

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
October 1, 2008**

BUFFALO SEWER AUTHORITY

October 1, 2008

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 22, 2008

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$500,000.00	Chase	2.00%	High Yield
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$2,090,761.22	Chase	2.00%	High Yield
30-Jun-08	29-Sep-08	91	\$15,000,000.00	HSBC	2.64%	\$100,100.00
30-Jul-08	28-Oct-08	90	\$9,000,000.00	Citizens	2.60%	\$58,500.00
29-Aug-08	01-Dec-08	94	\$11,825,000.00	HSBC	2.67%	\$82,439.96
			\$37,915,761.22			
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$350,684.66	Chase	2.00%	High Yield
29-Aug-08	29-Sep-08	31	\$706,914.67	HSBC	2.33%	\$1,418.35
			\$1,057,599.33			
OPERATING FUND						
08-Apr-02	Money Market		\$4,502,498.27	Chase	2.00%	High Yield
TRUST & AGENCY FUND						
06-May-02	Money Market		\$35,870.32	Chase	2.00%	High Yield
SURPLUS FUND						
			\$420.75	MTB Funds		
30-Jun-08	29-Sep-08	91	\$5,405,009.11	M&T Securities	2.81%	\$38,237.07
			\$5,405,429.86			
NET REVENUE FUND						
			\$461.61	MTB Funds		
25-Jul-08	25-Sep-08	62	\$6,600,000.00	M&T	2.80%	\$31,826.67
01-Aug-08	27-Oct-08	87	\$2,400,000.00	M&T Securities	2.75%	\$16,056.33
25-Aug-08	25-Nov-08	92	\$4,599,538.49	M&T Securities	2.91%	\$34,461.51
			\$13,600,000.10			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
08-May-08	08-May-09	365	\$1,319,229.56	Series F FHLB	2.00%	
01-Aug-08	06-Sep-13	1862	\$8,245,000.00	Series I FHLB	4.00%	
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%	

RECEIVE & FILE

Board Meeting of October 1, 2008

ITEM NO. 3

INFORMATIVE: REPORT ON FISCAL YEAR 2008-09 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 2008-09 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 for the Board for their information to be acknowledged and received and filed.

RECEIVE AND FILE

Board Meeting of October 1, 2008

BUFFALO SEWER AUTHORITY

**Report on Fiscal Year 2008-09 Rates and
Charges for Sewer Services**

June 30, 2008

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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, 2008 – June 30, 2009 (Fiscal Year 2008-09) 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 2008-09.

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
June 30, 2008

SECTION I – INTRODUCTION

A. Overview of the Fiscal Year 2008-09 Rate Study

This report presents the rate study findings for the City of Buffalo Sewer System. The Report presents findings regarding the Fiscal Year 2008-09 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 2008-09 Rate Study Methodology and Report Structure

The Fiscal Year 2008-09 Rate Study has two principal components:

- A determination of the cash requirements for the Sewer System in Fiscal Year 2008-09; 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 2008-09. 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 2008-09 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 2008-09 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 2008-09 cash disbursements are provided below. Estimated cash requirements are provided for each category of expenditure.

Debt Service (\$12,845,000)

This category of cash disbursements includes the scheduled interest payments to the debt service trustee in Fiscal Year 2008-09 on the outstanding Sewer System Revenue Bonds. The Fiscal 2008-09 Capital Plan incorporates a \$10M Environmental Facilities Corporation (EFC) bond issue for the Hamburg drain project. This project is part of the \$21.5M approved Capital Plan for Fiscal 2008-09. Additional debt service totaling \$1.2M has been provided in anticipation of the Fiscal 2008-09 Capital Plan as well as available monies from the Construction Fund reserves.

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 (\$129,000)

This category includes the payments for a Dump truck. Lease payments are scheduled through 2009. 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 (\$1,420,000)

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 (\$22,659,000)

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 (\$585,000)

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 (\$688,000)

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 (\$2,722,000)

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 (\$6,751,000)

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 labor agreement with CSEA Local 815, which is the white collar union of the Authority. This agreement runs through June 30, 2009. The labor agreement with the Communications Workers of America (CWA), the blue collar union expired June 30, 2007. That contract provided a 10% increase over a five year period. Negotiations for a new contract are ongoing.

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 (\$883,000)

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 (\$961,000)

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 (\$1,972,000)

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 2008-09 are \$39,698,000.

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 two customers, BMHA and Luvata 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 Ending June 30, 2007, the largest consumers are as follows:

Customer	Sewer Rent on Assessed Valuation	Sewer Rent on Water Use	Industrial Waste Surcharge	Total Sewer Rent
BMHA	174,497	730,015	0	906,512
Luvata	17,668	581,845	0	599,513
ECMC	0	237,156	0	237,156
Buffalo Board of Education	0	204,273	0	204,273
SUNYAB	0	189,468	0	189,468
Niagara Mohawk	160,093	23,514	0	183,607
Sorrento Cheese	11,895	1,461	169,065	182,421
Russer Foods	11,908	129,463	23,670	165,041
Roswell Park	0	126,307	0	126,307
Rich Products Corporation	18,239	38,018	66,955	123,212

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 \$110,883,887, and the levy of sewer rents based on assessed value for 2008-09 will remain constant at \$12,050,000. This will result in an annual sewer rent of approximately \$1.77209180 per \$1,000 of assessed valuation which is an adjustment of (\$.02936263) 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 2008-09 reflect these Sewer Authority actions.

D. Anticipated Fiscal Year 2008-09 Cash Receipts

Metered and Flat Sewer Rents

Based on current estimates, cash receipts from user charges are expected to be approximately \$29M in Fiscal Year 2007-08. This is based upon unaudited cash receipts through May 2008 and projected through June 30, 2008. The expected cash receipts in Fiscal Year 2008-09 are \$28,976,000. Payments on current as well as in arrears accounts have been considered in this projection.

Assessment Sewer Rent (\$11,958,000)

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 \$11,958,000 for Fiscal Year 2008-09. This is based upon the estimated assessed value of chargeable property for fiscal year 2008-09, which remained constant from the previous year.

Outside City Contracts (\$9,674,000)

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 (\$952,000)

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 (\$2,046,000)

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 (\$908,000)

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 2008-09 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 2008-09 CASH REQUIREMENTS****Cash Requirements**

Debt Service		\$ 12,845,000
Operating Disbursements:		
General administration	\$ 1,420,000	
Waste Water Treatment Facilities	22,659,000	
Industrial Waste	585,000	
Sewer System Engineering	688,000	
Sewer Maintenance Department	2,722,000	
Employee benefits	6,751,000	
City of Buffalo and Collection Services	2,900,000	
Miscellaneous and contingency	883,000	
Capital Improvements, including Departmental capital outlays & -on-going projects	961,000	
Operating lease payments	<u>129,000</u>	
Total operating disbursements		<u>39,698,000</u>
Total cash disbursements		52,543,000
Less amounts available for use for Capital Improvements		(961,000)
Add debt service coverage provision ¹		<u>1,972,000</u>
Total anticipated cash requirements		<u>\$53,554,000</u>

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

Exhibit 2**ANTICIPATED FISCAL 2008-09 CASH RECEIPTS****Cash Receipts**

Operating Revenue:

Metered and Flat Sewer Rents	\$ 28,976,000
Assessment Sewer Rent	11,958,000
Outside City Contracts	9,674,000
Industrial Waste	952,000

Other Revenues:

Interest Income	2,046,000	
Miscellaneous	<u>908,000</u>	
Total anticipated cash receipts		<u>\$54,514,000</u>

ITEM NO. 5

AUTHORIZATION FOR SERVICE FROM INGERSOLL-RAND ON THE DIGESTER GAS COMPRESSORS FOR FISCAL YEAR 2008-2009

WHEREAS: On June 18, 2008, the Board of the Buffalo Sewer Authority designated Ingersoll-Rand, the parent company for the original equipment manufacturer, Dresser Rand, as a sole source for equipment repairs and supplies for the digester gas compressors located at the Treatment Plant; and

WHEREAS: The first quarterly inspection and repairs were completed at a cost of \$2,731.68; and

WHEREAS: A quote was requested and received from Ingersoll-Rand for major repairs needed on digester gas compressor no. 9, along with the remaining three (3) quarterly inspections through June 30, 2009, at an estimated total cost of \$114,381.43; and

WHEREAS: The Treatment Plant Superintendent and Superintendent of Mechanical Maintenance request approval for a total amount not to exceed \$117,113.11 to Ingersoll-Rand for fiscal year 2008-2009 for the completed first quarterly inspection (\$2,731.68) and above estimated repairs to compressor no. 9 and remaining inspections (\$114,381.43); and

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

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority authorizes the General Manager to utilize the services of Ingersoll-Rand for the above repairs and quarterly inspections for a total amount not to exceed \$117,113.11 for fiscal year 2008-2009. These repairs will be charged to account no. 00270106-443301.

MOTION TO APPROVE
MADE BY MR. KENNEDY, SR.
2ND BY MS. WILSON-DIVINCENZO
AYES 4 NOES 0

Board Meeting of October 1, 2008

ITEM NO. 7

AUTHORIZATION TO PURCHASE VEHICLES UNDER STATE CONTRACT

WHEREAS: In conjunction with the Buffalo Sewer Authority's vehicle replacement plan, there are several aging vehicles which are in need of constant repair and have exceeded their usefulness; and

WHEREAS: The Treatment Plant Superintendent and Superintendent of Mechanical Maintenance request approval to purchase the following replacement vehicles, with additional options indicated, available under State Contract:

State Contract	Vendor	Vehicle	Cost
PC62882 Group No. 40560 Award No. 20339	Fairport Ford	2009 Ford F150XL pickup, regular cab long box 4X2, ½ ton for Electrical Shop	\$12,536.54
		Additional options: Ladder rack (installed)	978.75
		Double lid cross tool box	642.50
		Slide-in bed liner	<u>269.00</u>
		Total	\$14,426.79
		2009 Ford F150XL pickup, extended cab long box 4X2, ½ ton for Yards & Grounds	\$17,714.01
		Additional option: Slide-in bed liner	<u>269.00</u>
		Total	\$17,983.01
		2009 Ford F150XL pickup, regular cab long box 4X4, ½ ton for Operations	\$15,706.85
		Additional option: Slide-in bed liner	<u>269.00</u>
		Total	\$15,975.85
Delivery charge (\$175/each)			525.00
Total Vehicle Cost with Additional Options			\$48,910.65

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority authorizes the General Manager to purchase the above vehicles and additional options indicated from Fairport Ford, at a total cost of \$48,910.65. This purchase will be charged to account no. 00520107-474200.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of October 1, 2008

ITEM NO. 9

AUTHORIZATION TO PURCHASE REPLACEMENT UNITS FOR THE POWERWARE UNINTERRUPTIBLE POWER SYSTEM

WHEREAS: On June 18, 2008, the Board of the Buffalo Sewer Authority designated Eaton Electrical, Inc., (f/k/a Powerware Systems) the original equipment manufacturer, and/or their authorized local service representative as a sole source for replacement parts, supplies, and service for Powerware uninterruptible power supply (UPS) equipment used for the SCADA system located at the Treatment Plant; and

WHEREAS: Due to the aged condition and frequent power failures of the current UPS system, the Superintendent of Mechanical Maintenance has determined a need to replace this UPS equipment; and

WHEREAS: Upon request, Eaton Electrical, Inc., submitted a quote in the amount of \$33,514.00, plus freight charges, for these necessary replacement units; and

WHEREAS: Board approval is required on purchases over \$10,000.00; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend the purchase of these necessary replacement units for the uninterruptible power supply (UPS) equipment from Eaton Electrical, Inc., at a cost of \$33,514.00, plus any incurred freight charges.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the necessary replacement units for the uninterruptible power supply (UPS) equipment from Eaton Electrical, Inc., at a cost of \$33,514.00, plus any incurred freight charges. This purchase will be charged account no. 02000205-490740.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MS. WILSON-DIVINCENZO</u>
2 ND BY	<u>MR. KENNEDY, SR.</u>
AYES	<u>4</u> NOES <u>0</u>

ITEM NO. 10

AUTHORIZATION TO PURCHASE VEHICLE UNDER STATE CONTRACT

WHEREAS: In 2006-2007 the Buffalo Sewer Authority implemented a vehicle replacement plan in order to update its current fleet and budget responsibly; and

WHEREAS: As part of this plan, the Director of Sewer Maintenance and Head Motor Equipment Mechanic request approval to purchase the following replacement vehicle, with additional options, available under State Contract to add to the existing fleet:

State Contract	Vendor	Vehicle	Cost
PC63652 Group No. 40570 Award No. 20774	Van Bortel Ford	2009 Ford F450 162" WB 60" CA XL-DRW (replacement for 168-S dump truck with plow equipment for snow plowing)	\$23,330.42
		Additional options:	
		6.4L Powerstroke Diesel V-8	6,217.75
		9' Air-Flo Dump 3-4yrd	7,247.06
		Western 9' Snow Plow	5,216.00
		SS Sander HL-EL-JR-9	6,753.91
		Other various options totaling:	7,888.35
Delivery charge			170.00
Total Vehicle Cost			\$56,823.49

; and

WHEREAS: The Director of Sewer Maintenance and the Head Motor Equipment Mechanic recommend the purchase of the above vehicle at a total cost of \$56,823.49.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority authorizes the General Manager to purchase the above vehicle and additional options indicated from Van Bortel Ford, at a total cost of \$56,823.49. This purchase will be charged to account no. 00690107-474200.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of October 1, 2008

ITEM NO. 13

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>REIMBURSEMENT TOTAL</u>
Oluwole McFoy	Engineering Society of Buffalo, Inc.	PE Exam Course	100%	\$650.00

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Reimbursement totaling \$650.00. This Reimbursement will be charged to account no. 00110104-458012.

MOTION TO APPROVE
 MADE BY MR. KENNEDY, SR.
 2ND BY MR. KENNEDY, JR.
 AYES 4 NOES 0

Board Meeting of October 1, 2008

ITEM NO. 14

ADJOURNMENT OF MEETINGMOTION TO APPROVEMADE BY MR. KENNEDY, SR.2ND BY MR. KENNEDY, JR.AYES 4 NOES 0

Board Meeting of October 1, 2008