

MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
June 12, 2013

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BUFFALO SEWER AUTHORITY

June 12, 2013

REGULAR MEETING

9:00 A.M.

1038 CITY HALL

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CALL OF THE ROLL

Present:	<u>Herbert L. Bellamy, Jr.</u>	<u>Chairman</u>
	<u>John D. Kennedy, Sr.</u>	<u>Vice Chairman</u>
	<u>Christopher Roosevelt</u>	<u>Assistant Vice Chairman</u>
	<u>Eleanor Wilson-DiVincenzo</u>	<u>Secretary</u>
	<u>David Comerford</u>	<u>General Manager</u>
	<u>Ronald Brown</u>	<u>Executive Secretary</u>
	<u>Oluwole McFoy, P.E.</u>	<u>Principal Sanitary Engineer</u>
	<u>Michael Letina</u>	<u>Treatment Plant Superintendent</u>
	<u>Roberta Gaiek, P.E.</u>	<u>Treatment Plant Administrator</u>
	<u>Thomas Caulfield</u>	<u>Administrator of Capital</u>
	<u>Yusef Myrick</u>	<u>Improvements & Development</u>
	<u>Laura Surdej</u>	<u>Superintendent of Mechanical</u>
		<u>Maintenace</u>
		<u>Erie Co. Dept. of Sewerage</u>
Absent:	<u>None</u>	

The meeting was called to order at 9:00 A.M. A quorum was present.

ITEM NO. 1

Motion to Adopt the Minutes of the Meeting of May 29, 2013

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

Board Meeting of June 12, 2013

ITEM NO. 2

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

May 31, 2013						
ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$1.00	Chase	0.20%	High Yield
31-Jul-12	Money Market		\$500,063.70	First Niagara	0.15%	Municipal Premium
			<u>\$500,064.70</u>			
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$1.00	Chase	0.20%	High Yield
31-July-12	Money Market		\$35,081,095.20	First Niagara	0.20%	Municipal Premium
			<u>\$35,081,096.20</u>			
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$1.01	Chase	0.20%	High Yield
31-July-12	Money Market		\$1,000,924.60	First Niagara	0.20%	Municipal Premium
			<u>\$1,000,925.61</u>			
OPERATING FUND						
08-Apr-02	Money Market		\$1.03	Chase	0.20%	High Yield
31-July-12	Super NOW		\$3,588,100.89	First Niagara	0.20%	Municipal Premium
			<u>\$3,588,111.92</u>			
TRUST & AGENCY FUND						
06-May-02	Money Market		\$1.00	Chase	0.20%	High Yield
31-Jul-12	Money Market		\$31,545.96	First Niagara	0.02%	Municipal Premium
			<u>\$31,546.96</u>			
SURPLUS FUND						
			\$238.10	Wilmington US Treasury		
27-Mar-13	28-Jun-13	93	\$5,999,294.72	M&T Securities	0.11%	\$1,705.28
			<u>\$5,999,532.82</u>			
NET REVENUE FUND						
27-Mar-13	28-Jun-13	93	\$4,799,635.72	M&T Securities	0.11%	\$1,364.28
29-Apr-13	28-Jun-13	60	\$8,799,533.17	M&T Securities	0.10%	\$1,466.83
31-May-13	28-Jun-13	28	\$2,200,000.00	JPMorgan Chase	0.10%	\$171.11
			<u>\$15,799,168.89</u>			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
Series F						
			\$253,252.62	Wilmington US Treasury		
06-Jun-12	05-Jun-13	369	\$245,000.00	FDIC Brokered CD	0.30%	
13-Jun-12	12-Jun-13	364	\$245,000.00	FDIC Brokered CD	0.45%	
14-Jun-12	14-Jun-13	365	\$245,000.00	FDIC Brokered CD	0.40%	
15-Jun-12	14-Jun-13	364	\$132,000.00	FDIC Brokered CD	0.35%	
15-May-13	15-May-14	365	\$245,000.00	FDIC Brokered CD	0.25%	
			\$1,365,252.62			
Series I						
01-Aug-08	06-Sep-13	1862	\$8,240,877.50	FHLB	4.00%	
Series H						
13-Mar-03	15-Apr-32	10,626	\$2,825,593.00	SLG	4.35%	
Series J						
04-Mar-04	15-Nov-33	10,848	\$774,061.00	SLG	3.82%	
Series K						
22-Jul-04	15-Feb-33	10,435	\$498,654.00	SLG	4.63%	
Series L						
27-Jul-06	01-Oct-35	10,658	\$952,666.00	SLG	4.52%	

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Board Meeting of June 12, 2013

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.

Wastewater Treatment Plant

5/20/2013	00210105 RWWP Supplies	-\$317.68	00380105 Incinerator Supplies	\$317.68
5/21/2013	00210105 RWWP Supplies	-\$1,449.10	00520105 Maintenance Supplies	\$1,449.10
5/21/2013	00210105 RWWP Supplies	-\$3,365.00	00520105 Maintenance Supplies	\$3,365.00
5/21/2013	00210105 RWWP Supplies	-\$1,846.80	00530105 Yard Supplies	\$1,846.80
5/21/2013	00210105 RWWP Supplies	-\$673.08	00380105 Incinerator Supplies	\$673.08
5/21/2013	00210105 RWWP Supplies	-\$425.16	00530105 Yard Supplies	\$425.16
5/21/2013	00210105 RWWP Supplies	-\$310.01	00380105 Incinerator Supplies	\$310.01
5/22/2013	00280105 SWWP Supplies	-\$692.00	00200105 Plant Supplies	\$692.00
5/23/2013	00210105 RWWP Supplies	-\$211.00	00380105 Incinerator Supplies	\$211.00
5/23/2013	00280105 SWWP Supplies	-\$1,500.00	00200106 Plant Services	\$1,500.00
5/23/2013	00210105 RWWP Supplies	-\$336.60	00200105 Plant Supplies	\$336.60
5/24/2013	00210105 RWWP Supplies	-\$10,711.00	00290105 Aeration Supplies	\$10,711.00
5/28/2013	00210105 RWWP Supplies	-\$715.00	00530105 Yard Supplies	\$715.00
5/28/2013	00210105 RWWP Supplies	-\$415.00	00520105 Maintenance Supplies	\$415.00
5/28/2013	00210105 RWWP Supplies	-\$1,530.00	00200105 Plant Supplies	\$1,530.00
6/3/2013	00380106 Incinerator Services	-\$3,400.00	00200106 Plant Services	\$3,400.00
6/3/2013	00380106 Incinerator Services	-\$3,600.00	00340106 Thickener Services	\$3,600.00
6/3/2013	00380106 Incinerator Services	-\$710.00	00520106 Maintenance Services	\$710.00

Sewer Maintenance Division

5/30/2013	00690105 Auto Supplies	-\$500.00	00670105 Sewer Cleaning Supplies	\$500.00
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General Financial Charges

5/31/2013	00800183 Financial Contingency	-\$7,313.63	00200108 Plant Insurance	\$7,313.63
5/31/2013	00800183 Financial Contingency	-\$147.00	00650108 Sewer Maintenance Insurance	\$147.00
5/21/2013	00800183 Financial Contingency	-\$3,357.76	00110107 Administrative Capital Outlay	\$3,357.76

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Board Meeting of June 12, 2013

ITEM NO. 4

FUND BALANCE POLICY OF THE BUFFALO SEWER AUTHORITY

WHEREAS: The Buffalo Sewer Authority has developed a Fund Balance Policy in an effort to ensure financial security through the maintenance of a healthy reserve fund that guides the creation, maintenance, and use of resources for financial stabilization purposes. The Authority's primary objective is to maintain a prudent level of financial resources to protect against reducing service levels or raising sewer rents and fees due to temporary revenue shortfalls or unpredicted one-time expenditures. The Authority also seeks to maintain the highest possible credit ratings which are dependent, in part, on the Authority's maintenance of a healthy fund balance; and

WHEREAS: The guidelines shall be annually reviewed and approved by the Board of the Buffalo Sewer Authority.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the following Fund Balance Policy:

Fund Balance Policy**Definitions.**

Fund balance - The excess of assets over liabilities in a governmental fund.

Nonspendable fund balance - Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).

Restricted fund balance - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.

Committed fund balance - Amounts constrained to specific purposes by the Authority itself using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest-level action to remove or change the constraint.

Assigned fund balance - Amounts the Authority intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.

Unassigned fund balance - Amounts that are available for any purpose; these amounts are reported only in the General Fund.

Policy Statement

The fund balance of the Authority's General Fund has been accumulated to meet this purpose, to provide stability and flexibility to respond to unexpected adversity and/or opportunities.

The target is to maintain an unrestricted fund balance of not less than 15% of annual operating expenditures for the fiscal year.

The Authority's basic goal is to maintain annual expenditure increases at a growth rate, and to limit expenditures to anticipated revenue in order to maintain a balanced budget. The decision to retain an unrestricted fund balance of not less than 15% of operating expenditures stems from the following:

- This amount provides adequate funding to cover approximately two (2) months of operating expenses.
- This amount provides the liquidity necessary to accommodate the Authority's uneven cash flow, which is inherent in its periodic sewer rent collection schedule.
- This amount provides the liquidity to respond to contingent liabilities.
- The Government Finance Officers Association recommends the minimum General Fund unrestricted fund balance to be maintained should be no less than either two (2) months of regular operating revenues or expenditures.

The Board will set aside certain amounts for capital projects as committed fund balance. Amounts to be determined by the General Manager based on the amounts available, the planned projects and other financing sources.

The Board will set aside committed fund balances to cover the amount of outstanding purchase orders or encumbrances that have been approved by the Board.

The Board will set aside certain amounts for future insurance claims. Amounts to be determined by the General Manager based on availability of fund balance, claim trends and potential for future claims.

The Board will allow the General Manager to determine the proper amounts to be assigned for purposes as they determine necessary.

The Board will allow the General Manager to determine the amount to be assigned for capital asset replacements (or other issue).

Beginning in the year ending June 30, 2011, unassigned fund balance shall be any remaining amounts.

This policy may be amended from time to time per the Board.

The Authority will spend the most restricted dollars before less restricted in the following order:

- a) Nonspendable (if funds becomes spendable)
- b) Restricted
- c) Committed
- d) Assigned
- e) Unassigned

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

Board Meeting of June 12, 2013

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 Board of the Buffalo Sewer Authority hereby approves 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's"); participation certificates of the General Services Administration; guaranteed mortgage-backed securities and guaranteed participation certificates of the Government National Mortgage Association ("GNMA's"); 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, FNMMAs, or FHLMMCs 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.
- (b) the securities are held free and clear of any lien by the Trustee or an independent third party acting as agent (“Agent”) for the Trustee, and such third party is (i) a Federal Reserve Bank, (ii) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$50 million or (iii) a bank approved in writing for such purpose by Financial Guaranty Insurance Company, and the Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Trustee; and
- (c) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities, is created for the benefit of the Trustee; and
- (d) the repurchase agreement has a term of 10 years or less, and the Trustee or the Agent will value the collateral securities no less frequently than weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation; and
- (e) the fair market values of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%.

(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	<u>APPROVE</u>		
MADE BY	<u>MS. WILSON-DIVINCENZO</u>		
2 ND BY	<u>MR. ROOSEVELT</u>		
AYES	<u>4</u>	NOES	<u>0</u>

Board Meeting of June 12, 2013

ITEM NO. 6

**REVISION TO BUFFALO SEWER AUTHORITY POLICY – CAPITAL ASSETS
(ATTACHMENT A)**

WHEREAS: The Buffalo Sewer Authority has a Capital Asset Guide that establishes the basis for inventory, values of capital and infrastructure assets, and depreciation calculations; and

WHEREAS: The Capital Asset Guide shall be annually reviewed and approved by the Board.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the following “Capital Asset Guide” (Attachment A), which establishes the basis for inventory, values of capital and infrastructure, and depreciation calculations.

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

Board Meeting of June 12, 2013

ITEM NO. 7

**REVISION TO BUFFALO SEWER AUTHORITY POLICY – PURCHASING GUIDELINES
(ATTACHMENT B)**

WHEREAS: The Buffalo Sewer Authority purchases goods and services according to its enabling legislation and charter granted by the State of New York; and

WHEREAS: The Buffalo Sewer Authority has developed Purchasing Guidelines for the procurement of goods and services that will ensure compliance with all State and Local Laws governing public bidding; and

WHEREAS: The Purchasing Guidelines shall be annually reviewed and approved by the Board.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the revised “Purchasing Guidelines” (Attachment B), which establishes the basis for the procurement of goods and services by the Buffalo Sewer Authority.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 8

CONTRACT APPROVAL - AUDIT AND ACCOUNTING SERVICES

WHEREAS: The use of independent Certified Public Accountants is necessary in order that the Buffalo Sewer Authority submit financial statements in accordance with generally accepted auditing standards, prepares a Comprehensive Annual Financial Report for submission to the New York State Comptroller, and develops accurate cost allocation schedules of operation at the Wastewater Treatment Plant; and

WHEREAS: Drescher & Malecki, LLP, has proposed to extend their service contract with the Buffalo Sewer Authority for accounting and auditing services for the fiscal year ending June 30, 2013, for a fee not to exceed \$45,500.00; and

WHEREAS: Additionally, Drescher & Malecki, LLP, proposes to compile the cost allocation schedule for fiscal year ending June 30, 2013, for a fee not to exceed \$4,500.00; and

WHEREAS: The costs for these services remain the same as the previous fiscal year; and

WHEREAS: The Audit Committee of the Board of Directors of the Buffalo Sewer Authority recommends accepting this proposal.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves and authorizes the Chairman of the Audit Committee to enter into an agreement with Drescher & Malecki, LLP, Certified Public Accountants, to perform the required auditing services of the Authority's affairs and to compile a cost allocation schedule for fiscal year ending June 30, 2013. Expenses for performing the required financial audit, up to a maximum of 45,000.00, will be charged to account no. 00110106-432001. Expenses for the cost of the allocation schedule, up to a maximum of \$4,500.00 will be charged to account no. 00550106-432001.

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

Board Meeting of June 12, 2013

ITEM NO. 9

CONTRACT APPROVAL - LEGAL SERVICES

WHEREAS: The Buffalo Sewer Authority is engaged in a civil action regarding the termination of an employee; and

WHEREAS: This civil action has been ongoing since 1999, and Damon Morey, LLP has been the Buffalo Sewer Authority's attorney on the case; and

WHEREAS: Randolph C. Oppenheimer, of Damon Morey, LLP, has extensive experience in this area and has been legal counsel for this matter; and

WHEREAS: Mr. Oppenheimer has agreed to continue to represent the Buffalo Sewer Authority in this matter. Hourly rates will remain the same as the previous year and are as follows:

Partners	\$ 150.00
Associates	\$ 125.00
Legal Assistants	\$ 70.00

; and

WHEREAS: The General Manager and staff recommend approval for Randolph C. Oppenheimer, of Damon Morey, LLP, to represent the Buffalo Sewer Authority as legal counsel for this matter.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to retain Randolph C. Oppenheimer, of Damon Morey, LLP, as legal counsel in this civil action for the period July 1, 2013 through June 30, 2014 for a total amount not to exceed \$20,000.00. Expenses for these legal services will be charged to account no. 00110106-432003.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 10

CONTRACT APPROVAL - LEGAL SERVICES

WHEREAS: The Buffalo Sewer Authority has many complex regulatory, enforcement, and environmental matters that require the skills of a specialized attorney; and

WHEREAS: Charles C. Martorana, of Hiscock & Barclay, LLP, has extensive expertise in these areas. Mr. Martorana also represents the Buffalo Sewer Authority in litigation and arbitration matters as needed; and

WHEREAS: The General Manager and staff recommend approval to retain Charles C. Martorana, of Hiscock & Barclay, LLP, for legal services on an as-needed basis for the fiscal year 2013-2014; and

WHEREAS: Proposed hourly fees have increased by \$10.00 per hour for Mr. Martorana and staff, and are as follows:

Partners	\$ 235.00 per hour
Associates	\$ 210.00 per hour
Paralegal Services	\$ 130.00 per hour

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to retain Charles C. Martorana, of Hiscock & Barclay, LLP, for legal services on an as-needed basis for the period July 1, 2013 through June 30, 2014, for total amount not to exceed \$80,000.00. Expenses for these legal services will be charged to account no. 00550106-432003.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MS. WILSON-DIVINCENZO

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 11

CONTRACT APPROVAL - LEGAL SERVICES

WHEREAS: The Buffalo Sewer Authority has many complex regulatory, enforcement, and environmental matters that require the skills of a specialized attorney; and

WHEREAS: F. Paul Calamita, of AquaLaw, PLC, from Richmond VA, has expertise in these matters and has been representing the Authority in recent years; and

WHEREAS: Proposed hourly fees have increased by \$20.00 per hour for Mr. Calamita and staff, and are as follows:

F. Paul Calamita	\$ 405.00
Associate	\$ 295.00
Legal Assistant	\$ 190.00

;and

WHEREAS: The General Manager and staff recommend approval to continue to retain F. Paul Calamita, of AquaLaw, PLC, for professional legal services as stated above on an as-needed basis for the period July 1, 2013 through June 30, 2013.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to retain F. Paul Calamita and staff of AquaLaw, PLC, for professional legal services in connection with environmental matters associated with the Long Control Plan on an as-needed basis for the period July 1, 2013 through June 30, 2014, for a total amount not to exceed \$65,000.00. Expenses for these legal services will be charged to account no. 00110106-432003.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 12

CHANGE ORDER NO. 1 – CONTRACT NO. 85100018

CONTRACTOR:	ORIGINAL CONTRACT COST	\$38,700.00
GHD Consulting Engineers, LLC.	THIS CHANGE ORDER	\$71,600.00
415 French Road		
Amherst, New York 14228	ADJUSTED CONTRACT COST	\$110,300.00

WORK: Distributed Control System (DCS) Upgrade

WHEREAS: The Buffalo Sewer Authority (BSA) intends to replace the existing DCS at the Bird Island Sewage Treatment Plant (BISTP); and

WHEREAS: GHD has assisted the BSA with the development of the DCS Request for Proposal for a new DCS for the BISTP; and

WHEREAS: The BSA has selected Emerson Process Management as the company for the Design and Installation of the new DCS System; and

WHEREAS: Upon request, GHD Consulting Engineers, LLC, has submitted an Engineering Proposal to assist the BSA in the design review and construction management for the new DCS for the BISTP at a total cost not to exceed \$71,600.00; and

WHEREAS: The Treatment Plant Administrator and staff have reviewed the Engineering Proposal and recommend approval of the additional engineering work at a total cost not to exceed \$71,600.00.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves Change Order No. 1 to Contract No. 85100018 in the amount of \$71,600.00, making the adjusted contract cost \$110,300.00. Expenses for this Contract will be funded from account no. 02000205-490740.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 13

AUTHORIZATION FOR SERVICE FROM CORROSION PRODUCTS AND EQUIPMENT, INC.

WHEREAS: Raw Wastewater Pump #5 at the Buffalo Sewer Authority's Wastewater Treatment Plant is in need of a split oil lubricated sleeve-type to be re-babbitted; and

WHEREAS: Upon request Corrosion Products and Equipment, Inc., submitted a quote in the amount of \$10,700.00 for the service to-re-babbitt a split oil lubricated babbitted sleeve-type bearing on Raw Wastewater Pump #5 in the main pump station and fabricate an anti-rotation pin; and

WHEREAS: The Treatment Plant Superintendent, Superintendent of Mechanical Maintenance, and staff recommend this service; and

WHEREAS: This service will bring the total monies payable to Corrosion Products and Equipment, Inc., for services in fiscal year 2012-2013 to \$54,819.00; and

WHEREAS: Board approval is required on services over \$35,000.00.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to utilize the services of Corrosion Products & Equipment, Inc., for the re-babbling of a split oil lubricated sleeve-type bearing on Raw Wastewater Pump #5 at the total cost of \$10,700.00. This service will be charged to account no. 00210106-443301.

MOTION TO _____ APPROVE _____

MADE BY _____ MR. KENNEDY _____

2ND BY _____ MR. ROOSEVELT _____

AYES _____ 4 _____ NOES _____ 0 _____

Board Meeting of June 12, 2013

ITEM NO. 15

AUTHORIZATION TO PURCHASE VARIOUS COMMODITIES UTILIZING NEW YORK STATE CONTRACT PRICING FOR FISCAL YEAR 2013-2014

WHEREAS: Board approval is required on purchases made over \$20,000.00; and

WHEREAS: The Sewer Maintenance Division purchases the following commodities available through New York State Contract pricing:

Product	NYS Contract	Current Vendor	Amount:	Account No.
Gasoline	PC65522 Group: 05600	NOCO Energy Corp. Award: 22258 (through 9/19/13)	\$105,000.00	00520105-462600 (\$40,000.00) 00690105-462600 (\$65,000.00)
Diesel Fuel	PC65534 Group: 05602	NOCO Energy Corp. Award: 22259 (through 8/15/13)	\$85,000.00	00520105-462600 (\$25,000.00) 00690105-462600 (\$60,000.00)

; and

WHEREAS: The Director of Sewer Maintenance and staff recommend the utilization of New York State Contract pricing for these purchases.

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to utilize New York State Contract pricing to purchase the above commodities for the fiscal year 2013-2014 at a cost not to exceed the amounts listed and further authorizes any subsequent extensions of the above New York State Contract awards or new awards for the commodities listed for the fiscal year through June 30, 2014.

MOTION TO APPROVE

MADE BY MR. KENNEDY

2ND BY MS. WILSON-DIVINCENZO

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 16

REPORT ON BIDS RECEIVED - COMBINED SEWER OVERFLOW LONG TERM CONTROL PLAN - SEWER REGULATOR OPTIMIZATION PROJECT

WHEREAS: Formal bids were advertised and solicited for the Combined Sewer Overflow Long Term Control Plan Sewer Regulator Optimization Project. The following bids were received and opened by the Buffalo Sewer Authority on May 31, 2013:

Paul J. Gallo Contracting, Inc.	\$ 78,000.00
Kandey Company, Inc.	\$183,441.00

; and

WHEREAS: The proposals were received, and the contract will be awarded on the basis of unit bid and lump sum prices. The bids do not reflect the true amount of the contract; and

WHEREAS: The Authority's consultant engineer, Erdman Anthony has reviewed the proposals and recommend award of this contract to Paul J. Gallo Contracting, Inc., at their low bid of \$78,000.00; and

WHEREAS: The Principal Sanitary Engineer concurs with the recommendation provided by Erdman Anthony to award the contract to the lowest responsible bidder, Paul J. Gallo Contracting, Inc.

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 Paul J. Gallo Contracting Inc., at a cost not to exceed \$78,000.00 for the Combined Sewer Overflow Long Term Control Plan Sewer Regulator Optimization Project. Expenses for this contract will be charged to account no. 02000348-490740.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. ROOSEVELT

AYES 4 NOES 0

Board Meeting of June 12, 2013

ITEM NO. 18

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>
Thomas Caulfield	Walden University	The Language of Leadership for Public Administration	90%	\$2,395.03

NOW THEREFORE
BE IT RESOLVED:

That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Reimbursement totaling \$2,395.03. This Reimbursement will be charged to account no. 00820102-421026.

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

Board Meeting of June 12, 2013

ITEM NO. 19

ADJOURNMENT OF MEETINGMOTION TO APPROVEMADE BY MR. ROOSEVELT2ND BY MS. WILSON-DIVINCENZOAYES 4 NOES 0

Board Meeting of June 12, 2013