361.65	Key Banc Capital	1.69%	\$33,578.70
02-Apr-20	02-Jul-20	91	\$4,077,072.67	Key Banc Capital	1.91%	\$19,693.64
27-Apr-20	27-Jul-20	91	\$1,986,299.15	Key Banc Capital	1.31%	\$6,583.04
30-Apr-20	03-Aug-20	95	\$2,227,646.10	Key Banc Capital	1.22%	\$7,179.36
			<u>\$43,129,784.87</u>			
<b>LIABILITY AND CASUALTY RESERVE FUND</b>						
31-Jul-12	Money Market		\$101,758.78	Key	0.01%	Public NOW
11-Dec-19	Money Market		\$915,188.36	Bank on Buffalo	1.00%	
			<u>\$1,016,947.14</u>			
<b>OPERATING FUND</b>						
31-Jul-12	Super NOW		<u>\$3,849,926.55</u>	Key	0.01%	Public NOW
<b>TRUST &amp; AGENCY FUND</b>						
31-Jul-12	Super NOW		<u>\$5,745.65</u>	Key	0.01%	Public NOW
<b>SURPLUS FUND</b>						
				Wilmington Fund		
			\$44,616.47	Money Market Fund	1.87%	
20-Mar-20	16-Jun-20	88	\$9,959,982.40	Key Banc Capital	1.80%	\$44,017.50
			\$21,008.74	Accrued Income		
			<u>\$10,025,607.61</u>			
<b>NET REVENUE FUND</b>						
				Wilmington Fund		
				Money Market Fund		
03-Feb-20	04-May-20	91	\$2,390,293.33	Key Banc Capital	1.60%	\$9,706.67
6-Feb-20	5-May-20	89	\$2,902,617.59	Key Banc Capital	1.68%	\$11,382.41
24-Mar-20	22-May-20	59	\$3,487,667.36	Key Banc Capital	2.15%	\$12,332.64
25-Feb-20	29-May-20	94	\$5,375,607.00	Key Banc Capital	1.73%	\$24,393.00
28-Apr-20	30-Jul-20	93	\$6,899,571.41	Key Banc Capital	1.31%	\$23,428.59
			\$46,083.33	Accrued Income		
			<u>\$21,101,840.02</u>			

**DEBT RESERVE FUND**

				<b>SERIES J</b>	
02-Jul-14	15-Nov-33	7076	\$157,904.36	UST State/Local Govt	2.70%
			\$6,428.65	Accrued Income	
			<b>\$164,333.01</b>		
				<b>Series K</b>	
02-Jul-14	15-Feb-33	5803	\$223,109.43	UST State/Local Govt	2.70%
			\$2,037.43	Accrued Income	
			<b>\$225,146.86</b>		
				<b>Series L</b>	
12-Nov-15	1-Oct-35	7263	\$615,754.94	UST State/Local Govt	2.44%
			\$1,379.09	Accrued Income	
			<b>\$617,134.03</b>		
				<b>Series M</b>	
27-Jun-14	1-May-44	10901	\$509,873.82	US State/Local Govt	2.70%
			\$8,040.78	Accrued Income	
			<b>\$517,914.60</b>		
				<b>Series N</b>	
15-Nov-12	15-Apr-32	7091	\$2,167,157.00	UST State/Local Govt	2.42%
			\$2,292.69	Accrued Income	
			<b>\$2,169,449.69</b>		
			\$0.01	<b>DSF PRIN &amp;INT</b> Wilmington Fund	

**RECEIVE & FILE**

Board Meeting of May 27, 2020

## 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***

04/21/2020	00520106 MAIN Building Repairs	\$200.00	00530105 Yard Janitorial and Operating	-\$200.00
04/28/2020	00520106 MAIN Building Repairs	\$2,000.00	00520105 MAIN Equipment Maintenance	-\$2,000.00
04/28/2020	00520106 MAIN Building Repairs	\$3,000.00	00520105 MAIN Equipment Maintenance	-\$3,000.00
04/30/2020	00520106 MAIN Building Repairs	\$800.00	00340105 THIC Equipment Maintenance	-\$800.00
05/05/2020	00520106 MAIN Building Repairs	\$800.00	00270106 Gas Repairs to Equipment	-\$800.00
05/05/2020	00520106 MAIN Building Repairs	\$1,200.00	00340105 THIC Equipment Maintenance	-\$1,200.00
05/12/2020	00520106 MAIN Building Repairs	\$7,000.00	00520105 MAIN Equipment Maintenance	-\$7,000.00

***Sewer Maintenance Division***

04/30/2020	00650106 SWRM ED, Licenses & Training	\$5,000.00	00670105 SWRC Equipment Maintenance	-\$5,000.00
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***General Financial Charges***

05/05/2020	00800183 FIN Contingency	\$186,424.05	00200108 PLAN Insurance	-\$186,424.05
05/05/2020	00800183 FIN Contingency	\$1,500.00	00110105 Admin Office Supplies	-\$1,500.00

**RECEIVE & FILE**

Board Meeting of May 27, 2020

## ITEM NO. 4

**AUTHORIZATION TO PURCHASE CYBER INSURANCE**

WHEREAS: The Buffalo Sewer Authority's (BSA) continuing efforts to provide Cybersecurity and expanding a work-from-home environment, BSA solicited particular cybersecurity insurance coverage; and

WHEREAS: Costs for coverage limits of three million dollars along with insurance assisted and supportive cyber solutions was considered within the scope of BSA's determination; and

WHEREAS: BSA's cybersecurity insurance is expected to reduce its financial risk and liability associated with a cyber-attack; provide additional breach response resources in the event of an attack; provide additional assessments and guidance on how to expand the cybersecurity framework and ensure regulatory compliance; and

WHEREAS: As a service, Lawley was solicited and provided the following quotes:

<b>A.M. Best Rating</b>	<b>Carrier</b>	<b>Premium</b>
A	Beazley Insurance Company, Inc.	\$16,460.00
A++	Chubb/Ace American Ins. Co.	\$19,351.00

; and

WHEREAS: As a service, USI was solicited and provided the following quotes:

<b>A.M. Best Rating</b>	<b>Carrier</b>	<b>Premium</b>
A	American International Group	\$15,965.00
A+	Berkley Insurance Company	\$17,731.00
A++	Travelers Insurance	\$19,338.00

; and

WHEREAS: Based on industry ratings and additional supportive services, the Executive Secretary, Systems Administrator and staff recommend accepting the proposal from Travelers Insurance for a cost not to exceed \$19,338.00 for the period July 1, 2020 – June 30, 2021.

NOW THEREFORE  
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the purchase of a Cyber Insurance Policy from Travelers Insurance for a cost not to exceed \$19,338.00 for the period July 1, 2020 – June 30, 2021. These costs shall be charged to account nos. 00200108-452000 and 00650108-452000 on a pro-rata-basis.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2<sup>ND</sup> BY MS. PETRUCCI

AYES 3 NOES 0

Board Meeting of May 27, 2020

## ITEM NO. 5

**AUTHORIZATION FOR CONTRACT EXTENSION - ELECTRICAL POWER SUPPLY**

- WHEREAS: Informal bids were solicited and opened on December 10, 2014, by the Buffalo Sewer Authority and United Energy, the Authority's energy consultant, for electrical power supply to the Treatment Plant and outlying stations commencing on July 1, 2015; and
- WHEREAS: Upon review of the bids received United Energy recommended that the Buffalo Sewer Authority enter into an agreement with GDF Suez Energy Resources, NA, Inc. (now known as ENGIE Resources), for a three-year period, from July 1, 2015 through June 30, 2018 for electrical power for the Treatment Plant and outlying stations at a unit rate of \$0.05009/kWh; and
- WHEREAS: Due to the volatile market for this commodity and recent market conditions, United Energy solicited a one year price reduction and one year contract extension with ENGIE Resources at a reduced unit rate of \$0.04550/kWh for the period April 1, 2017 through June 30, 2019; and
- WHEREAS: Due to the volatile market for this commodity and recent market conditions, United Energy solicited a 15 month price reduction and two year contract extension with ENGIE Resources at a reduced unit rate of \$0.03998/kWh for the period of April 1, 2018 through June 30, 2021; and
- WHEREAS: United Energy now recommends extending the existing contract proposed by ENGIE Resources at a reduced unit rate of \$0.03757/kWh for the period of June 1, 2020 through June 30, 2023; and
- WHEREAS: A savings for the Buffalo Sewer Authority of an estimated \$2,124,120.67 over the course of the contract is anticipated; and
- WHEREAS: The General Manager and committee concur with United Energy and recommend extending this contract with ENGIE Resources to June 30, 2023 at a lower unit rate cost of \$0.03757/kWh; and
- WHEREAS: As prices can only held for a few days, the Board was polled on May 7-8, 2020, and verbally authorized the extension of this contract; and
- WHEREAS: It is now necessary to formally ratify this contract extension.

NOW THEREFORE  
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby formally authorizes the General Manager to enter into a three (3) year contract extension with ENGIE Resources for electrical power supply for the Bird Island Treatment Facility and outlying stations through June 30, 2023, at a reduced cost of \$0.03757/kWh. The purchase of this commodity will be charged to various Treatment Plant accounts.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2<sup>ND</sup> BY MS. PETRUCCI

AYES 3 NOES 0

Board Meeting of May 27, 2020

## ITEM NO. 6

**CHANGE ORDER NO. 1 – CONTRACT NO. 82000015**

CONTRACTOR:	ORIGINAL CONTRACT COST	\$1,168,300.00
Hohl Industrial, Inc.	PREVIOUS CHANGE ORDER	N/A
770 Riverview Blvd.	THIS CHANGE ORDER	<u>\$584,637.00</u>
Tonawanda, New York 14150	ADJUSTED CONTRACT COST	\$1,752,937.00

PROJECT: Settled Wastewater Pump and Motor #2 Rehabilitation

**DESCRIPTION OF CHANGE OR EXTRA WORK:**

Item #1 Complete rewind of rotor and stator for Settled Wastewater Motor Nos. 1 and 2.

**REASON FOR CHANGE OR EXTRA WORK:**

Item #1 On March 4, 2020, the Board of the Buffalo Sewer Authority approved the award and approval for the Settled Wastewater (SWW) Pump and Motor #2 Rehabilitation Contract to Hohl Industrial, Inc., in the amount of \$1,168,300.00. The original contract included an allowance to account for the potential rewinding of SWW Motor #2 in the amount of \$375,000.00.

Based upon an on-site visual evaluation of SWW Motors 1 and 2 as well as further testing of SWW Motors by an outside expert, it has been determined by the Superintendent of Mechanical Maintenance, Treatment Plant Administrator and Treatment Plant Superintendent that SWW #1 and SWW #2 are inoperable and both are in need of a complete motor rewind. With the inability to operate these devices our pumping capacity is reduced by 40% thereby subjecting BSA to a potential for regulatory violations.

BSA will receive a \$92,000.00 discount by including two (2) motors to be rewound simultaneously. Waiting for a separate contract for rewind of SWW Motor #1 will result in the loss of this discount and will also subject BSA to increased cost of materials and labor rates.

**COST OF CHANGE OR EXTRA WORK:**

Item #1 \$584,637.00

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$584,637.00

The total INCREASE to the contract as a result of this Change Order is \$584,637.00

CONTRACT SUPPLEMENT CONDITIONS:

1. The contract completion date established in the original contract or as modified by previous contract supplements is hereby changed by 60 calendar days, making the final completion date November 3, 2020.
2. Any additional work to be performed under this contract supplement shall be carried out in compliance with the specifications included in the preceding description of changes involved with the supplemental contract drawings designated none and under the provisions of the original contract, including compliance with applicable equipment specifications, general specifications, and project specifications for the same type of work.
3. This contract supplement unless otherwise provided herein does not relieve the Contractor from strict compliance with the guarantee provisions of the original contract, particularly those pertaining to performance and operation of equipment.
4. The Contractor expressly agrees that he will place under coverage of his performance and payment bonds and Contractor's Insurance all work covered by this contract supplement. The Contractor will furnish to the Owner evidence of increased coverage of his performance and payment bonds for the accrued value of all contract supplements that exceeds the original contract price by twenty percent (20%).
5. The costs established under this contract supplement are acknowledged as including any and all costs associated with the work described herein and including any and all costs associated with any and all work performed or to be performed by the Contractor that may be affected in any manner by the work described herein.

## NOW THEREFORE

BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves Change Order No. 1 to Contract No. 82000015 as written in the above Agenda Item, increasing the contract cost in the amount of \$584,637.00, making the adjusted contract cost \$1,752,937.00.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MR. ROOSEVELT</u>
2 <sup>ND</sup> BY	<u>MS. PETRUCCI</u>
AYES	<u>3</u> NOES <u>0</u>

Board Meeting of May 27, 2020

## ITEM NO. 7

**REPORT ON BIDS RECEIVED - FORMAL BID OPENING FOR SECURITY GUARD SERVICES**

WHEREAS: Formal bids were advertised and solicited for Security Guard Services for a one-year period, July 1, 2020 to June 30, 2021, with an option to renew for four (4) one-year periods; and

WHEREAS: The following bids were received and opened by the Purchasing Department on February 25, 2020:

<b>VENDOR</b>	<b>COST PER HOUR</b>	<b>TOTAL ANNUAL COST (Cost/Hr. Multiplied by 17,520)</b>
Don's Security Services	\$21.85	\$382,812.00
Securitas Security Services	BID REJECTED	\$0.00
Amherst Security Professionals	NO QUOTE	\$0.00
US Security Associates / Allied Universal	NO QUOTE	\$0.00
I.R. Mueller Security	NO QUOTE	\$0.00
G4S Security	LATE BID	\$0.00

; and

WHEREAS: The Purchasing Department rejected two (2) bids that were submitted. The bid from Securitas Security Services was rejected because they wanted to alter the specification in the contract. The Buffalo Sewer Authority's legal representative reviewed the proposed changes and deemed them unacceptable. The second rejected bid was from G4S Security because they submitted a late bid; and

WHEREAS: The Treatment Plant Superintendent, Treatment Plant Administrator, Safety Officer and staff reviewed the bids received and recommend this service be awarded to Don's Security Services, at a total cost of \$21.85 per hour for a total amount not to exceed \$382,812.00, for the period July 1, 2020 to June