

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
September 2, 2009**

52859.....52903

BUFFALO SEWER AUTHORITY

September 2, 2009

REGULAR MEETING

9:00 A.M.

1038 CITY HALL

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CALL OF THE ROLL

| | | |
|----------|----------------------------------|--|
| Present: | <u>Herbert Bellamy, Jr.</u> | <u>Chairman</u> |
| | <u>Christopher Roosevelt</u> | <u>Assistant Vice Chairman</u> |
| | <u>Eleanor Wilson-Divincenzo</u> | <u>Secretary</u> |
| | <u>John E. Kennedy, Jr.</u> | <u>Assistant Secretary</u> |
| | <u>David Comerford</u> | <u>General Manager</u> |
| | <u>Oluwole McFoy</u> | <u>Secretary to the General Manger</u> |
| | <u>Ronald Brown</u> | <u>Executive Secretary</u> |
| | <u>Jason Shell</u> | <u>Intergovernmental Coordinator</u> |
| | <u>Franklin DiMascio, P.E.</u> | <u>Principal Engineer</u> |
| | <u>James Eagan, P.E.</u> | <u>Sr. Sanitary Engineering Supervisor</u> |
| | <u>James Keller</u> | <u>Treatment Plant Superintendent</u> |
| | <u>Edward Hennessy</u> | <u>Director of Sewer Maintenance</u> |
| | <u>Darryl McPherson</u> | <u>City Auditor</u> |
| | <u> </u> | <u> </u> |
| Absent: | <u>John D. Kennedy, Sr.</u> | <u>Vice Chairman</u> |
| | <u> </u> | <u> </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 July 22, 2009

MOTION TO ADOPT
MADE BY MR. ROOSEVELT
2ND BY MS. WILSON-DIVINCENZO
AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 2

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

August 21, 2009

| ISSUE DATE | MATURITY DATE | TOTAL DAYS | AMOUNT | BANK | RATE | INTEREST AMOUNT |
|--|---------------|------------|------------------------|----------------|-------|-----------------|
| CAPITAL IMPROVEMENT FUND | | | | | | |
| 15-Apr-02 | Money Market | | \$500,000.00 | Chase | 0.55% | High Yield |
| CONSTRUCTION FUND | | | | | | |
| 08-Apr-02 | Money Market | | \$38,891,209.02 | Chase | 0.55% | High Yield |
| LIABILITY AND CASUALTY RESERVE FUND | | | | | | |
| 22-Apr-02 | Money Market | | \$1,054,679.15 | Chase | 0.55% | High Yield |
| OPERATING FUND | | | | | | |
| 08-Apr-02 | Money Market | | \$3,261,583.97 | Chase | 0.55% | High Yield |
| TRUST & AGENCY FUND | | | | | | |
| 06-May-02 | Money Market | | \$35,700.96 | Chase | 0.55% | High Yield |
| SURPLUS FUND | | | | | | |
| 30-Jun-09 | 28-Sep-09 | 90 | \$789.90 | MTB Funds | | |
| | | | \$6,309,394.25 | M&T Securities | 1.05% | \$16,605.75 |
| | | | <u>\$6,310,184.15</u> | | | |
| NET REVENUE FUND | | | | | | |
| 07-Jul-09 | 25-Aug-09 | 49 | \$898.77 | MTB Funds | | |
| | | | \$6,499,914.60 | M&T Securities | 0.80% | \$7,085.40 |
| 27-Jul-09 | 25-Sep-09 | 60 | \$1,799,597.33 | M&T Securities | 0.80% | \$2,402.67 |
| 06-Aug-09 | 26-Oct-09 | 81 | \$2,999,101.23 | M&T Securities | 1.02% | \$6,898.77 |
| | | | <u>\$11,299,511.93</u> | | | |

| ISSUE DATE | MATURITY DATE | TOTAL DAYS | AMOUNT | BANK | RATE | INTEREST AMOUNT |
|--------------------------|------------------|---------------|----------------|------------------|-------|--------------------|
| DEBT RESERVE FUND | | | | | | |
| 30-Apr-09 | 30-Apr-10 | 365 | \$1,345,225.21 | Series F FHLB | 0.40% | |
| 01-Aug-08 | 06-Sep-13 | 1862 | \$8,240,877.50 | 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 September 2, 2009

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 Buffalo Sewer Authority's operating budget.

Administrative Division

| <u>Date</u> | <u>From Account</u> | <u>Amount</u> | <u>To Account</u> | <u>Amount</u> |
|-------------|--------------------------------------|---------------|---|---------------|
| 8/13/2009 | 00110108 Administrative Insurance | -421.31 | 00650108 Sewer Maintenance Insurance | 421.31 |

Wastewater Treatment Plant

| <u>Date</u> | <u>From Account</u> | <u>Amount</u> | <u>To Account</u> | <u>Amount</u> |
|-------------|-----------------------------------|---------------|-------------------------------------|---------------|
| 7/15/2009 | 00520105 Maintenance Supplies | -291.24 | 00380105 Incinerator Supplies | 291.24 |
| 7/20/2009 | 00520105 Maintenance Supplies | -3,324.30 | 00440105 Kelly S Supplies | 3,324.30 |
| 7/22/2009 | 00520105 Maintenance Supplies | -5,605.00 | 00440105 Kelly S Supplies | 5,605.00 |
| 7/28/2009 | 00800183 Financial Contingency | -170,400.00 | 00360105 Dewatering Supplies | 170,400.00 |
| 7/29/2009 | 00520105 Maintenance Supplies | -2,625.00 | 00270105 Gas Supplies | 2,625.00 |
| 7/29/2009 | 00520105 Maintenance Supplies | -179.00 | 00330105 Final Effluent Supplies | 179.00 |
| 8/5/2009 | 00380103 Incinerator Utilities | -236,800.00 | 00360105 Dewatering Supplies | 236,800.00 |
| 8/11/2009 | 00520105 Maintenance Supplies | -21,000.00 | 00220105 Screen Supplies | 21,000.00 |
| 8/20/2009 | 00520105 Maintenance Supplies | -32.76 | 00490105 Niagara Supplies | 32.76 |
| 8/20/2009 | 00380103 Incinerator Utilities | -187,705.00 | 00520106 Maintenance Services | 187,705.00 |

Sewer Maintenance Division

| <u>Date</u> | <u>From Account</u> | <u>Amount</u> | <u>To Account</u> | <u>Amount</u> |
|-------------|-----------------------------------|---------------|--|---------------|
| 8/12/2009 | 00660105 Sewer Repair Supplies | -800.00 | 00650105 Sewer Maintenance Supplies | 800.00 |
| | | | | |

RECEIVE & FILE

Board Meeting of September 2, 2009

ITEM NO. 4

INFORMATIVE: REPORT ON FISCAL YEAR 2009-10 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 2009-10 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 September 2, 2009

BUFFALO SEWER AUTHORITY

**Report on Fiscal Year 2009-10 Rates and
Charges for Sewer Services**

July 30, 2009

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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, 2009 – June 30, 2010 (Fiscal Year 2009-10) 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 2009-10.

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
July 30, 2009

SECTION I – INTRODUCTION

A. Overview of the Fiscal Year 2009-10 Rate Study

This report presents the rate study findings for the City of Buffalo Sewer System. The Report presents findings regarding the Fiscal Year 2009-10 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 2009-10 Rate Study Methodology and Report Structure

The Fiscal Year 2009-10 Rate Study has two principal components:

- A determination of the cash requirements for the Sewer System in Fiscal Year 2009-10; 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 2009-10. 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 2009-10 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 2009-10 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 2009-10 cash disbursements are provided below. Estimated cash requirements are provided for each category of expenditure.

Debt Service (\$12,244,000)

This category of cash disbursements includes the scheduled interest payments to the debt service trustee in Fiscal Year 2009-10 on the outstanding Sewer System Revenue Bonds. The Fiscal 2009-10 Capital Plan incorporates an \$18M Environmental Facilities Corporation (EFC) bond issue. Under funding for the American Reinvestment and Recovery Act, \$8.8M of this issue is eligible for “principal forgiveness” and the remainder of this issue will be due at 50% of the current EFC rates. This issue is being sold to help finance the \$23M approved Capital Plan for Fiscal 2009-10 along with utilization of available monies from the Construction Fund reserves. An approximate \$600k has conservatively been factored in for debt service on this issue although there is no immediate short term piece required in the upcoming Fiscal 2009-10 year.

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 (\$107,000)

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 (\$1,392,000)

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 (\$21,850,000)

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 (\$571,000)

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 (\$755,000)

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 (\$2,890,000)

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 (\$6,644,000)

Employee benefits include the disbursements for the fringe benefits provided to the Authority employees including hospital, dental and life insurance, social security, pension, unemployment insurance and worker's compensation. The Buffalo Sewer Authorities labor agreement with CSEA Local 815, which is the white collar union of the Authority, runs through June 30, 2009. Negotiations are currently in progress. The labor agreement with the Communications Workers of America (CWA), the blue collar union was recently settled through June 30, 2012. The contract provided a 12.75% increase over the five year contract period. The agreement also addressed issues surrounding insurance, compensated absences, and the number of step increase classifications.

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 (\$1,031,000)

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

Capital Improvements Including Departmental Capital Outlays–On-Going Projects (\$1,184,000)

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 (\$1,837,000)

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 2009-10 are \$39,324,000.

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% of the billed amount for sewer.

Based on Authority billing records for Fiscal Year Ending June 30, 2008, the largest consumers are as follows:

| Customer | Sewer Rent On Assesed Valuation | Sewer Rent on Water Use | Industrial Waste Surcharge | Total Sewer Rent |
|----------------------------|---------------------------------------|----------------------------|----------------------------------|---------------------|
| BMHA | 168,827 | 362,292 | 0 | 531,119 |
| Luvata | 16,126 | 514,012 | 0 | 530,138 |
| ECMC | 0 | 262,692 | 0 | 262,692 |
| Buffalo Board of Education | 0 | 192,554 | 0 | 192,554 |
| SUNYAB | 0 | 174,560 | 0 | 174,560 |
| Buffalo State College | 0 | 191,909 | 0 | 191,909 |
| Sorrento Cheese | 5,295 | 1,511 | 136,000 | 142,806 |
| Veterans Hospital | 0 | 156,339 | 0 | 156,339 |
| National Grid | 160,770 | 127,244 | 0 | 288,014 |
| HKMDA,LLC | 13,600 | 248,285 | 0 | 261,885 |

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 \$66,620,573, and the levy of sewer rents based on assessed value for 2009-10 will remain constant at \$12,050,000. This will result in an annual sewer rent of approximately \$1.75489849 per \$1,000 of assessed valuation which is an adjustment of (\$.01719331) 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 2009-10 reflect these Sewer Authority actions.

D. Anticipated Fiscal Year 2009-10 Cash Receipts

Metered and Flat Sewer Rents

Based on current estimates, cash receipts from user charges are expected to be approximately \$28M in Fiscal Year 2008-09. This is based upon unaudited cash receipts through February 2009 and projected through June 30, 2009. The expected cash receipts in Fiscal Year 2009-10 are \$27,971,000. Payments on current as well as in arrears accounts have been considered in this projection.

Assessment Sewer Rent (\$11,983,000)

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 \$11,983,000 for Fiscal Year 2009-10. This is based upon the estimated assessed value of chargeable property for fiscal year 2009-10, which remained constant from the previous year.

Outside City Contracts (\$9,708,000)

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 (\$1,305,000)

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

Interest Income (\$1,480,000)

Interest income includes interest on investments from both the operating and debt service funds which is considerably lower than the prior year due to decreases in interest rates 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 (\$958,000)

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 2009-10 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

ANTICIPATED FISCAL 2009-10 CASH REQUIREMENTS

Cash Requirements

| | | |
|---|----------------|----------------------------|
| Debt Service | | \$ 12,244,000 |
| Operating Disbursements: | | |
| General administration | \$ 1,392,000 | |
| Waste Water Treatment Facilities | 21,850,000 | |
| Industrial Waste | 571,000 | |
| Sewer System Engineering | 755,000 | |
| Sewer Maintenance Department | 2,890,000 | |
| Employee benefits | 6,644,000 | |
| City of Buffalo and Collection Services | 2,900,000 | |
| Miscellaneous and contingency | 1,031,000 | |
| Capital Improvements, including Departmental capital outlays & -on-going projects | 1,184,000 | |
| Operating lease payments | <u>107,000</u> | |
| Total operating disbursements | | <u>39,324,000</u> |
| Total cash disbursements | | 51,568,000 |
| Less amounts available for use for Capital Improvements | | (1,184,000) |
| Add debt service coverage provision ¹ | | <u>1,837,000</u> |
| Total anticipated cash requirements | | <u>\$52,221,000</u> |

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

ANTICIPATED FISCAL 2009-10 CASH RECEIPTS**Cash Receipts**

Operating Revenue:

| | |
|------------------------------|---------------|
| Metered and Flat Sewer Rents | \$ 27,971,000 |
| Assessment Sewer Rent | 11,983,000 |
| Outside City Contracts | 9,708,000 |
| Industrial Waste | 1,305,000 |

Other Revenues:

| | | |
|--|----------------|----------------------------|
| Interest Income | 1,480,000 | |
| Miscellaneous | <u>958,000</u> | |
| Total anticipated cash receipts | | <u>\$53,405,000</u> |

ITEM NO. 5

INVESTMENT GUIDELINES OF THE BUFFALO SEWER AUTHORITY

WHEREAS: In Accordance with Title 7, Section 2925 of the Public Authorities Law, every public authority and every public benefit corporation, whether or not such corporation is otherwise governed by this chapter, shall by resolution adopt comprehensive investment guidelines which detail the corporation's operative policy and instructions to officers and staff regarding the investing, monitoring, and reporting of funds of the corporation; and

WHEREAS: The guidelines so approved shall be annually reviewed and approved by the corporation.

NOW THEREFORE
BE IT RESOLVED: That the Buffalo Sewer Authority does adopt the following investment guidelines that reflect the updated Bond Resolution adopted May 3, 1993:

Investment Guidelines**Section 1. Definitions.**

In this Resolution the following terms shall have the following meanings unless the context otherwise requires:

"Authority" shall mean the Buffalo Sewer Authority, a body corporate and politic constituting a public benefit corporation of the State of New York and any body, board, authority, agency, or political subdivision or instrumentality of the State which shall hereafter succeed to the powers, duties, and functions thereof.

"Investment Securities" shall mean and include any of the following securities, if and to the extent the same are at the time legal investments by the Authority of the funds to be invested therein:

(1) Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations");

(2) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation (“FHLMCS”); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association (“FNMA”); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association (“GNMA”); guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing & Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation securities;

(3) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured, and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Services and "A" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose unsecured, uninsured, and unguaranteed general obligation debt is rated, at the time of purchase "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;

(4) Federal funds, unsecured certificates of deposit, time deposits, or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that fully and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's and a "Short-Term CD" rating of "A-1" or better by S&P;

(5) Deposits of any bank or savings and loan association which has combined capital, surplus, and undivided profits of not less than \$3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation;

(6) Investments in money-market funds rated "AAAm" or "AAAm-G" by Standard & Poor's Corporation;

(7) Repurchase agreements collateralized by Direct Obligations, GNMMAs, FNMAs, or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided:

(a) master repurchase agreement or specific written repurchase agreement governs the transaction.

(8) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard & Poor's Corporation;

"Trustee" shall mean Manufacturers and Traders Trust Company, Buffalo, New York, and its successor or successors and any other person which may at the time be substituted in its place.

Section 2. Collateral

Certificates of Deposit (CD), Time Deposit Accounts (TDA), and Negotiable Order of Withdrawal Accounts (NOW) shall be fully secured by insurance of the Federal Deposit Insurance Corporation, obligations of New York State, obligations of the United States, obligations of federal agencies the principal and interest of which are guaranteed by the United States, or obligations of New York State local governments.

The market value of collateral shall at all times equal or exceed the principal amount of the certificate of deposit, time deposits, or NOW accounts. Market value shall mean the bid or closing price as quoted in the Wall Street Journal or as quoted by another recognized pricing service. The Supervising Accountant shall monitor the collateral no less frequently than monthly.

Securities purchased through a Repurchase Agreement shall be valued to market once during the tenure of the agreement and no less than once a month.

Collateral shall not be required with respect to the direct purchase of obligations of New York State, obligations of the United States, and obligations of federal agencies the principal and interest of which are guaranteed by the United States Government.

Section 3. Funds

In accordance with the Authority's Sewer System Revenue Bond Resolution adopted June 29, 1977, and as amended May 3, 1993, the following special trust funds were established:

1. Construction Fund
2. Net Revenue Fund
3. Debt Reserve Fund
4. Redemption Fund
5. Surplus Fund
6. Rebate Fund

All of said Funds are held by the Trustee.

In addition to the Funds held by the Trustee, the Authority established an Operating Fund and a Capital Improvement Fund held by a Depository designated by and under the supervision of the Authority.

Section 4. Investments

Moneys in any Fund held by the Trustee or the Authority shall be continuously invested and reinvested or deposited and redeposited on terms which in the judgment of the Authority provide reasonable liquidity, in the highest yield Investment Securities that may be reasonably known, with a view toward maximizing yield (with proper preservation of principal) and minimizing the instances of uninvested funds. The Authority shall consult with the Trustee from time to time as to the investment of amounts in the Funds. The Authority through an Authorized Officer may direct the Trustee to or, in the absence of direction, the Trustee shall invest and reinvest the moneys in any such Fund held by it in Investment Securities so that the maturity date or dates of redemption at the option of the holder thereof shall coincide as nearly as practicable with the times at which moneys are needed to be so expended. The Trustee shall sell at the best price obtainable, or present for redemption, any Investment Securities purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund for which such investment was made.

Investment Securities purchased as an investment of moneys in any Fund shall be deemed at all times to be a part of such Fund but the income or interest earned and gains realized in excess of losses suffered by a Fund due to the investment thereof shall be deposited in the Operating Fund as Revenues or shall be reinvested and credited to the Operating Fund.

Moneys in any Fund held by the Trustee may be invested in common with the moneys held in any other such Fund.

The Authority may utilize the service of the office of the Comptroller of the City of Buffalo to obtain the highest available investment yield.

Section 5. Deposits

In lieu of Investment Securities, the Trustee shall at the written direction of an Authorized Officer of the Authority deposit amounts or cause amounts to be deposited from any Fund held by the Trustee in interest bearing time deposits or certificates of deposit, or shall make other similar banking arrangements with itself or a member bank or banks of the Federal Reserve

System or a bank, the deposits of which are insured by the Federal Deposit Insurance Corporation or its successor, or a savings and loan association, the deposits of which are insured by the Federal Savings and Loan Insurance Corporation or its successor. Each such interest bearing time deposit or certificate of deposit or other similar banking arrangement shall permit the moneys so placed to be available at the times at which moneys are needed to be expended, and, except to the extent that any such deposit shall be less than \$5,000 or be insured by the United States of America or the federal corporations enumerated above, all moneys in each such interest bearing time

deposit or certificate of deposit or other similar banking arrangement shall be continuously and fully secured as stated in Section 2.

In order to permit such amounts to be available for use at the time when needed, any amounts held by any Fiduciary, as such, any, if and as directed by an Authorized Officer of the Authority, be deposited in the commercial banking department of such Fiduciary which may honor checks and drafts on such deposit with the same force and effect as if it were not such Fiduciary. Any such Fiduciary shall allow and credit on such amounts at least such interest, if any, as it customarily allows upon similar funds of similar size and under similar conditions or as required by law.

All amounts of more than \$5,000 deposited by any Fiduciary pursuant to the paragraph above shall be continuously and fully secured by lodging with the Trustee as custodian, as collateral security, investment securities having a market value not less than the amount of such deposit plus accrued interest.

All amounts so deposited by any Fiduciary shall be credited to the particular Fund from which such amounts were derived, but any income derived in connection with such deposits shall be credited to, and shall be deposited as received in, the Operating Fund; except that any income derived in connection with deposits in the Debt Reserve Fund shall be credited to and deposited as received in the Debt Reserve Fund. Whenever on any valuation date, as provided in the bond resolution as amended on May 3, 1993, the amount in the Debt Reserve Fund exceeds the Debt Reserve requirement, the Trustee may, if directed by the Certificate of an authorized officer of the Authority, withdraw from the Debt Reserve Fund the amount of any excess therein over the Debt Reserve Requirement as of the date of such withdrawal and deposit the moneys so withdrawn into the Operating Fund.

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

Board Meeting of September 2, 2009

ITEM NO. 6

CLAIM AGAINST LIABILITY AND CASUALTY RESERVE FUND

WHEREAS: On August 17, 2009, Richard Skinner, 5148 Mayer Road, Hamburg, New York, filed a Claim with the Buffalo Sewer Authority for damages that occurred on August 11, 2009, to his vehicle while parked in the parking lot of the Sewer Maintenance Building at the Bird Island Sewerage Treatment Plant; and

WHEREAS: Mr. Skinner is an employee of the Buffalo Sewer Authority. Employees were facilitating the distribution of steel to a contractor when a piece slid off the backhoe landing on the claimant's vehicle; and

WHEREAS: The General Manager reviewed this Claim and determined that the Buffalo Sewer Authority is liable in this matter.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to make payment to Richard Skinner, 5148 Mayer Road, Hamburg, New York, in the amount of \$685.19 as full settlement. This Claim will be paid out of the Liability and Casualty Reserve Fund.

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

Board Meeting of September 2, 2009

ITEM NO. 7

TRAVEL AUTHORIZATION - ORLANDO, FLORIDA

WHEREAS: The Water Environment Federation’s 82nd Annual Technical Exhibition and Conference will be held October 10–14, 2009, in Orlando Florida; and

WHEREAS: Buffalo Sewer Authority staff annually participates in this international event to keep abreast of the latest technologies, innovations, and research in the wastewater field; and

WHEREAS: The General Manager recommends attendance at the Water Environment Federation’s Annual Technical Exhibition and Conference.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes travel from October 9-14, 2009, for the Chairman of the Board and the Treatment Plant Superintendent to attend the Water Environment Federation’s 82nd Annual Technical Exhibition and Conference in Orlando, Florida, at a total cost not to exceed \$5,000.00. Funds are available in account nos. 00100104-458010, 00100104-458012, 00200104-458010, and 00200104-458012.

MOTION TO APPROVE

MADE BY MR. KENNEDY, JR.

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 8

TRAVEL AUTHORIZATION - LAKE PLACID, NEW YORK

WHEREAS: The Buffalo Sewer Authority is in the process of developing a Geographic Information System (GIS). The system will provide faster and easier access for Buffalo Sewer Authority personnel in planning, design, construction, operation, and maintenance of the sewer system; and

WHEREAS: The 25th Annual New York State GIS Conference is being held in Lake Placid, New York, from October 25 through October 27, 2009; and

WHEREAS: The Senior Sanitary Engineering Supervisor is instrumental in the development of this project; and

WHEREAS: The General Manager recommends his attendance at the 25th Annual New York State GIS Conference.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes travel for the Senior Sanitary Engineering Supervisor to attend the 25th Annual New York State GIS Conference from October 25 through October 27, 2009, in Lake Placid, New York, at a total cost not to exceed \$550.00. The cost for this conference will be charged to account no. 00600104-458010.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 9

AUTHORIZATION FOR PURCHASE OF MICROSOFT OFFICE 2007 UNDER NEW YORK STATE CONTRACT GROUP 76304, AWARD 18766, CONTRACT PT61408,

WHEREAS: The Buffalo Sewer Authority is currently utilizing Microsoft Office 2000; and

WHEREAS: In order to bring the Authority in line with current industry standards, the Computer Systems Engineer Coordinator recommends updating the Authority to Microsoft Office 2007 available from Hewlett Packard under NYS State Contract Group 76304, Award 18766, Contract PT61408 at a total cost of \$14,009.00, which includes the software and user site licenses; and

WHEREAS: The General Manager and staff recommend approval of this purchase; and

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

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase Microsoft Office 2007 from Hewlett Packard under New York State Contract Group 76304, Award 18766, Contract PT61408 for the Buffalo Sewer Authority at a total cost of \$14,009.00. Funds are available in account no. 00200107-474300.

MOTION TO APPROVE

MADE BY MR. ROOSEVELT

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of Septemer 2, 2009

ITEM NO. 10

AUTHORIZATION FOR CHANGE ORDER TO PO #21000004

- WHEREAS: On July 22, 2009, the Board of the Buffalo Sewer Authority designated Johnson Controls, the original equipment manufacturer, and/or their authorized local service representative as a sole source for replacement parts, supplies, and service for all Johnson Controls manufactured products, including the York brand chillers, located at the Treatment Plant; and
- WHEREAS: In July 2009, Chiller No. 2 lost vacuum power. A quote was requested by the Principal Chief Stationary Engineer and received from Johnson Controls for an estimated amount of \$7,400.00 for evaluation and estimated material costs for this repair; and
- WHEREAS: Upon review and inspection it was determined that all tubes in the absorber shell would need replacing due to their deteriorated condition. A quote in the amount of \$52,730.00 was requested and received for removal and replacement of the tubes along with the replacement of 360 gallons of lithium bromide solution; and
- WHEREAS: Chilling to the Treatment Plant motor control centers and electrical supply stations is necessary in order for this equipment to run. The operation of Chiller No. 2 is critical due to the potential for interruption of electrical service and loss of process equipment and non-compliance with the SPDES permit; and
- WHEREAS: Due to this exigency, the Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff recommend a change order to PO #21000004 in the amount of \$52,730.00 from \$7,400.00 to \$60,130.00; and
- WHEREAS: Board approval is required on services over \$20,000.00; and
- WHEREAS: Due to the necessity to expedite this service the Board was polled on July 27, 2009, and verbally authorized these services; and
- WHEREAS: It is now necessary to formally ratify that authorization.

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NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority formally authorizes the General Manager to award the service repairs to Chiller No. 2 to Johnson Controls and further authorizes a change order to PO #21000004 in the amount of \$52,730.00 from \$7,400.00 to \$60,130.00. Account no. 00380106-443301 will be charged for these services.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 11

AUTHORIZATION TO PURCHASE REPLACEMENT PARTS FOR CLIMBER SCREENS

WHEREAS: On July 22, 2009, the Board of the Buffalo Sewer Authority designated Infilco Degremont, Inc., the original equipment manufacturer, and/or their authorized local representative, as a sole source for the purchase of various parts for the Infilco climber screens and Helico presses located at the Treatment Plant; and

WHEREAS: The Principal Chief Stationary Engineer has determined a need for climber screen replacement parts; and

WHEREAS: Infilco Degremont, Inc., has submitted a quote in the amount of \$23,835.13, for these replacement parts; and

WHEREAS: The Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff reviewed the quote received and recommend the purchase of these necessary replacement parts for the climber screens; and

WHEREAS: Board approval is required for purchases over \$10,000.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the needed climber screen replacement parts from Infilco Degremont, Inc., at a cost of \$23,835.13. This purchase will be charged to account no. 00220105-466107.

MOTION TO APPROVE

MADE BY MR. KENNEDY, JR.

2ND BY MS. WILSON-DIVINCENZO

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 12

AUTHORIZATION TO PURCHASE REPLACEMENT PARTS FOR CENTRIFUGE

WHEREAS: On July 22, 2009, the Board of the Buffalo Sewer Authority designated Westfalia Separator, Inc., the original equipment manufacturer, and/or their authorized local representative, as a sole source for the purchase of various replacement parts, supplies, and service on the Westfalia centrifuge located at the Treatment Plant; and

WHEREAS: The Principal Chief Stationary Engineer has determined a need for centrifuge replacement parts; and

WHEREAS: Westfalia Separator, Inc., has submitted a quote in the amount of \$10,592.67, plus freight estimated not to exceed \$100.00 for these replacement parts; and

WHEREAS: The Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff reviewed the quote received and recommend the purchase of these necessary replacement parts; and

WHEREAS: Board approval is required for purchases over \$10,000.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the needed centrifuge replacement parts from Westfalia Separator, Inc., at a cost of 10,592.67, plus freight estimated not to exceed \$100.00. This purchase will be charged to account no. 00370105-466107.

MOTION TO APPROVE

MADE BY MR. KENNEDY, JR.

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 13

AUTHORIZATION TO PURCHASE REPLACEMENT PARTS FOR AERATION TANKS

WHEREAS: On July 22, 2009, the Board of the Buffalo Sewer Authority designated ITT Sanitaire Corporation, the original equipment manufacturer, and/or their authorized local representative, as a sole source for the purchase of various Sanitaire diffuser parts for the aeration tanks located at the Treatment Plant; and

WHEREAS: The Principal Chief Stationary Engineer has determined a need for diffuser replacement parts for the aeration tanks; and

WHEREAS: ITT Industries Shared Service Group (Sanitaire Division), has submitted a quote in the amount of \$15,071.00, plus freight estimated not to exceed \$400.00 for these replacement parts; and

WHEREAS: The Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff reviewed the quote received and recommend the purchase of these necessary replacement parts for the aeration tanks; and

WHEREAS: Board approval is required for purchases over \$10,000.00.

NOW THEREFORE
 BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to purchase the needed diffuser replacement parts from ITT Industries Shared Service Group (Sanitaire Division) at a cost of \$15,071.00, plus freight estimated not to exceed \$400.00. This purchase will be charged to account no. 00290105-466107.

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

Board Meeting of September 2, 2009

ITEM NO. 14

AUTHORIZATION FOR REPAIR SERVICE ON TURBO COMPRESSOR NO. 3

WHEREAS: On July 22, 2009, the Board of the Buffalo Sewer Authority designated Cameron Compression Systems, the original equipment manufacturer, and/or their local representatives on record, as a sole source for equipment repairs and supplies for the Cooper turbo air and C-8 series compressors located at the Treatment Plant; and

WHEREAS: The Principal Chief Stationary Engineer has determined that significant repairs are needed on Turbo Compressor No. 3; and

WHEREAS: Comairco Equipment, Inc., the authorized local representative, has submitted a quote in the amount of \$47,173.05 for parts and labor needed to perform these repairs; and

WHEREAS: The Treatment Plant Superintendent, Principal Chief Stationary Engineer, and staff reviewed the quote received and recommend the necessary repairs at a total cost not to exceed \$47,173.05; 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 Comairco Equipment, Inc., to perform the recommended repairs on Turbo Compressor No. 3 at a total cost not to exceed \$47,173.05. This service will be charged to account no. 00380106-443301.

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

Board Meeting of September 2, 2009

ITEM NO. 15

**AUTHORIZATION TO ENTER INTO SERVICE CONTRACT FOR SEWER LINE
CHEMICAL ROOT CONTROL UNDER ERIE COUNTY MAINTENANCE BID #290082-004**

WHEREAS: Erie County has awarded root control service to two vendors, one of which is Duke's Root Control, Inc., who has submitted written documentation to honor all low unit prices as indicated in the Erie County Highway Maintenance Bid #290082-004 as indicated below:

| Pipe Size | Price Per Linear Foot |
|-----------|-----------------------|
| 8 inch | \$ 1.25 |
| 10 inch | \$ 1.25 |
| 12 inch | \$ 1.45 |
| 15 inch | \$ 1.80 |
| 18 inch | \$ 2.50 |
| 20 inch | \$ 3.00 |
| 24 inch | \$ 3.50 |

WHEREAS: The Director of Sewer Maintenance and staff recommend utilizing the April 1, 2009 through March 31, 2010 Erie County Highway Maintenance Bid #290082-004, Section 203, for sewer line chemical root control to control sewer line tree root intrusions; and

WHEREAS: The Director of Sewer Maintenance and staff have reviewed the Erie County Highway Maintenance Bid #290082-004 terms and conditions and recommend utilizing this service award.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manger to enter into a service contract with Duke's Root Control Inc., to apply a chemical root agent designed to control sewer line tree root intrusions as specified in the Erie County Highway Maintenance Bid #290082-004 on an as needed basis for the period through March 31, 2010 at a total cost not to exceed \$50,000.00. This service will be charged to account no. 02000266-490740.

MOTION TO APPROVE

MADE BY MR. KENNEDY, JR.

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 16

REPORT ON BIDS RECEIVED - HAMBURG STREET PUMP STATION

WHEREAS: Formal bids were advertised and solicited for the Hamburg Street Pump Station Power Improvement Project. The following bids were received and opened by the Buffalo Sewer Authority on August 19, 2009:

| | |
|---|---------------|
| Frey Electric Construction Company, Inc | \$ 111,250.00 |
| O’Connell Electric Company | \$ 113,160.00 |
| CIR Electrical Construction, Corp. | \$ 148,500.00 |

; and

WHEREAS: The proposals were received, and the contract will be awarded on the basis of lump sum prices. The bids reflect the true amount of the contract; and

WHEREAS: The Administrator of Capital Improvements & Development and staff reviewed the bids and recommend awarding the contract to the lowest bidder, Frey Electric Construction Company, Inc., at a cost not to exceed \$111,250.00.

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 Frey Electric Construction Company, Inc., at a cost not to exceed \$111,250.00. Expenses for this contract will be charged to account no. 02000299-490740.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 18

REPORT ON BIDS RECEIVED - MECHANIC'S GARAGE HEATING IMPROVEMENT

WHEREAS: Formal bids were advertised and solicited for the Mechanic’s Garage Heating Improvement. The following bids were received and opened by the Buffalo Sewer Authority on August 25, 2009:

Mollenberg Betz, Inc. \$107,800.00
John W. Danforth Company \$114,000.00

| | |
|--------------------------|---------------|
| Mollenberg Betz, Inc | \$ 107,800.00 |
| John W. Danforth Company | \$ 114,000.00 |

; and

WHEREAS: The proposals were received, and the contract will be awarded on the basis of lump sum prices. The bids reflect the true amount of the contract; and

WHEREAS: The Administrator of Capital Improvements & Development and staff reviewed the bids and recommend awarding the contract to the lowest bidder, Mollenberg Betz, Inc., at a cost not to exceed \$107,800.00.

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 Mollenberg Betz, Inc., at a cost not to exceed \$107,800.00. Expenses for this contract will be charged to account no. 02000263-490740.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 4 NOES 0

Board Meeting of September 2, 2009

ITEM NO. 19

REPORT ON BIDS RECEIVED - METHANE STORAGE SPHERE RE-COATING PROJECT

WHEREAS: Formal bids were advertised and solicited for the Methane Storage Sphere Re-coating Project. The following bids were received and opened by the Buffalo Sewer Authority on August 25, 2009:

| | |
|-----------------------------------|--------------|
| Niagara Coatings Services, Inc. | \$ 23,765.00 |
| Atlas Painting and Sheeting Corp. | \$ 24,000.00 |

; and

WHEREAS: The proposals were received, and the contract will be awarded on the basis of lump sum prices. The bids reflect the true amount of the contract; and

WHEREAS: The Administrator of Capital Improvements & Development and staff reviewed the bids and recommend awarding the contract to the lowest bidder, Niagara Coatings Services, Inc., at a cost not to exceed \$23,765.00.

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 Niagara Coatings Services, Inc., at a cost not to exceed \$23,765.00. Expenses for this contract will be charged to account no. 02000276-490740.

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

Board Meeting of September 2, 2009

ITEM NO. 20

CONFIRMATION OF APPOINTMENTS

SEWER CONSTRUCTION WORKER (PROVISIONAL)
SEWER MAINTENANCE DEPT.
\$19.41 PER HOUR
EFFECTIVE: JULY 27, 2009

JOEL RENZONI
20 PORTLAND
BUFFALO, NY

LABORER I (SEASONAL)
SEWAGE TREATMENT PLANT
\$90.00 PER DAY
EFFECTIVE: AUGUST 10, 2009

WILLIAM LARUSCH
24 TAMARACK
BUFFALO, NY

EQUIPMENT OPERATOR (BSA) (PERMANENT)
CHANGE OF STATUS ONLY
SEWER MAINTENANCE DEPT.
\$19.83 PER HOUR
EFFECTIVE: AUGUST 17, 2009

ROBERT STORY
1855 PARKER BLVD.
TONAWANDA, NY

EQUIPMENT OPERATOR (BSA) (PERMANENT)
CHANGE OF STATUS ONLY
SEWER MAINTENANCE DEPT.
\$19.83 PER HOUR
EFFECTIVE: AUGUST 17, 2009

JAMES BRUNDO
95 COLDEN CT.
CHEEKTOWAGA, NY

CLERK (SEASONAL)
 ADMINISTRATIVE OFFICES
 \$90.00 PER DAY
 EFFECTIVE: AUGUST 24, 2009

EVELYN VIERA
 722 PLYMOUTH
 BUFFALO, NY

LABORER I (SEASONAL)
 SEWAGE TREATMENT PLANT
 \$90.00 PER DAY
 EFFECTIVE: AUGUST 24, 2009

MAX JADOCH
 33 PORTLAND
 BUFFALO, NY

WHEREAS: The preceding appointments were 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 appointments are hereby confirmed by the Board of the Buffalo Sewer Authority.

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

Board Meeting of September 2, 2009

ITEM NO. 21

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> |
|-----------------|------------------|---|-----------------|--------------------------------|
| Charles Riley | Canisius College | Strategic Management & Leadership | 90% | \$1,836.00 |

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Reimbursement totaling \$1,836.00. This Reimbursement will be charged to account no. 00800108-480214.

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

Board Meeting of September 2, 2009

ITEM NO. 22

ADJOURNMENT OF MEETINGMOTION TO APPROVE MADE BY MS. WILSON-DIVINCENZO 2ND BY MR. KENNEDY, JR. AYES 4 NOES 0

Board Meeting of September 2, 2009