

**MINUTES OF THE REGULAR MEETING
OF THE
BUFFALO SEWER AUTHORITY
March 2, 2011**

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BUFFALO SEWER AUTHORITY

March 2, 2011

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>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 Manager</u>
	<u>Ronald Brown</u>	<u>Executive Secretary</u>
	<u>James Eagan, P.E.</u>	<u>Sr. Sanitary Engineering Supervisor</u>
	<u>James Keller</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>Darryl McPherson</u>	<u>Improvements & Development</u>
	<u>Laura Surdej</u>	<u>City Auditor</u>
		<u>Erie Co. Dept. of Sewerage</u>
Absent:	<u>none</u>	

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

ITEM NO. 1

Motion to Adopt the Minutes of the Meeting of February 16, 2011

MOTION TO	<u>ADOPT</u>
MADE BY	<u>MS. WILSON-DIVINCENZO</u>
2 ND BY	<u>MR. KENNEDY, JR.</u>
AYES	<u>5</u> NOES <u>0</u>

Board Meeting of March 2, 2011

ITEM NO. 2

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

February 18, 2011

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
CAPITAL IMPROVEMENT FUND						
15-Apr-02	Money Market		\$500,000.00	Chase	0.45%	High Yield
CONSTRUCTION FUND						
08-Apr-02	Money Market		\$37,155,245.36	Chase	0.45%	High Yield
LIABILITY AND CASUALTY RESERVE FUND						
22-Apr-02	Money Market		\$1,006,217.70	Chase	0.45%	High Yield
OPERATING FUND						
08-Apr-02	Money Market		\$2,730,888.86	Chase	0.45%	High Yield
TRUST & AGENCY FUND						
06-May-02	Money Market		\$33,835.43	Chase	0.45%	High Yield
SURPLUS FUND						
			\$577.42	MTB Funds		
30-Dec-10	25-Feb-11	57	\$4,394,607.93	M&T Securities	0.20%	\$1,392.07
			<u>\$4,395,185.35</u>			
NET REVENUE FUND						
			\$678.52	MTB Funds		
24-Nov-10	25-Feb-11	93	\$7,249,814.72	M&T Securities	0.17%	\$3,185.28
30-Dec-10	25-Mar-11	85	\$3,345,419.47	M&T Securities	0.20%	\$1,580.53
25-Jan-11	25-Apr-11	90	\$6,299,164.10	M&T Securities	0.18%	\$2,835.90
			<u>\$16,895,076.81</u>			

ISSUE DATE	MATURITY DATE	TOTAL DAYS	AMOUNT	BANK	RATE	INTEREST AMOUNT
DEBT RESERVE FUND						
30-Apr-10	03-Jun-11	399	\$1,007,669.72	Series F FHLB	0.42%	
30-Apr-10	10-Jun-11	406	\$333,570.61	Series F FHLB	0.42%	
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%	

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Board Meeting of March 2, 2011

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

2/8/2011	00520106 Maintenance Services	-\$8,378.16	00200106 Plant Services	\$8,378.16
2/11/2011	00520105 Maintenance Supplies	-\$29,000.00	00290107 Aeration Capital Outlay	\$29,000.00
2/16/2011	00300106 Blower Services	-\$8,475.00	00200106 Plant Services	\$8,475.00
2/17/2011	00280107 SWWP Capital Outlay	-\$1,603.66	00200107 Plant Capital Outlay	\$1,603.66

Sewer Maintenance Division

2/10/2011	00650106 Sewer Maintenance Services	-\$3,300.00	00690106 Auto Services	\$3,300.00
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Board Meeting of March 2, 2011

ITEM NO. 4

**PRELIMINARY OUTLINE OF OPERATING BUDGET FOR THE FISCAL YEAR
COMMENCING JULY 1, 2011**

A proposed Operating Budget, with full details, for the fiscal year beginning July 1, 2011, will be presented for formal consideration by your Honorable Body at the next scheduled meeting on April 6, 2011. This proposed budget will be in an amount not to exceed \$52,366,000, which is a \$333,599 decrease over the current budget of \$52,699,599

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

A comparison of Appropriation by Division for the years 2008-09 to 2011-12 Proposed;

A revenue estimate and comparison for the years 2008-09 to 2011-12 Proposed;

Capital Budget Projects for 2011-2012.

Sewer rents based on assessed valuation will not be increased to fund this proposed budget. The final rate for sewer rent will be dependent upon the final City assessed valuation. Sewer rents based upon water usage will not be increased. The estimate of sewer rents based on water use and the final budget appropriation estimates will be detailed at the scheduled meeting of April 6, 2011.

WHEREAS: The preliminary budget presented herein reflects a balanced plan to fund the necessary operations of the Buffalo Sewer Authority for the fiscal year beginning July 1, 2011.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes the General Manager to proceed in preparing a detailed budget not to exceed \$52,366,000 to be submitted to this Body at the meeting of April 6, 2011.

MOTION TO	<u>APPROVE</u>
MADE BY	<u>MR. KENNEDY, SR.</u>
2 ND BY	<u>MR. KENNEDY, JR.</u>
AYES	<u>5</u> NOES <u>0</u>

Board Meeting of March 2, 2011

**BUFFALO SEWER AUTHORITY
CAPITAL PROJECTS
2011 - 2012 PRELIMINARY BUDGET**

<u>PROJECT TITLE:</u>	ESTIMATED COST
<u>TREATMENT PLANT:</u>	
FINAL CLARIFIER BUILDINGS REHAB	200,000
POWER DISTRIBUTION SYSTEM SURVEY AND IMPLEMENTATION	200,000
MISCELLANEOUS PIPE REPLACEMENT	200,000
ANNUAL DIGESTER CLEANING	200,000
THICKENER REHABILITATION, PUMPS & CONTROLS	1,000,000
DOOR AND WINDOW REPLACEMENT	300,000
STEAM PLANT MODIFICATIONS	240,000
SECONDARY SYSTEM CONTROL VALVE/MAGMETER REPLACEMENT	500,000
PRIMARY SEDIMENTATION/GREASE PIT	50,000
SECONDARY CLARIFIER WEIR REFURBISHMENT	225,000
DIGESTER AND MIXING IMPROVEMENT	1,200,000
PLANT WATER SYSTEM IMPROVEMENTS	650,000
INCINERATOR REFACTORY REHABILITATION	100,000
ASH SYSTEM MODIFICATION STUDY/IMPLEMENTATION AND SCADA SYSTEM CONTROLS	500,000
INLET TRASH RACK REPLACEMENT	150,000
PUMP STATION REHAB-ALL STATIONS	60,000
ELECTRICAL SUB-METERING	350,000
REPLACE WATER SOFTENING SYSTEM FOR STEAM PLANT	150,000
ENGINEERING TERM CONTRACTS	250,000
<u>COLLECTION SYSTEM:</u>	
SEWER CLEANING/TV INSPECTION	300,000
UNANTICIPATED SEWER REPLACEMENTS	400,000
OUTSIDE DISTRICT FLOW VERIFICATION	30,000
KELLY ISLAND STATION RELOCATION	4,000,000
SWAN TRUNK SYSTEM MODIFICATIONS	400,000

CSO 060 SEWER SEPARATION	2,000,000
CSO 010 SEWER SEPARATION	2,000,000
CSO 053 SEWER SEPARATION	700,000
CSO 005 FLOW REDIRECTION	300,000
CSO 007, 008 & 009 SEWER SEPARATION	200,000
BSA/LACKAWANNA MERGER	8,000,000
<u>GRAND TOTAL</u>	<u>\$24,855,000</u>

**BUFFALO SEWER AUTHORITY
REVENUE ESTIMATE
2011-2012 PRELIMINARY BUDGET**

Revenue	2007-2008 Actual	2009-2010 Actual	2010-2011 Budget	2011-2012 Budget
Assessment Sewer Rents	\$12,043,868	12,050,286	\$12,057,600	\$12,057,600
Water Use Sewer Rents	27,369,921	27,362,677	26,395,999	27,250,000
Outside City-Sewer Connection	10,239,645	12,322,894	10,000,000	9,225,000
Industrial Waste	1,930,133	1,992,467	1,814,500	1,852,000
Interest Income	2,101,716	1,184,315	1,468,000	997,900
Miscellaneous	1,049,212	996,431	963,500	983,500
Total Revenues	<u>\$54,734,495</u>	<u>\$55,909,070</u>	<u>\$52,699,599</u>	<u>\$52,366,000</u>

**BUFFALO SEWER AUTHORITY
APPROPRIATIONS BY DIVISION
2011-2012 PRELIMINARY BUDGET**

Division	2008-2009 Actual	2009-2010 Actual	2010-2011 Budget	2011-2012 Budget
General Offices	\$1,188,235	\$1,140,518	\$1,406,733	\$1,603,898
Wastewater Treatment Facility	19,958,447	18,018,680	22,020,111	22,054,433
Industrial Waste	579,950	568,124.03	594,583	614,991
Engineering	728,026	737,214	813,050	933,223
Sewer Maintenance	2,658,698	2,906,835	3,109,687	4,375,541
Miscellaneous Financial Chgs	3,161,446	3,157,403	2,914,690	5,228,690
Fringe Benefits	5,355,330	5,946,912	6,877,845	7,220,174
Debt Service & Reserve	11,688,193	11,650,397	14,962,900	10,335,050
Total Appropriations	<u>\$45,318,325</u>	<u>\$44,126,083</u>	<u>\$52,699,599</u>	<u>\$52,366,000</u>

ITEM NO. 5

BOARD ACTION ON ACCEPTANCE OF HYDRAULIC FRACTURING WASTEWATER DISCHARGES

WHEREAS: The Buffalo Sewer Authority's Sewer Use Regulations establish substantive rules and procedures to enable the Buffalo Sewer Authority to perform its duties and obligations as established by the New York Public Authorities Law 1175 et seq. and other applicable state and federal laws; and

WHEREAS: The purpose of these regulations is to provide for maximum possible beneficial public use of the Buffalo Sewer Authority facilities through regulation of sewer construction, sewer use, and wastewater discharges; and

WHEREAS: As of December 2006 the Buffalo Sewer Authority has prohibited the acceptance of hydraulic fracturing industrial discharges pending regulator review; and

WHEREAS: It came to the attention of the Buffalo Sewer Authority that industrial discharges containing hydraulic fracturing fluids may have been delivered to the Wastewater Treatment Plant through the Wastehauler Program, whereupon the Authority immediately canceled these contracts.

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby authorizes and directs the General Manager and his staff to continue its established policy of prohibiting the acceptance of hydraulic fracturing industrial discharges from natural gas well sites.

MOTION TO APPROVE

MADE BY MR. KENNEDY, SR.

2ND BY MR. ROOSEVELT

AYES 5 NOES 0

Board Meeting of March 2, 2011

ITEM NO. 7

REPORT ON BIDS RECEIVED - FINAL CLARIFIER WEIR RENOVATIONS – PHASE V

WHEREAS: Formal bids were advertised and solicited for the Final Clarifier Weir Renovations – Phase V. The following bids were received and opened by the Buffalo Sewer Authority on February 16, 2011:

Quackenbush Company, Inc.	\$254,816.00
Hohl Industrial Services	\$323,500.00

; and

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

WHEREAS: The Administrator of Capital Improvements & Development and staff reviewed the bids and recommend awarding the contract to the lowest bidder, Quackenbush Company, Inc., at a cost not to exceed \$254,816.00.

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 Quackenbush Company, Inc., at a cost not to exceed \$254,816.00. Expenses for this contract will be charged to account no. 02000292-490740.

MOTION TO APPROVE

MADE BY MR. KENNEDY, JR.

2ND BY MS. WILSON-DIVINCENZO

AYES 5 NOES 0

Board Meeting of March 2, 2011

ITEM NO. 8

REPORT ON BIDS RECEIVED - AUBURN AVENUE CSO #009 SEWER IMPROVMENTS

WHEREAS: Formal bids were advertised and solicited for the Auburn Avenue CSO #009 Sewer Separation. The following bids were received and opened by the Buffalo Sewer Authority on February 22, 2011:

Nova Site Company, LLC	\$119,770.80
Milherst Construction Company	\$121,550.65
Tom Greenauer Development	\$125,500.00
North American Construction Company	\$127,290.00
Visone Construction, Inc.	\$131,000.00
Man O' Trees, Inc.	\$153,000.00
Kandey Company, Inc	\$187,000.00

; and

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

WHEREAS: The Senior Sanitary Engineering Supervisor and staff reviewed the bids and recommend awarding the contract to the lowest bidder, Nova Site Company, LLC, at a cost not to exceed \$119,770.80.

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 Nova Site Company, LLC, at a cost not to exceed \$119,770.80. Expenses for this contract will be charged to account no. 02000321-490740.

MOTION TO APPROVE

MADE BY MS. WILSON-DIVINCENZO

2ND BY MR. KENNEDY, JR.

AYES 5 NOES 0

Board Meeting of March 2, 2011

ITEM NO. 9

AUTHORIZATION TO ENTER INTO A THREE (3) YEAR ENGINEERING SERVICES AGREEMENT WITH NUSSBAUMER & CLARK, INC.

WHEREAS: There is a need to retain the services of professional engineering firms on an as needed and as directed basis for small to medium size capital improvement projects; and

WHEREAS: A total of sixteen (16) engineering firms responded to a request for proposal via public notice advertised in the Buffalo News; and

WHEREAS: A Consultant Selection Committee reviewed and ranked the proposals received; and

WHEREAS: Eight (8) firms were invited for personal interviews; and

WHEREAS: Based upon the proposal review and personal interviews, the Consultant Selection Committee, consisting of the General Manager, Secretary to the General Manager, Senior Sanitary Engineering Supervisor, Treatment Plant Supervisor, Treatment Plant Administrator, and Administrator of Capital Improvements & Development, recommends retaining Nussbaumer and Clark, Inc., for a three (3) year Engineering Services Term Agreement.

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 Nussbaumer and Clark, Inc. Costs associated with this contract shall be charged to account no. 02000287-432004 in an amount not to exceed \$100,000.00.

MOTION TO APPROVE

MADE BY MR. KENNEDY, SR.

2ND BY MR. ROOSEVELT

AYES 5 NOES 0

Board Meeting of March 2, 2011

ITEM NO. 10

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	PhD Residency for Public Administration	90%	\$ 841.50

NOW THEREFORE
BE IT RESOLVED: That the Board of the Buffalo Sewer Authority hereby approves the above application for Tuition Reimbursement totaling \$841.50. This Reimbursement will be charged to account no. 00800108-480214.

MOTION TO APPROVE
 MADE BY MR. KENNEDY, JR.
 2ND BY MR. ROOSEVELT
 AYES 5 NOES 0

Board Meeting of March 2, 2011

ITEM NO. 11

ADJOURNMENT OF MEETINGMOTION TO APPROVE MADE BY MS. WILSON-DIVINCENZO 2ND BY MR. KENNEDY, JR. AYES 5 NOES 0

Board Meeting of March 2, 2011