

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
October 11, 2006**

BUFFALO SEWER AUTHORITY

October 11, 2006

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)

September 28, 2006

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$500,000.00	Chase	4.75%	High Yield
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$18,996,617.03	Chase	4.75%	High Yield
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$1,161,301.36	Chase	4.75%	High Yield
OPERATING FUND						
08-Apr-02	Money Market		\$3,844,533.60	Chase	4.75%	High Yield
TRUST & AGENCY FUND						
06-May-02	Money Market		\$22,962.75	Chase	4.75%	High Yield
SURPLUS FUND						
25-Aug-06	25-Oct-06	61	\$4,794,695.58	HSBC	5.28%	\$42,896.54
NET REVENUE FUND						
25-Jul-06	25-Oct-06	92	\$2,378,931.82	Citizens	5.35%	\$32,525.28
25-Aug-06	25-Oct-06	61	\$11,400,000.00	HSBC	5.28%	\$101,992.00
25-Sep-06	27-Nov-06	63	\$3,502,642.84	HSBC	5.22%	\$31,996.64
			<u>\$17,281,574.66</u>			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
15-May-06	15-May-07	365	\$1,192,697.00	Series F FHLB	3.50%	
23-Sep-03	15-Aug-08	1788	\$7,350,000.00	Series I M&T Securities	3.25%	
13-Mar-03	15-Apr-32		\$2,825,593.00	Series H SLG	4.35%	
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	4.63%	
27-Jul-06	01-Oct-35		\$952,666.00	Series L SLG	4.52%	
CONSTRUCTION FUND SERIES H						
21-Sep-06	05-Oct-06	14	\$81.73 \$283,429.00 \$283,510.73	MTB Funds M&T Securities	5.17%	\$571.00
CONSTRUCTION FUND SERIES K						
21-Sep-06	05-Oct-06	14	\$55,355.31	Citizens	5.13%	\$110.43

RECEIVE & FILE

Board Meeting of October 11, 2006

ITEM NO. 3

INFORMATIVE: REPORT ON FISCAL YEAR 2006-07 RATES AND CHARGES FOR SEWER SERVICES

Each year 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 2006-07 Rates and Charges for Sewer Services has been made available to your Honorable Body.

This report is presented to the Board for their information to be acknowledged and received and filed.

RECEIVED & FILED

Board Meeting of October 11, 2006

BUFFALO SEWER AUTHORITY

**Report on Fiscal Year 2006-07 Rates and
Charges for Sewer Services**

July 15, 2006

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50864

Buffalo Sewer Authority
1038 City Hall
Buffalo, NY 14202

To the Board Members of the Buffalo Sewer Authority

We are pleased to submit our report on the adequacy of Fiscal Year July 1, 2006 – June 30, 2007 (Fiscal Year 2006-07) rates and charges for sewer service in the City of Buffalo. The report presents background information regarding the Sewer System, the anticipated cash receipts and disbursements for Fiscal Year 2006-07.

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. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

We 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.

July 15, 2006

Lisa Foti-Milk, CPA
Rate Consultant

SECTION I – INTRODUCTION

A. Overview of the Fiscal Year 2006-07 Rate Study

This report presents the rate study findings for the City of Buffalo Sewer System. The Report presents findings regarding the Fiscal Year 2006-07 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 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 also 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 2006-07 Rate Study Methodology and Report Structure

The Fiscal Year 2006-07 Rate Study has two principal components:

- A determination of the cash requirements for the Sewer System in Fiscal Year 2006-07; 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 of the Sewer System in Fiscal Year 2006-07. 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 2006-07 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 2006-07 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 2006-07 cash disbursements are provided below. Estimated cash requirements are provided for each category of expenditure.

Debt Service (\$12,153,000)

This category of cash disbursements includes the scheduled interest payments to the debt service trustee in Fiscal Year 2006-07 on the outstanding Sewer System Revenue Bonds. The Fiscal 2006-07 capital plan calls for an approximate \$10M Environmental Facilities Issue (EFC) to facilitate improvements to the plant as required. The EFC issue is expected to close in the first quarter of Fiscal 2006-07. Debt service on this anticipated issue has been factored into the Fiscal 2006-07 budget.

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.

Lease Payments (\$157,000)

This category includes the payments for a Vactor and dump truck. Lease payments are scheduled through 2007 and 2009 respectively. Such amounts are not considered bond indebtedness and accordingly, are not part of the debt service used in the coverage calculation. Instead, lease payments are recognized as an operating expense and are included in the coverage calculation as such. The impact, if any, of anticipated future lease arrangements have not been considered as of the date of this report.

General Administration (\$1,313,000)

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 (\$24,491,000)

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 (\$557,000)

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.

Approximately 180 industries are permitted to discharge waste into the Authority's sewers. These industries amount for approximately 6% of the total flow and 8.67% of the conventional loading to the Waste Water Treatment Plant.

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 (\$704,000)

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 (\$2,786,000)

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.

The Sewer Maintenance Department also cares for the East Amherst Street retention basin and pumping station. This basin, which has proven effective in flood prevention in the Kensington area, is cleaned after every use and maintained in sanitary condition.

Employee Benefits (\$7,063,000)

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 Board of the Buffalo Sewer Authority approved a one-year labor agreement with CSEA Local 815, which is the white collar union of the Authority. This calls for a 2% cost of living increase. The labor agreement with the Communications Workers of America (CWA), the blue collars union expired June 30, 2002 and was finally settled through June 30, 2007. The contract calls for a 10% increase over the five year period.

City of Buffalo Services (\$2,900,000)

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.

Miscellaneous and Contingencies (\$900,000)

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 (\$798,000)

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 (\$1,823,000)

Lastly, debt service coverage must be at 115% of debt service. Thus 15% of debt service must be added to cash requirements.

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 2006-07 are \$41,669,000.

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 three customers, BMHA, Luvata and Rich Products Corporation represent more than 1% of the sewer billings. Each of the customers is less than 2.5% of the billed amount for sewer.

Based on Authority billing records for Fiscal Year 2005-06, the largest consumers are as follows:

Customer	Sewer Rent on Assessed Valuation	Sewer Rent on Water Use	Industrial Waste Surcharge	Total Sewer Rent
BMHA	165,120	655,161	0	820,281
Luvata	18,129	623,933	0	642,062
Rich Products Corporation	18,715	55,416	384,205	458,336
Buffalo Board of Education	0	209,965	0	209,965
SUNYAB	0	198,754	0	198,754
Sorrento Cheese	9,959	1,465	171,349	182,773
Niagara Mohawk	150,424	27,820	0	178,244
ECMC	0	177,489	0	177,489
Russer Foods	11,906	136,565	24,067	172,538
Veterans Hospital	0	171,366	0	171,366

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 results indicate that the Buffalo Sewer Authority's rates are 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 will increase by \$158,011,318, and the levy of sewer rents based on assessed value for 2006-07 will remain constant at \$12,050,000. This will result in an annual sewer rent of approximately \$1.94148272 per \$1,000 of assessed valuation which is an adjustment of (\$.05071868) 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 2006-07 reflect these Sewer Authority actions.

D. Anticipated Fiscal Year 2006-07 Cash Receipts

Metered and Flat Sewer Rents

Based on current estimates, cash receipts from user charges are expected to be \$27,986,000 in Fiscal Year 2005-06. This is based upon unaudited cash receipts through May 2006 and projected through June 30, 2006. The expected cash receipts in fiscal Year 2006-07 are \$30,027,000. Payments on current as well as in arrears accounts have been considered in this projection.

Assessment Sewer Rent (\$11,736,000)

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 \$11,766,000 for Fiscal Year 2006-07. This is based upon the estimated assessed value of chargeable property for fiscal year 2006-07, which remained constant from the previous year.

Outside City Contracts (\$9,700,000)

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 (\$1,050,000)

Industrial waste revenue accounts for less than 2% 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 (\$2,097,000)

Interest income includes interest on investments from both the operating and debt service funds, and interest paid on overdue accounts by users of the System. The amounts, which are overdue, can fluctuate from year to year. Since the interest penalty is computed on the basis of the overdue amounts, the interest penalties would fluctuate from year to year as well.

Miscellaneous (\$739,000)

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 2006-07 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.

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

Exhibit 1**ANTICIPATED FISCAL 2006-07 CASH REQUIREMENTS****Cash Requirements**

Debt Service		\$ 12,153,000
Operating Disbursements:		
General administration	\$ 1,313,000	
Waste Water Treatment Facilities	24,491,000	
Industrial Waste	557,000	
Sewer System Engineering	704,000	
Sewer Maintenance Department	2,786,000	
Employee benefits	7,063,000	
City of Buffalo and Collection Services	2,900,000	
Miscellaneous and contingency	900,000	
Capital Improvements, including Departmental capital outlays & -on-going projects	798,000	
Operating lease payments	<u>157,000</u>	
Total operating disbursements		<u>41,669,000</u>
Total cash disbursements		53,822,000
Less amounts available for use for Capital Improvements		(798,000)
Add debt service coverage provision ¹		<u>1,823,000</u>
Total anticipated cash requirements		<u>\$54,847,000</u>

¹ Debt service coverage is not required on capital lease payments.

ANTICIPATED FISCAL 2006-07 CASH RECEIPTS**Cash Receipts**

Operating Revenue:

Metered and Flat Sewer Rents	\$ 30,027,000
Assessment Sewer Rent	11,736,000
Outside City Contracts	9,700,000
Industrial Waste	1,050,000

Other Revenues:

Interest Income	2,097,000	
Miscellaneous	<u>739,000</u>	
Total anticipated cash receipts		<u>\$55,349,000</u>

ITEM NO. 5

TRAVEL AUTHORIZATION - RALEIGH, NORTH CAROLINA

WHEREAS: The Buffalo Sewer Authority is interested in consolidation with the County of Erie; and

WHEREAS: The City of Raleigh and Duke County in North Carolina have completed a merger of their sewer services; and

WHEREAS: The General Manager, the Secretary to the General Manager, and the Intergovernmental Coordinator are interested in making a site visit to Raleigh, North Carolina, to discuss issues similar to those that will apply to the potential consolidation of the Buffalo Sewer Authority and County of Erie.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes travel for the General Manager, Secretary to the General Manager, and Intergovernmental Coordinator to travel to Raleigh, North Carolina, on October 12, 2006, at a total cost not to exceed \$950.00. Funds are available in account no. 00110104-458010.

MOTION TO APPROVE

MADE BY MR. NAPLES

2ND BY MR. KENNEDY

AYES 5 NOES 0

Board Meeting of October 11, 2006

ITEM NO. 7

AUTHORIZATION TO ENTER INTO AN AGREEMENT FOR MAXIMO ASSISTANCE

WHEREAS: In 1998 the Buffalo Sewer Authority purchased and installed Maximo, a computerized maintenance management system, for its work order tracking, purchasing, and inventory control programs; and

WHEREAS: The Buffalo Sewer Authority has a long-term commitment to the Maximo system; and

WHEREAS: In order to bring the equipment and inventory data currently in the Maximo database in line with industry standards, the Authority has recognized a need to update and evaluate this data as well as the need for the development of templates in order to standardize equipment and inventory entries; and

WHEREAS: Authority staff identified and developed a task list for assistance with the Maximo system; and

WHEREAS: A quote was requested and received from Stearns & Wheler, LLC, in the amount of \$47,000.00; and

WHEREAS: Based upon their successful implementation of Maximo, and other CMMS programs in wastewater treatment facilities and their knowledge of our facility, the Treatment Plant Superintendent, and staff recommend accepting the proposal of Stearns & Wheler, LLC.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to enter into and execute an agreement with Stearns & Wheeler, LLC, for Maximo Assistance at a cost of \$47,000.00. Expenses for this service will be charged to account no. 00200106-432004.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MS. WILSON-DIVINCENZO

AYES 5 NOES 0

Board Meeting of October 11, 2006

ITEM NO. 8

CHANGE ORDER NO. 1 – CONTRACT NO. 8460009

CONTRACTOR:	ORIGINAL CONTRACT COST	\$939,400.00
Hohl Industrial Services, Inc..	PREVIOUS CHANGE ORDER	\$0.00
770 Riverview Boulevard	THIS CHANGE ORDER	\$0.00
Tonawanda, NY 14150-1210	ADJUSTED CONTRACT COST	\$939,400.00

WORK: South Buffalo Pump Station Rehabilitation Project

DESCRIPTION OF CHANGE OR EXTRA WORK:

- Item #1 No-cost extension to Contract Time of Completion of 231 calendar days. New Contract Completion date is March 30, 2007
- Item #2 No-cost extension of on-site working days of 30 days, for a project total of 85 working days; not to exceed March 30, 2007.

REASON FOR CHANGE OR EXTRA WORK:

- Item #1 Extension of time necessary to facilitate procurement of a replacement impeller for Pump No. 1. The existing impeller was damaged beyond repair as provided for by Contractor.
- Item #2 Additional on-site working days are required to accommodate scheduling of non-concurrent electrical construction work in advance of the new impeller delay and inclement weather.

COST OF CHANGE OR EXTRA WORK:

- Item #1 \$0.00
- Item #2 \$0.00

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$0.00

The total INCREASE to the contract as a result of this Change Order is \$0.00

CONTRACT SUPPLEMENT CONDITIONS:

- The contract completion date established in the original contract or as modified by previous contract supplements is hereby changed by 231 calendar days, making the final completion date March 30, 2007.

ITEM NO. 9

CHANGE ORDER NO. 1 – CONTRACT NO. 84600013

CONTRACTOR:	ORIGINAL CONTRACT COST	\$57,900.00
York International Corporation	PREVIOUS CHANGE ORDER	0
130 John Muir Drive	ADJUSTED CONTRACT COST	<u>\$1,518.64</u>
West Amherst, New York 14228		\$59,418.64

WORK: Bird Island Sewage Treatment Plant Repair and Start Up of Steam Absorption Chiller
Nos. 2 and 3

DESCRIPTION OF CHANGE OR EXTRA WORK:

Item #1 Emergency work to supply chilled water to the Bird Island Sewage Treatment Plant.

REASON FOR CHANGE OR EXTRA WORK:

Item #1 During the repair of Chiller Nos. 2 & 3, it was found that both Chillers needed additional work in order to be successfully started. This was work not included in the original scope of the project. This work would result in an additional cost of \$15,478.64 for Chiller No. 3 and \$65,331.00 for Chiller No. 2. As the contractor had already submitted an invoice for \$43,940.00 for work completed, it was decided to halt work on Chiller No. 2 and finish repairs on Chiller No. 3 at a cost of \$15,478.64. This will bring the total project cost to \$59,418.64. It is recommended that work identified on Chiller No. 2 be included in a new Chiller Repair and Start Up Contract to be bid over the winter.

COST OF CHANGE OR EXTRA WORK:

Item #1 \$1,518.64

THE TOTAL COST OF THE CHANGE OR EXTRA WORK \$1,518.64

The total INCREASE to the contract as a result of this Change Order is \$1,518.64

CONTRACT SUPPLEMENT CONDITIONS:

1. The contract completion date established in the original contract or as modified by previous contract supplements is hereby changed by 0 calendar days, making the final completion date unchanged.

ITEM NO. 12

CONFIRMATION OF APPOINTMENT

LABORER I (SEASONAL)
SEWAGE TREATMENT PLANT
\$65.00 PER DAY
EFFECTIVE: SEPTEMBER 18, 2006

MAX JADOCH
 33 PORTLAND ST.
 BUFFALO, NY

WHEREAS: The preceding appointment was made by the General Manager since the last Board Meeting; and

WHEREAS: The General Manager requests confirmation of each appointment.

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

MOTION TO APPROVE

MADE BY MR. NAPLES

2ND BY MR. ROOSEVELT

AYES 5 NOES 0

Board Meeting of October 11, 2006

ITEM NO. 13

REQUEST FOR EXTENSION OF LEAVE OF ABSENCE

WHEREAS: Brian Bugman, a permanent Millwright, was granted an extension of his unpaid medical leave of absence for the period May 1, 2006 through August 31, 2006, while awaiting approval of his application for Disability Retirement. Due to extenuating circumstances, Mr. Bugman continues to await approval of his Disability Retirement and has requested an extension of his unpaid medical leave of absence, effective September 1, 2006; 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 an extension of his medical leave of absence without pay beginning September 1, 2006, and extending until December 31, 2006.

MOTION TO APPROVE

MADE BY MR. NAPLES

2ND BY MR. KENNEDY

AYES 5 NOES 0

Board Meeting of October 11, 2006

ITEM NO. 14

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 employees have applied for Tuition Reimbursement:

<u>EMPLOYEE</u>	<u>SCHOOL</u>	<u>COURSE</u>	<u>TUITION%</u>	<u>REIMBURSEMENT TOTAL</u>
George Giambrone	New York Water Environment Association	<i>Confined Space Awareness Webinar</i>	100%	\$55.00
Kenneth Sawyer	Erie Community College	<i>Property Management</i>	50%	\$151.00
		<i>Plumbing Systems</i>	50%	\$181.50

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the above applications for Tuition Reimbursement totaling \$387.50. These Reimbursements will be charged to account no. 00800108-480214.

MOTION TO APPROVE

MADE BY MR. NAPLES

2ND BY MS. WILSON-DIVINCENZO

AYES 5 NOES 0

Board Meeting of October 11, 2006

ITEM NO. 15

ADJOURNMENT OF MEETING

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MR. KENNEDY

AYES 5 NOES 0

Board Meeting of October 11, 2006