

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
March 16, 2005**

BUFFALO SEWER AUTHORITY

March 16, 2005

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)

February 25, 2005

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$500,000.00	Chase	2.40%	High Yield
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$10,863,906.05	Chase	2.40%	High Yield
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$1,148,538.83	Chase	2.40%	High Yield
OPERATING FUND						
08-Apr-02	Money Market		\$3,235,514.33	Chase	2.40%	High Yield
TRUST & AGENCY FUND						
06-May-02	Money Market		\$31,724.89	Chase	2.40%	High Yield
SURPLUS FUND						
			\$398.45	MTB Funds		
03-Feb-05	30-Jun-05	147	\$4,187,195.41	M&T Securities	2.65%	\$45,804.59
			\$4,187,593.86			
NET REVENUE FUND						
			\$186.01	MTB Funds		
24-Nov-04	25-Mar-05	121	\$1,199,856.94	M&T Securities	2.25%	\$9,143.06
23-Dec-04	25-Apr-05	123	\$4,400,079.49	M&T Securities	2.37%	\$35,920.51
27-Sep-04	25-May-05	240	\$2,502,835.06	M&T Securities	2.02%	\$34,164.93
31-Dec-04	30-Jun-05	181	\$797,262.20	M&T Securities	2.40%	\$9,737.80
25-Jan-05	30-Jun-05	156	\$1,000,598.13	M&T Securities	2.60%	\$11,404.87
25-Feb-05	30-Jun-05	125	\$4,327,969.10	M&T Securities	2.77%	\$42,030.90
			\$14,228,786.93			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
30-Jun-04	31-May-06	700	\$1,156,364.75	Series F U.S. Treasury Notes	2.50%	
23-Sep-03	15-Aug-08	1788	\$7,350,000.00	Series I M&T Securities	3.25%	\$119,437.50
13-Mar-03	15-Apr-32		\$2,825,593.00	Series H SLG	4.35%	(2/15/05)
04-Mar-04	15-Nov-33		\$774,061.00	Series J SLG	3.82%	
22-Jul-04	15-Feb-33		\$498,654.00	Series K SLG	5.26%	
CONSTRUCTION FUND SERIES H						
			472.92	MTB Funds		
10-Feb-05	03-Mar-05	21	\$1,087,449.99	M&T Securities	2.44%	\$1,550.01
17-Feb-05	10-Mar-05	21	\$883,740.35	M&T Securities	2.44%	\$1,259.65
24-Feb-05	17-Mar-05	21	\$1,196,767.77	M&T Securities	2.44%	\$1,232.23
24-Feb-05	17-Mar-05	21	\$116,833.47	M&T Securities	2.44%	\$166.53
			\$3,285,264.50			
CONSTRUCTION FUND SERIES J						
24-Feb-05	10-Mar-05	14	\$34,822.86	M&T	2.41%	\$32.64
CONSTRUCTION FUND SERIES K						
			\$791.91	MTB Funds		
17-Feb-05	03-Mar-05	14	\$1,301,763.60	M&T Securities	2.44%	\$1,236.40
24-Feb-05	10-Mar-05	14	\$1,235,826.22	M&T Securities	2.44%	\$1,173.78
			\$2,538,381.73			

RECEIVE & FILE

Board Meeting of March 16, 2005

ITEM NO. 3

**PRELIMINARY OUTLINE OF OPERATING BUDGET FOR THE FISCAL YEAR
COMMENCING JULY 1, 2005**

A proposed Operating Budget, with full details, for the fiscal year beginning July 1, 2005, will be presented for formal consideration by your Honorable Body at the next scheduled meeting on April 13, 2005. This proposed budget will be in an amount not to exceed \$53,087,242, which is a \$2,858,663 increase over the current budget of \$50,228,579.

At this time, an outline of the proposed budget is submitted for your tentative approval. Once approved, we will proceed in the preparation of a formal budget document complete with comparison charts and exhibits. Attached to this outline are the following exhibits:

A comparison of Appropriation by Division for the years 2002-03 to 2005-06 Proposed;

A revenue estimate and comparison for the years 2002-03 to 2005-06 Proposed;

Capital Budget Projects for 2005-2006.

Sewer rents based on assessed valuation will not be increased to fund this proposed budget. The final rate for sewer rent will be dependent upon the final City assessed valuation. Sewer rents based upon water usage will be increased for both flat rate and metered accounts. This will be approximately a 22.7% increase in overall sewer rent. The estimate of sewer rents based on water use and the final budget appropriation estimates will be detailed at the scheduled meeting of April 13, 2005.

WHEREAS: The preliminary budget presented herein reflects a balanced plan to fund the necessary operations of the Buffalo Sewer Authority for the fiscal year beginning July 1, 2005.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to proceed in preparing a detailed budget not to exceed \$53,087,242 to be submitted to this Body at the meeting of April 13, 2005.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 3 NOES 0

Board Meeting of March 16, 2005

BUFFALO SEWER AUTHORITY				
REVENUE ESTIMATE				
2005-2006 PRELIMINARY BUDGET				
	2002-2003	2003-2004	2004-2005	2005-2006
<u>Revenue</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Assessment Sewer Rents	\$10,125,632	\$ 12,111,427	\$ 11,766,350	\$ 11,766,350
Water Use Sewer Rents	25,305,400	24,989,023	24,913,463	29,342,392
Outside City-Sewer Connect	14,763,688.00 *	6,355,501	8,112,266	8,700,000
Industrial Waste	2,231,563	1,702,366	1,685,000	1,378,500
Interest Income	2,002,018	1,752,231	1,667,000	1,894,500
Miscellaneous	777,291	1,830,015	2,084,500	5,500
Total Revenues	\$55,205,592	\$55,205,592	\$50,228,579	\$53,087,242
BUFFALO SEWER AUTHORITY				
APPROPRIATIONS BY DIVISION				
2005-2006 PRELIMINARY BUDGET				
	2002-2003	2003-2004	2004-2005	2005-2006
<u>Division</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
General Offices	\$1,178,490	\$1,018,771	\$ 1,406,959	\$ 1,352,924
Wastewater Treatment Facilities	17,936,255	19,627,791	19,917,260	22,368,991
Industrial Waste	510,894	528,150	545,560	567,068
Engineering	662,914	712,808	768,599	755,139
Sewer Maintenance	2,495,118	2,487,266	2,675,298	2,809,369
Miscellaneous Financial Chgs	4,229,721	3,940,813	4,624,690	3,919,690
Fringe Benefits	4,361,489	6,217,070	6,575,725	6,532,553
Debt Service & Reserve Account	10,447,298	11,224,654	13,714,488	14,781,508
GRAND TOTAL	\$41,822,179	\$45,757,323	\$50,228,579	\$53,087,242

* This increase is attributable to the recognition of certain deferred revenues in the current year.

BUFFALO SEWER AUTHORITY			
CAPITAL PROJECTS			
2005-06 PRELIMINARY BUDGET			
<u>PROJECT TITLE</u>			<u>ESTIMATED COST</u>
<u>TREATMENT PLANT:</u>			
INCINERATOR REFRACTORY REHABILITATION			\$ 250,000
REHAB OF (1) RWW OR (1) SWW PUMP & MOTOR			100,000
SECONDARY CLARIFIER SLUDGE WITHDRAWAL SYSTEM IMPROVEMENTS			400,000
CENTRIFUGE INSTALLATION (Permanent Centrifuges) (INCLUDE NUCLEAR SCALES)			600,000
HVAC REHABILITATION (AHU-3, RAS/WAS CONTROL ROOM)			125,000
SOUTH BUFFALO PUMP STATION			250,000
INCINERATOR IMPROVEMENTS FOR CONTINUED/FUTURE OPERATION (FOR REHABILITATION OF ONE INCINERATOR)			550,000
THICKNER IMPROVEMENTS (AS OUTLINED IN THE 2000 SOLIDS HANDLING REPORT)			425,000
BOILERS NO. 1 AND 2 DIGESTER GAS CONVERSION			110,000
PRIMARY SLUDGE PUMP REPLACEMENT (INCLUDES NEW INLINE GRINDERS)			350,000
WWTP WET WEATHER CAPACITY IMPROVEMENTS (INCLUDING STEP FEED AND GATE CHAMBER UPGRADES)			1,000,000
<u>COLLECTION SYSTEM:</u>			
SEWER CLEANING/TV INSPECTION			300,000
CSO SYSTEM IMPROVEMENTS - FENTON STREET			400,000
CSO SYSTEM IMPROVEMENTS - HAMBURG DRAIN			2,400,000
UNANTICIPATED SEWER REPLACEMENTS			200,000
<u>GRAND TOTAL</u>			<u>\$7,460,000</u>

ITEM NO. 4

AUTHORIZATION FOR CHANGE ORDER TO PURCHASE ORDER NO. 20500089

WHEREAS: On May 26, 2004, the Board of the Buffalo Sewer Authority authorized the General Manager to continue to retain Charles Martorana of Hiscock and Barclay, for legal services on an as-needed basis for the fiscal year July 1, 2004 through June 30, 2005, up to a maximum amount of \$32,000.00; and

WHEREAS: The Buffalo Sewer Authority and the Buffalo Water Board are currently sharing in the cost of a joint legal matter; and

WHEREAS: Due to this litigation there is a need to increase the amount of purchase order no. 20500089 an additional \$65,000.00, from \$32,000.00 to \$97,000.00 for the remainder of this fiscal year; and

WHEREAS: The General Manager and members of his committee recommended approval of a change order to purchase order no. 20500089 in the amount of \$65,000.00; and

WHEREAS: Due to time constraints, the Board was polled and verbally authorized this increase on February 9, 2005; and

WHEREAS: It is now necessary to formally ratify that authorization.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby formally authorizes the General Manager to increase purchase order no 20500089 an additional \$65,000.00, from \$32,000.00 to \$97,000.00 for the remainder of the fiscal year. Funds are available in account no. 00550106-432003.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MS. WILSON-DIVINCENZO</u>
2 ND BY	<u>MR. ROOSEVELT</u>
AYES	<u>3</u> NOES <u>0</u>

Board Meeting of March 16, 2005

ITEM NO. 6

AUTHORIZATION FOR RENEWAL OF ANNUAL CUSTOMER SUPPORT PLAN WITH MRO SOFTWARE

WHEREAS: The Buffalo Sewer Authority has been utilizing Maximo Maintenance System software for its work order tracking, purchasing, and inventory control programs; and

WHEREAS: An annual customer support plan is beneficial in order to keep current, receive the latest releases of this program, and receive unlimited telephone support; and

WHEREAS: The Treatment Plant Superintendent, Computer Systems Engineer Coordinator, and staff recommend renewal of the annual customer support plan with MRO Software through March 31, 2006, at a cost of \$35,270.99.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to renew the annual customer support plan with MRO Software through March 31, 2006, at a cost of \$35,270.99. Funds are available in account no. 00200106-443420.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 8

EXTENSION OF CONTRACT FOR THE DISPOSAL OF INCINERATOR ASH

WHEREAS: On May 28, 2003, the Board of the Buffalo Sewer Authority awarded a contract to Modern Disposal Services, Inc., for the disposal of incinerator ash at the Treatment Plant at a cost of \$25.32 per ton through June 30, 2004, with an option to renew for three (3) one-year periods through June 30, 2007; and

WHEREAS: The Board authorized renewal of this contract on May 26, 2004, for fiscal year 2004-2005; and

WHEREAS: Modern Disposal Services, Inc., has agreed to extend this contract for one (1) additional year under the same terms and conditions for fiscal year 2005-2006; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend this extension, up to a maximum amount of \$177,240.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to renew the contract with Modern Disposal Services, Inc., for the disposal of incinerator ash at the Treatment Plant at a cost of \$25.32 per ton for a one-year period beginning July 1, 2005, up to a maximum amount of \$177,240.00. Expenses for this contract will be charged to account no. 00380106-442100.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 9

**EXTENSION OF CONTRACT FOR THE PURCHASE OF BOILER FEEDWATER
CHEMICALS**

WHEREAS: On May 26, 2004, the Board of the Buffalo Sewer Authority awarded a contract to Buffalo Industrial Chemicals, Inc., for the purchase of boiler feedwater chemicals for use at the Treatment Plant at costs ranging from \$0.071 per pound to \$11.70 per gallon, depending on the chemical needed, through June 30, 2005, with an option to renew for three (3) one-year periods through June 30, 2008; and

WHEREAS: Buffalo Industrial Chemicals, Inc., has agreed to extend this contract for one (1) additional year under the same terms and conditions for fiscal year 2005-2006; and

WHEREAS: The Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff recommend this extension, up to a maximum amount of \$25,100.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to renew the contract with Buffalo Industrial Chemicals, Inc., for the purchase of boiler feedwater chemicals for use at the Treatment Plant at costs ranging from \$0.071 per pound to \$11.70 per gallon, depending on the chemical needed, for a one-year period beginning July 1, 2005, up to a maximum amount of \$25,100.00. Expenses for this contract will be charged to account no. 00380105-467044.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 10

**AUTHORIZATION TO ENTER INTO AGREEMENT WITH R & D ENGINEERING, INC.,
FOR PROFESSIONAL ENGINEERING SERVICES**

WHEREAS: One of the two (2) 96-inch diameter settled wastewater force mains is leaking as evident from the ground surface water adjacent to the Megastructure Building at the Treatment Plant. Preliminary investigations by Buffalo Sewer Authority staff have turned up no obvious defects in the pipe structure or joints in the vicinity of the leakage; and

WHEREAS: Expedient repair of this leak is vital in order to maintain proper operations at the Treatment Plant; and

WHEREAS: Buffalo Sewer Authority staff requested assistance in further identifying the cause and location of the leak, and in designing and bidding of a construction contract to facilitate the required repairs; and

WHEREAS: R & D Engineers, Inc., has extensive experience in investigating and designing corrective internal repairs in similar piping situations; and

WHEREAS: Buffalo Sewer Authority staff solicited and received a proposal from R & D Engineers, Inc., as follows:

Investigation & Design Phase Services	\$18,000.00	Lump Sum
Bid Phase Services	\$ 3,000.00	Lump Sum
Construction Administration Phase Services	\$ 7,200.00	Lump Sum
On-site Inspection Services (100 hours est.)	<u>\$ 7,500.00</u>	Per Diem Upset
Total cost not to exceed	\$35,700.00	

; and

WHEREAS: The Treatment Plant Superintendent, Treatment Plant Administrator, Superintendent of Mechanical Maintenance, and staff have reviewed the proposal and recommend entering into an engineering contract with R & D Engineering, Inc., for this work.

ITEM NO. 11

PRELIMINARY UTILITY WORK AGREEMENT - NEW YORK STATE DEPARTMENT OF TRANSPORTATION

WHEREAS: The New York State Department of Transportation desires to perform work on Delaware Avenue (from Nottingham Terrace to Kenmore Avenue), Erie County PIN 5460.31; and

WHEREAS: It is a requirement of the NYSDOT that a Preliminary Utility Work Agreement be executed by a duly authorized agent of the affected utility to allow the State of New York to perform said work within our jurisdiction; and

WHEREAS: The plans and specifications for this work have been reviewed by the Engineering Division of the Buffalo Sewer Authority and found acceptable; and

WHEREAS: This work will be done at no cost to the Buffalo Sewer Authority.

NOW THEREFORE
BE IT RESOLVED: That the General Manager be and is hereby authorized and directed to execute, on behalf of the Buffalo Sewer Authority, the above mentioned Agreement with the New York State Department of Transportation.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 12

REPORT ON BIDS RECEIVED - DIGESTERS NO. 1 AND NO. 2 UPGRADE AT THE BIRD ISLAND WASTEWATER TREATMENT PLANT

WHEREAS: Formal bids were advertised and solicited for the Digesters No. 1 and No. 2 Upgrade at the Bird Island Wastewater Treatment Plant. The following bids were received and opened by the Buffalo Sewer Authority on March 1, 2005:

Kranick Environmental Contractors	\$4,963,000.00
L. P. Ciminelli Construction Corp.	\$5,439,000.00
Patrick Concrete Constructors, Inc.	\$5,915,700.00
Hohl Industrial Services, Inc.	\$5,933,400.00
; and	

WHEREAS: The bids were received, and the contract will be awarded on the basis of a combined unit and lump sum bid. The bids do not reflect the true amount of the contract, but rather are subject to some variance. These variances are due to the actual amount of the quantities used as they appear in the estimate column multiplied by the unit price as bid; and

WHEREAS: The bid submitted by Kranick Environmental Contractors is in the amount of \$4,963,000.00; and

WHEREAS: The Consulting Engineer, URS Corporation, the Treatment Plant Administrator, and staff reviewed the bids and recommend accepting the low bid and awarding the contract to Kranick Environmental Contractors.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to enter into and execute a contract with Kranick Environmental Contractors, at a cost not to exceed \$4,963,000.00. Expenses for this contract will be charged to account no. 02000218-490740.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 13

CHANGE ORDER NO. 1 – CONTRACT NO. 84500005

CONTRACTOR:	ORIGINAL CONTRACT COST	\$188,050.00
URS Corporation	PREVIOUS CHANGE ORDER	00.00
77 Goodell Street	THIS CHANGE ORDER	<u>\$178,300.00</u>
Buffalo, New York 14203	ADJUSTED CONTRACT COST	\$366,350.00

WORK: Engineering Agreement with URS Corporation for Phase II. Engineering Report and Design for Installation of Anaerobic Digester Mixing and Heating Systems in Digester Nos. 1 & 2 at the Bird Island Wastewater Treatment Plant.

DESCRIPTION OF CHANGE OR EXTRA WORK:

Item #1 Phase III – Task No. 5 – Construction Administration and Inspection.

REASON FOR CHANGE OR EXTRA WORK:

Item #1 The construction contract for work on Digester Nos. 1 & 2 is being advertised and the Buffalo Sewer Authority will be receiving bids on March 1, 2005. Phase III – Task No. 5 is outlined in the present contract but not funded. It is necessary to implement this phase to allow for a smooth transition to the construction phase.

COST OF CHANGE OR EXTRA WORK:

Item #1 Phase III – Task No. 5 \$178,300.00

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$178,300.00

The total INCREASE to the contract as a result of this Change Order is \$178,300.00

and;

WHEREAS: The Buffalo Sewer Authority Treatment Plant Administrator, Senior Sanitary Engineering Supervisor, and staff reviewed the cost and recommend the increase to the contract.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves Change Order No. 1 to Contract No. 84500005 as written in the above Agenda Item, increasing the contract cost in the amount of \$178,300.00, making the adjusted contract cost \$366,350.00.

MOTION TO REMOVE FROM TABLE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 3 NOES 0

Board Meeting of March 16, 2005

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 15

REQUEST FOR LEAVE OF ABSENCE

WHEREAS: We have received notification that Brian Bugman, a permanent Millwright, has applied for a New York State Disability Retirement. While awaiting approval of his Disability Retirement, Mr. Bugman has requested an unpaid medical leave of absence, effective February 1, 2005; and

WHEREAS: The General Manager has reviewed this request and recommends approval.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby grants Brian Bugman a medical leave of absence without pay beginning February 1, 2005, and extending until July 31, 2005.

MOTION TO APPROVE
MADE BY MS. WILSON-DIVINCENZO
2ND BY MR. ROOSEVELT
AYES 3 NOES 0

Board Meeting of March 16, 2005

ITEM NO. 16

ADJOURNMENT OF MEETING

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MS. WILSON-DIVINCENZO

AYES 3 NOES 0

Board Meeting of March 16, 2005