

The Narragansett Bay Commission
One Service Road
Providence, RI 02905

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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director

May 21, 2015

Luly Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Reference: Docket 4562 – Narragansett Bay Commission

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following:

1. Response to the Commission's Data Request (First Set), which was dated May 1, 2015.

Please note that an electronic copy of this filing has been sent to the service list. Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Giepink", is written over a circular stamp that partially overlaps the signature.

Karen L. Giepink
Director of Administration and Finance

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 4562

Response Of The Narragansett Bay Commission
To The Rhode Island Public Utilities Commission's
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Comm. 1-1: Since the April 28, 2015 approval of the \$815 million Phase III alternative, what if anything has NBC done to scale back or reduce the costs of this project?

Response: NBC has not had the opportunity to reduce or scale back the costs of the project since the April 28, 2015 meeting.

Prepared by: Tom Brueckner

Comm. 1-2: What steps or measures is NBC considering relative to reducing the cost of the CSO project?

Response: As the Commission knows, NBC is required by a Consent Agreement with the Rhode Island Department of Environmental Management ("RIDEM") to implement the federally mandated CSO Project. Thus, NBC has had no control over the requirement to undertake this Project.

From its inception, the CSO Project was to be completed in three phases. Currently, NBC has completed Phases I and II. The project cost estimate for Phase II carried in NBC's FY 2016-2020 Capital Improvement Program was \$215 million. NBC projects that it will finish the project under budget at a construction cost of \$186.6 million. During design of Phase III, NBC will continue to try and reduce costs and reevaluate all possible methods to scale back the cost of Phase III.

The Consent Agreement with RIDEM requires NBC to complete preliminary design of Phase III within one year of completion of construction of Phase II and final design one year after approval of the preliminary design. The CSO facilities to be built in Phase III are described in a Conceptual Design Report Amendment (CDRA) approved by RIDEM nearly twenty years ago in 1998. NBC decided to initiate a reevaluation of the Phase III facilities proposed in the CDRA to determine if there was a more cost effective approach that could either reduce the cost or extend the schedule of Phase III by employing new techniques and approaches that are now available.

In August 2013, NBC issued a Request for Qualifications and Proposals (RFQ/P) to solicit proposals for engineering services to conduct the Phase III Reevaluation. At their October 29, 2013 meeting, NBC's Board authorized staff to negotiate a contract with MWH for engineering services for the Reevaluation of Phase III of the NBC CSO Program. NBC negotiated a contract with MWH and work began in January 2014.

During the reevaluation, MWH developed four alternatives for further evaluation. (See attached Exhibit A and B). Alternative 1 was the original alternative identified in the CDRA. The water quality benefits for Alternatives 1, 2 and 3 are the same because the facilities for each alternative provide essentially the same level of CSO control. The major difference between these three alternatives is the schedule for completion.

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Alternative 1 has the shortest schedule and Alternative 3 has the longest schedule. The benefit of alternative 2 and 3 is that construction of the facilities is phased, allowing for reassessment of affordability at the end of each phase. Alternative 4 does not achieve the same water quality improvements as Alternatives 1, 2 and 3 but is less expensive. Alternatives 2 and 3 also contain a "Green Component" to intercept and infiltrate storm runoff before it gets into the combined sewer system.

NBC held seven stakeholders meetings over the past twelve months. (Copies of the agendas, presentations, minutes and summaries of the minutes of the Stakeholders meetings are available on NBC's website at www.narrabay.1.com). In addition, there were four presentations made to NBC's Board of Commissioners on the alternatives, as well as water quality and affordability issues. At a January 6, 2015 workshop, NBC's Board eliminated Alternative 4 from consideration because the water quality improvement was less than for the other three alternatives. At their April 28, 2015 meeting, NBC's Board meeting, the Board chose Alternative 2.

As NBC undertakes Phase III, it will attempt to reduce costs where feasible and allowable. After completion of the first phase of Alternative 2, NBC will evaluate if it can afford to proceed with the next phases of Alternative 2.

Prepared by: Tom Brueckner

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Comm. 1-3: What specific steps, if any, has NBC taken to address the affordability issues that affect its ratepayers in Pawtucket, Providence, and Central Falls? Does the addition of North Providence into this analysis continue to result in a “high burden” designation according to EPA criteria?

Response: As set forth in the response to Comm. 1-2, EPA and RIDEM mandated that NBC undertake the CSO Project. Thus, NBC is limited in the steps it can take to address affordability issues. The costs for Alternative 2 put NBC in the “medium burden” designation according to EPA criteria which considers affordability based on 2% of median household income (MHI) over the entire NBC service area. Determining affordability on a community basis is not explicitly part of the EPA criteria, but we have presented it in our analysis to show the impact on the lower income communities in the district. If the weighted MHI for Providence, Pawtucket and Central Falls only are used to determine affordability, rates needed to fund Alternative 2 would be in excess of 2% of the weighted MHI. If North Providence were added to the analysis, rates would be less than 2% of the weighted MHI.

As stated in response to Comm. 1-2, after completion of the first phase of Alternative 2, NBC will determine if it can afford to proceed with the next phases of Alternative 2.

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Comm. 1-4: Please provide a chart showing: the date, the docket number, the dollar amount of increase requested, the percentage amount of increase requested, the amount of increase authorized by the Commission, and the percentage amount authorized by the Commission for each increase NBC has imposed on its ratepayers for the last ten years.

Response:

Filing Date	Docket Number	Amount Requested	Percentage Requested	Amount Authorized	Percentage Authorized
10/4/2004	3639	\$ 6,551,224	12.76%	\$ 6,551,224	12.76%
11/1/2005	3707	3,108,471	5.10%	2,352,366	4.06%
10/4/2006	3775	6,010,883	9.99%	6,010,883	9.99%
12/1/2006	3797	4,798,797	7.44%	2,621,492	4.01%
12/3/2007	3905	10,924,164	16.50%	7,236,917	11.24%
12/22/2008	4026	8,990,368	12.89%	7,176,197	10.73%
3/2/2010	4151	2,111,330	2.85%	1,666,686	2.25%
11/24/2010	4214	2,521,655	3.33%	2,521,655	3.33%
12/20/2011	4305	1,763,307	2.25%	1,763,307	2.25%
8/27/2012	4352	5,877,586	7.35%	5,877,586	7.35%
10/5/2012	4364	12,483,704	14.05%	8,049,145	9.66%
12/23/2013	4478	\$ 4,898,768	5.28%	\$ 3,544,941	3.97%

Prepared by: Walter Edge

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Comm. 1-5: Please identify the cost of each of the four alternatives developed as a result of the Phase III reevaluation specifying which alternative was the original alternative. List the elements of each alternative proposal and detail the costs and benefits of each one.

Response: Please see response to Comm. 1-2.

Prepared by: Tom Brueckner

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Comm. 1-6: Please explain why the cost of Phase III has risen since originally proposed and identify the dollar amount for each year that the Phase III costs have risen.

Response: The estimated costs have increased primarily because the original estimate was developed more than seventeen years ago. The cost for Phase III in the Conceptual Design Report Amendment (CDRA), which was approved by RIDEM in 1998, was \$157.2 million. In each fiscal year thereafter, NBC prepared a Capital Improvement Plan (CIP) that projected capital costs for projects within a 5 year window beginning in that fiscal year. Costs are presented in the CIP for a project only when that project falls within the time horizon of the CIP. The costs for Phase III were not updated until the FY2012-2016 CIP, because the schedule for Phase III established in the Consent Agreement with RIDEM fell within that time horizon. The cost estimate in that CIP was \$603 Million based on the actual construction costs for Phase I, which was completed in 2008.

Alternative 1, in the reevaluation done by MWH, also referred to as the Baseline Alternative, was the recommended alternative for Phase III in the CDRA. The estimated cost for Alternative 1 in the MWH report is \$741 Million. This estimate was developed by MWH from cost curves for NBC's Phase I and II CSO facilities and for similar facilities built elsewhere. These costs were in 2018 dollars. The cost estimate of \$603 Million for Phase III in the FY2012-16 CIP was in 2011 dollars. Adjusting the cost estimate of \$603 Million in the FY2012-16 CIP to 2018 dollars increases the cost estimate to \$731.8 Million. However, as noted in NBC's response to Comm. 1-2, Alternative 1 is a single stage project, which would not allow for reassessment of affordability. Thus, the NBC's Board of Directors chose Alternative 2, which does allow for reassessment of affordability at the end of each phase. The estimated cost for the first Phase of Alternative 2, which consists of the tunnel, drop shafts and pump station is \$588M.

Prepared by: Tom Brueckner

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Comm. 1-7: When Phase III was first proposed, what was the projected cost identified at that time?

Response: The cost for Phase III in the 1998 CDRA was \$157.2 million.

Prepared by: Tom Brueckner

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Comm. 1-8: Is there any alternative other than constructing Phase III that will allow NBC to comply with federal law?

Response: No. EPA regulations require that NBC must construct the Phase III facilities that will result in the highest water quality improvement within the limits of affordability based on EPA criteria.

Prepared by: Tom Brueckner

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Comm. 1-9: Has NBC had discussions with DEM about modifying the Consent Agreement?

Response: Yes. NBC and the DEM have discussed modifications to the 1998 CDRA. It is expected that the parties will negotiate a new consent agreement, based on the selection of Alternative 2 for Phase III of the CSO project.

Prepared by: Laurie Horridge

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Comm. 1-10: At the Technical Sessions held in June 2014, relative to Docket No. 4478, the NBC administration indicated that it was very concerned about the cost and affordability of Phase III and was performing a re-evaluation of Phase III. At that time, the projected cost was approximately \$605 million. The projected cost for Phase III now is \$815 million. NBC represented that it was going to attempt to lower the cost of the project so that it would be more affordable for the ratepayers. Why, then, did the NBC Board of Directors, on April 28, 2015, approve a Phase III project that is considerably more costly than the projected \$605 million cost represented to the Commission in June 2014.

Response: Please see the responses to Comm. 1-2, 6, 8 and 11.

Prepared by: Tom Brueckner

Comm. 1-11: Why was the least cost alternative, \$740 million, for Phase III not chosen?

Response: There are two differences between the least cost alternative, Alternative 1 (baseline Alternative) and the chosen alternative, Alternative 2. The first difference is the cost. The cost for Alternative 2 is \$74M more than Alternative 1, because Alternative 2 includes a green infrastructure component (\$40M) that is not in Alternative 1 and a small tunnel (\$34M) for one of the overflows in place of an interceptor in Alternative 1 (because of constructability and performance issues). Green infrastructure was included in Alternative 2 because EPA envisions it as a sustainable approach that can achieve water quality and other environmental benefits when coupled with grey infrastructure in a CSO control program. The second difference between Alternative 1 and 2 is the schedule for completing the work. Alternative 1 would be done in one phase over 9 years for design and construction whereas Alternative 2 would be completed in 4 phases over 22 years. The longer schedule of Alternative 2 will result in a slightly lower maximum sewer rate and will allow NBC to assess at the end of each phase if the entire project is still affordable.

Prepared by: Tom Brueckner

Comm. 1-12: With regard to the five projects that the proceeds of the loan will fund, please provide detail of each project including:

- a. A description of the project;
- b. Start and complete dates (schedule);
- c. The amount of spending projected;
- d. How NBC will fund each project (source of funds); and
- e. Assumptions used in planning.

Response:

a. Detail of the five projects is as follows:

CSO Phase II Facilities – Construction - is the second phase of the federally mandated CSO Abatement Program in accordance with the schedule set forth in the Consent Agreement between NBC and RIDEM. This project consists of the construction of two interceptors to convey flows from combined sewer overflows in Providence along the Seekonk and Woonasquatucket Rivers to the CSO Tunnel constructed under Phase I, two sewer separation projects in Providence and a constructed wetlands facility in Central Falls.

CSO Phase III Facilities – Design – is the third phase of the federally mandated CSO Abatement Program required as part of the Consent Agreement between NBC and RIDEM. This phase includes the construction of a tunnel in Pawtucket totaling approximately 13,000 feet in length. Phase III also includes three CSO Interceptors totaling approximately 14,500 feet in length and two sewer separation projects. Phase III also includes three CSO Interceptors totaling approximately 14,500 feet in length and two sewer separation projects. The design phase began in January 2014 with a re-evaluation of the approach as originally designed.

Regulatory Compliance Building – will house the EMDA and Laboratory sections of the NBC. These two groups work closely together to meet NBC's stringent permitted sampling and analytical requirements and this building will unify NBC's efforts for environmental sampling and related analysis by including the necessary laboratory equipment and monitoring capabilities required by the RIPDES permit and EPA. This building is proposed to be 36,800 square feet and will be located on Service Road in Providence.

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Biogas Reuse – will construct a reciprocating engine to use the biogas generated within the biosolids anaerobic digesters at the Bucklin Point WWTF as a fuel to generate electricity and heat for reuse in the treatment facility.

NBC Interceptor Projects including the Moshassuck Valley Interceptor – interceptor repair and construction projects result from such issues as root intrusion, structural damage, odor control, aging infrastructure, inaccessible structures, pipe damage and emergency situations. The Moshassuck Valley Interceptor includes replacing the interceptor, which has sunk from its original grade at numerous points, by as much as 2.5 feet.

b. Start and complete dates (schedule);

c. The amount of spending projected;

See below.

Project	Actual/ Projected Start	Actual/ Projected Completion	Total Estimated Project Cost
11900C - Regulatory Compliance Building - Construction	Jun-13	Oct-16	\$ 21,153,000
12000C - BPWWTF - Biogas Reuse - Construction	Feb-15	Apr-18	\$ 8,052,000
30301RS - Phase II CSO Facilities Program & Construction Management	Sep-10	Dec-15	\$ 19,931,855
30302C - Phase II CSO Facilities - OF 106	Mar-12	Jul-15	\$ 5,518,087
30303C - Phase II CSO Facilities - WCSOI	Sep-11	Dec-15	\$ 78,448,134
30304C - Phase II CSO Facilities - SCSOI Main	Feb-12	Dec-15	\$ 20,905,923
30306C - Phase II CSO Facilities - OF 037 West	May-11	Jul-15	\$ 10,096,390
30307C - Phase II CSO Facilities - OF 037 South	Jan-13	Sep-15	\$ 10,093,848
30308C - Phase II CSO Facilities - OF 037 North	Feb-13	Jul-15	\$ 9,176,801
30421C - Louisquisset Pike Interceptor Replacement - Construction	Aug-15	Jun-17	\$ 2,898,000
30444C - Moshassuck Valley Interceptor - Construction	Nov-15	Apr-17	\$ 3,984,000
30459C - Improvements to Interceptors FY 2015	May-14	Dec-16	\$ 1,218,160
30800D - Phase III CSO Facilities - Design	Apr-13	Dec-35	\$ 83,510,000

d. How NBC will fund each project (source of funds); and

NBC plans to fund the remaining expenditures on these projects through proceeds from the pending loan from the Rhode Island Clean Water Finance Agency and additional funding from the RICWFA in subsequent years (to the extent that they have capacity).

e. Assumptions used in planning.

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NBC identifies capital investments necessary to comply with current and future regulatory requirements, take advantage of technological advancements and ensure the integrity of NBC's infrastructure. Projects, schedules and costs are developed through a planning process that involves NBC's Engineering and Construction staff and also incorporates the needs identified through NBC's asset management program. NBC's Strategic Plan ensures NBC's ability to meet water quality objectives set forth by regulatory requirements through achieving short term and long term objectives. Project Managers prepare capital project budgets to identify both new and completed projects as well as update the costs and schedules of on-going capital projects. As part of this process, Project Managers submit monthly cash flow and operating cost impact projections.

Costs and cash flows are based on engineering estimates as well as bid amounts, once they become available.

The majority of construction projects include a 12% contingency based on the original construction cost estimate, which reflects recent industry experience related to construction cost factors and may be modified upon receipt of bids. The cost estimates for future design projects includes a 7% allowance for salary and fringe associated with project management, based on historical data.

Financing costs and debt service associated with new debt are capitalized and amortized over the length of the debt payment schedule and debt service is included as an expense in the annual operating budget.

Prepared by: Tom Brueckner and Rich Bernier

Comm. 1-13: Please provide the detail requested in the previous data request for the additional projects identified as being funded by the proceeds of this bond.

Response: The additional projects are:

BPWWTF Nitrogen Removal – NBC's facilities at Bucklin Point were designed and constructed to achieve a nitrogen level of 8 mg/l, but subsequent to the completion of construction, RIDEM established a new permit nitrogen level of 5 mg/l. NBC has begun construction of the new facilities and upgrades to the existing Biological Nutrient Removal (BNR) process to achieve the new permit nitrogen limits. This project will upgrade the existing BNR process at this facility as well as rehabilitate other key treatment processes.

New IM Facilities – Design and construction of a new building will be needed if NBC is required by legislation to assume responsibility of system-wide laterals in addition to the larger interceptors. The building will include an administrative area along with a garage area and storage yard.

NBC Interceptor Easements – many of NBC's interceptors are located in overland areas that run through private property. It is difficult to locate and access these easements due to the terrain and overgrown vegetation. The easements will be located through field survey and cleared sufficiently to provide access to maintain NBC's infrastructure. This project will continue NBC's efforts to locate the interceptors and easements in each of the communities within the NBC service area. As the field surveys begin for the remaining cities and towns, each will be given a unique project number and draw funding from Project 30500.

FPWWTF Tunnel Pump Station Improvements – this project involves improvements to the Tunnel Pump Station including the rehabilitation of the canopy roof which protects the pump station equipment from water damage. In addition, the ground water collection and conveyance system needs to be replaced.

Interceptor Easements - 30438 – much of the NBC sewer system in Cumberland is located in easements that cross private property. NBC is presently evaluating these easements, as to whether the access to the easements is sufficient for access in order to maintain the integrity of the collection system. This project is

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for an evaluation of the Abbott Valley Interceptor easements. Upon completion of the evaluation, the easements will be cleared and access provided as necessary.

Interceptor Easements - BVI – many of NBC's interceptors are located in overland areas that run through private property. It is difficult to locate and access these easements due to the terrain and overgrown vegetation. The easements will be located through field survey and then cleared sufficiently to provide access to crews and equipment. This project will locate manholes and easements on the Blackstone Valley Interceptor in Lincoln and Cumberland. Upon completion of this work, the easement will be cleared to allow access to maintain the sewer.

Providence River Siphon Replacement – the existing Providence River Siphon is over 100 years old. Should it fail, there is no back up sewer to convey flow from the East Side of Providence to the Allen's Avenue interceptor. This project will evaluate if replacing or rehabilitating this siphon is necessary to ensure continuous uninterrupted service for the future.

Project	Actual/ Projected Start	Actual/ Projected Completion	Total Estimated Project Cost
11602C - FPWWTF Tunnel Pump Station Improvements - Construction	Mar-15	Jan-16	\$ 713,000
12400D - New IM Facilities - Design	May-16	Feb-18	\$ 557,000
30438C - Interceptor Easements - Construction	Sep-15	Nov-16	\$ 736,000
30457C - Providence River Siphon Rehab-Construction	Apr-16	Feb-17	\$ 805,000
30500D - NBC Interceptor Easements - Design	Sep-16	Aug-18	\$ 722,000
30501C - Interceptor Easements - NBC BVI Construction	Feb-16	May-17	\$ 746,000
80900C - BPWWTF - Nitrogen Removal Facilities - Construction	Jul-11	May-15	\$ 42,747,464

These projects will be funded through loans from the RICWFA (to the extent that capital funds are available) and pay-as-you-go capital.

Prepared by: Walter Edge

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Comm. 1-14: Provide a copy of the RIDEM's Project Priority List and identify which projects have been completed and the cost of each project including projects that have not yet been completed.

Response: See attached Exhibit C.

Prepared by: Tom Brueckner and Rich Bernier

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Comm. 1-15: Provide minutes of the Board of Directors' Meetings for the last year.

Response: Please See Exhibit D for copies of the Board of Directors' minutes for the one-year period April 2014 to April 2015.

Prepared by: Laurie Horridge

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Comm. 1-16: Please explain the increase in non-operating expenses in FY 2014. [Annual Report 6/30/14, page 21]

Response: Non-operating expense increased \$3.857 million or 28% to \$17.576 million in the fiscal year ended June 30, 2014. This increase is primarily attributable to increased Interest expenses of \$3.073 million.

Prepared by: Walter Edge

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Comm. 1-17: With regard to Debt Service Coverage, what is the calculated average level? Please show the calculation.

Response: The average debt service coverage ratio is 1.91 calculated as follows:

58,312,198 (Net revenue available for debt service) divided by 30,499,989 (Average debt) = 1.91

Prepared by: Walter Edge

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CERTIFICATION

I hereby certify that on May 22, 2015, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Parties/Address	E-mail Distribution	Phone
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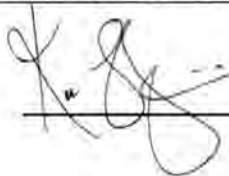


Exhibit A Alternative 2

Scenario Evaluation

Scenario Evaluation

[illegible]

Notes:
1) 220 Stub Tunnel is selected based on favorable non-cost criteria. \$27M Cost savings could be realized by selecting the Morley Field Near Surface Storage option.

2) Compared to Baseline, \$2M of additional work at regulators and existing interceptors has been added as a contingency.

2) Compared to Baseline, \$2M of additional work at regulators and existing interceptors has been added as a contingency.

4) Costs are in 2018\$

2) Compared to baseline, \$2M of additional work at regulators and existing interceptors has been added as a contingency.

4) Costs are in 2018\$

Narragansett Bay Commission- Phase III Reevaluation

Scenario Evaluation

Assumptions: 20% Tunnel Program Timeline with Interim

Water Quality Projects Added

Table A

Assumptions 3

Alternative B - "Slow Turn" Program Timeline with Interim Quality Control Project Added			Year																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
Concept	Timeline	Phase	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
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Exhibit A Alternative 4

Notes:
1) Alternative Kapsa does not achieve the water quality design goals of the other alternatives.
2) Additional investigations are required to determine the technical feasibility of these concepts. Therefore, final costs may vary considerably from those presented here.
3) Costs are in 2018\$.

1) Alternative Kappa does not achieve the water quality design goals of the other Alternatives.

2) Additional investigations are required to determine the technical feasibility of these concepts. Therefore, final costs may vary considerably from those presented here.

3) Costs are in 2018\$

Exhibit B

Alternative	Concept	Construction Completion Date	Construction Schedule	Total Cost in 2018 dollars	Benefits
1	Original Alternative-1998 CDRA-Pawtucket Tunnel, Sewer Separation at 035, 039, 056, 206, Pawtucket Ave Interceptor for CSO 220, CSO interceptors for 101-105 and 201-203, Conduit and drop shafts for CSOs 218, 205, 210/211, 213, and 217, regulator modifications, administration and engineering	2025	2019-2023 (Tunnel, 206 SS, Pawt. Ave Int) 2024-2025 -CSO interceptors 2016: Phase A-Pawtucket Tunnel, Drop Shafts/reg. modifications, 212, 213, 214 GSI 2024: Phase B- CSO Interceptors, 206 GSI/SS, 101, 104, 105 GSI 2029: Phase C- 220 Stub tunnel, 216, 217 GSI 2034: Phase D-West River Interceptor, 035 sewer separation, 201-204 GSI	\$740 M	Facilities constructed in the shortest period of time.
2	Pawtucket Tunnel, Drop shaft and conduits for CSO 218, 205, 210/211, 213, and 217, CSO interceptors for 101-105 and 201-203, sewer separation at CSOs 035 and 206, GSI at 206, 220 Stub Tunnel (Addit) to tunnel, West River Interceptor, GSI, administration and engineering	2038	2016: Phase A-CSO218 interceptor to treatment plant, 206 GSI/SS, 212, 213, 214 GSI 2020: Phase B-CSO220 Screening and disinfection, GSI in 101, 104, 105, 216, 217, 201, 202, 203, 204 2025: Phase C-Pawtucket Tunnel, drop shafts and regulator modifications, GSI in 215, take 218 offline 2033: Phase D-CSO interceptors, GSI in 205 2034: Phase E-West River Interceptor, 035 sewer separation, GSI in 205 2035: Phase F-220 Stub tunnel, 205 GSI (220 disinfection offline)	\$815 M	Phased approach allows for reevaluation of project's affordability every five years.
3	Modified, extended, and augmented baseline timeline-Pawtucket Tunnel and drop shafts but build screening and disinfection at 220 in the interim and connect 218 to BP wet weather treatment facility in the interim, Hybrid GSI and sewer separation at CSO 206, GSI demonstration projects, West River Interceptor, administration and engineering	2047	2016: Phase A- 218 interceptor, 14 MG BP tank, 21 MG BP disinfection, GSI in 212, 213, 214 2024: Phase B- CSO 220 2.7 MG NSS tank, 218-205 CSO interceptor, GSI in 101, 104, 105 2029: Phase C- 101-105 and 201-204 CSO interceptors, GSI in 216 and 217 2034: Phase D-West River Interceptor, CSO 035 sewer separation, GSI in 201 through 204	\$925M	Longest schedule-will allow for reevaluation of affordability every five years.
4	No tunnel concept. Near surface interceptor from 218 to 205 and two near surface interceptors for 101-105 and 201-204, wet weather treatment facility at BP, administration and engineering	2038	2016: Phase A- 218 interceptor, 14 MG BP tank, 21 MG BP disinfection, GSI in 212, 213, 214 2024: Phase B- CSO 220 2.7 MG NSS tank, 218-205 CSO interceptor, GSI in 101, 104, 105 2029: Phase C- 101-105 and 201-204 CSO interceptors, GSI in 216 and 217 2034: Phase D-West River Interceptor, CSO 035 sewer separation, GSI in 201 through 204	\$450M	This alternative was eliminated from consideration since it did not provide sufficient water quality improvements.

Rhode Island Department of Environmental Management

Office of Water Resources

Completed Projects are

Fiscal Year 2015 Project Priority List

Highlighted in Green

Points	Category	Community	Project Name/Number	Cost (\$)
58	10	Charlestown	Community ISDS Repair Program	\$ 600,000.00
57	10	North Kingstown	NK Community Septic System Loan Program	\$ 300,000.00
56	10	South Kingstown	Community ISDS Repair Program	\$ 1,000,000.00
49	10	Tiverton	C-15-001 Community Septic System Repair Program	\$ 300,000.00
48	4C, 10	Warwick	Community Sewer Tie-in Loan Fund	\$ 150,000.00
46	10	Warwick	Community Septic System Loan Program	\$ 300,000.00
45	5	NBC	Phase II CSO Facilities Program Construction & Management*	\$ 19,931,855.00
45	5	NBC	Phase II CSO Facilities OF 106†*	\$ 5,826,827.00
45	5	NBC	Phase II CSO Facilities OF 027*	\$ 12,390,158.00
45	5	NBC	Phase II CSO Facilities OF 037 - North	\$ 10,835,301.00
45	5	NBC	Phase II CSO Facilities OF 037 - South	\$ 11,489,822.00
45	5	NBC	Phase II CSO Facilities OF 037 - West*	\$ 10,919,533.00
45	5	NBC	Phase II CSO Facilities WCSOI Main*	\$ 78,448,134.00
45	5	NBC	Phase II CSO Facilities SCSOI Main*	\$ 23,305,946.00
45	10	Westerly	Community Septic System Loan Program	\$ 300,000.00
44	10	Glocester	Community Septic System Loan Program	\$ 300,000.00
44	10	Scituate	Implementation of Wastewater Management Plan	\$ 25,000.00
42	10	Narragansett	ISDS Management Program	\$ 250,000.00
42	11, 12	South Kingstown	TMDL Program Implementation	\$ 1,000,000.00
42	11	South Kingstown	Phase II Stormwater Program Compliance	\$ 300,000.00
42	4C	Warwick	Greenwood East Sewer Project: WSA Contract #87A	\$ 14,800,000.00
42	4C	Warwick	Strawberry Field Rd. Sewer Project II: WSA Contract #77A	\$ 961,000.00
42	4C	Warwick	Pilgrim Estates Sewer Project: WSA Contract #90	\$ 4,800,000.00
40	10	New Shoreham	Community Septic System Loan Program	\$ 300,000.00
39	5, 7	NBC	CSO Phase III	\$ 604,654,000.00
37	4C	Warwick	Warwick Neck South Sewer Extension	\$ 13,400,000.00
34	11	Narragansett	Narrow River Water Quality Improvement Project Phase IV	\$ 3,500,000.00
33	4C, 4D	Warwick	Bayside/Longmeadow I Sewer Project: WSA Contract #86A	\$ 12,000,000.00
32	10	Bristol	On-Site WW Management Plan, Home Owner Loans	\$ 300,000.00
31	4C, 4D	Narragansett	Harbour Island Sewers	\$ 7,585,600.00
31	2	NBC	BP WWTF Nitrogen Removal Facilities*	\$ 42,747,464.00
31	2	Woonsocket	WWTF Improvements	\$ 33,000,000.00
29	2	Cranston	Wastewater Treatment Plant Upgrades	\$ 25,000,000.00
29	1, 4D	North Kingstown	QDC Infrastructure Upgrades	\$ 5,000,000.00
29	2	West Warwick	Phosphorous Removal	\$ 11,500,000.00
28	4C, 10	Bristol	Service Connection Loan Program	\$ 150,000.00
27	4C	Burrillville	Eastern Village Sewers - Contract 19A-3	\$ 2,100,000.00
27	4C, 7	Burrillville	Union/Emerson Sanitary Sewers - Contract 20	\$ 1,100,000.00
27	4C	Burrillville	Expansion of Sanitary Sewer System - Contract 21	\$ 2,100,000.00
27	4C	Burrillville	Eastern Village Sewers - Contract 19C	\$ 2,300,000.00
27	4C, 4D	Burrillville	Eastern Village Sewers - Contract 19B-2 Nasonville	\$ 2,800,000.00
27	3B	Newport	Wellington PS & Force Main Improvements	\$ 5,000,000.00
26	11	Middletown	Easton's Point Sewer Improvements	\$ 3,200,000.00
26	4D	North Kingstown	Newcomb Road Sewer Main Replacement	\$ 600,000.00
26	11	South Kingstown	Replacement Street Sweepers	\$ 300,000.00
26	2	Warwick	City Share of AWT-Phosphorus Upgrade for West Warwick Treatment Plant	\$ 300,000.00
25	7, 4C, 4D	Coventry	Quidnick Village - Contract 8	\$ 4,400,000.00
25	11	Cranston	Storm Drain Upgrades	\$ 1,000,000.00
25	4C, 10	North Kingstown	Community Tie-in Program	\$ 300,000.00
25	4C, 4D	North Kingstown	Post Road North Sewers	\$ 6,600,000.00
25	12	Providence Water Supply Board	Scituate Reservoir Watershed Land Acquisition†*	\$ 10,000,000.00
25	4C, 4D	South Kingstown	Upper Salt Pond Collection System	\$ 2,100,000.00
25	4C, 4D	South Kingstown	Saugatucket Pond (North Road) Sewers	\$ 2,300,000.00
25	4C, 10	Tiverton	C-15-002 Community Sewer Tie-in Program	\$ 300,000.00
25	4C	Tiverton	C-15-003 Ph 1 Sewers - Robert Gray Area 1 Sewers	\$ 1,700,000.00
25	4C	Tiverton	C-15-004 Ph 1 Sewers - Riverside Dr Area Sewers	\$ 16,700,000.00
25	4C	Tiverton	C-15-005 Bay Street Area Sewers	\$ 3,000,000.00

Rhode Island Department of Environmental Management

Office of Water Resources

Fiscal Year 2015 Project Priority List

25	4C	Warwick	O'Donnell Hill (East Natick III) Sewer Extension: WSA Contract 69A	\$	2,100,000.00
24	11	Barrington	Stormwater Drainage Upgrade/Rehabilitation	\$	1,500,000.00
24	11	Middletown	Stormwater BMP Retrofit Project (Easton's Bay)	\$	75,000.00
24	2	Warwick	AWT - Phosphorus / Flood Control (WWTF Upgrades): WSA Contract #91	\$	21,000,000.00
23	10	Smithfield	Community Septic System Repair Program	\$	250,000.00
22	11	Cranston	TMDL Implementation - Eutrophic Ponds	\$	250,000.00
22	4C, 4D	Narragansett	Great Island Sewers	\$	8,750,300.00
22	1, 7	NBC	BPWWTF Biogas Reuse Energy Project (Design & Construction)†*	\$	6,085,000.00
21	3A, 3B	Middletown	Town-wide CIPP Slip-lining & Manhole Rehabilitation Annual Program	\$	200,000.00
21	4C	Warwick	Northwest Gorton Pond Sewer Project: WSA Contract #88	\$	5,200,000.00
20	3A, 3B	Middletown	Forest Avenue Sewer Relining & Repair	\$	2,100,000.00
20	4C	Narragansett	Baltimore/Rhode Island Avenue Sewers	\$	1,409,300.00
20	1	NBC	Regulatory Compliance Building (Design & Construction)	\$	21,964,220.00
19	11	Newport	Stormwater Infrastructure Improvements	\$	3,500,000.00
19	1	Newport	WPCF Upgrades	\$	40,000,000.00
19	1	South Kingstown	SK Regional WWTF Septage Receiving Facilities	\$	500,000.00
19	4C, 4D	South Kingstown	Curtis Corner Road Interceptor	\$	2,200,000.00
19	3B	South Kingstown	South Road Interceptor	\$	1,700,000.00
19	4C, 4D	Westerly	Phased Collection System Expansion	\$	30,000,000.00
18	10	Cranston	Community ISDS Repair Program	\$	200,000.00
18	3A, 3B	Middletown	Aquidneck Avenue Sewer Upgrade	\$	465,000.00
18	3A, 3B	Middletown	O'Neill Boulevard Sewer Improvements	\$	200,000.00
18	3A, 3B	Middletown	Orangeburg Sewer Main Replacement	\$	465,000.00
18	5, 3B	NBC	Field's Point Tunnel Pump Station Improvements	\$	663,000.00
18	4C, 4D	Warwick	Bayside/Longmeadow III Sewer Project: WSA Contract #86C	\$	5,000,000.00
17	1	Narragansett	Regional WWTF Process Upgrade	\$	2,408,431.00
17	4C, 4D	North Kingstown	Shore Acres Wastewater Collection System	\$	6,100,000.00
17	4C, 4D	North Kingstown	Post Road South 2 Sewers	\$	5,300,000.00
17	8	Richmond	Landfill Closure Cap Compliance	\$	45,200.00
17	7	South Kingstown	SK Regional WWTF Phase II Hydraulic Expansion	\$	3,600,000.00
16	3A, 7	East Greenwich	Inflow/Infiltration Analysis	\$	400,000.00
16	3B	NBC	Douglas Ave./Branch Ave. Interceptor Relief	\$	6,202,000.00
16	1	South Kingstown	Regional WWTF Replacement Generator	\$	300,000.00
16	1, 7	South Kingstown	SK Regional WWTF Process Upgrades	\$	3,700,000.00
16	4C, 4D	Warwick	Bayside/Longmeadow II Sewer Project: WSA Contract #86B	\$	5,700,000.00
15	6	Barrington	Sewer System Evaluation Study	\$	1,000,000.00
15	3A, 3B	Barrington	Sewer Line Rehabilitation	\$	3,500,000.00
15	1	Bristol	WWTF RBCs & Misc. Improvements	\$	2,000,000.00
15	11	Burrillville	Croff Road Drainage Improvements	\$	100,000.00
15	3B	Lincoln	Major Pump Station Construction - Angell Rd North, Main St, & Kirkbrae	\$	1,108,000.00
15	1	Narragansett	Regional WWTF Hydraulic Expansion	\$	1,966,374.00
15	3B	West Warwick	Clyde Interceptor	\$	1,400,000.00
14	3A, 3B	Bristol	Sewer Cleaning, TV Inspection & Flow Metering	\$	100,000.00
14	3B	Newport	Sanitary Sewer Improvements II	\$	4,000,000.00
14	3B	Newport	Sanitary Sewer Improvements III	\$	4,000,000.00
14	3B	Newport	Sanitary Sewer Improvements IV	\$	4,000,000.00
14	4D	North Kingstown	ASQAH Road Sewer Replacement	\$	600,000.00
14	4C	Warwick	GAPS (Miscellaneous Sewer Extensions)	\$	2,300,000.00
13	1	Bristol	Replacement of Misc. Compost Equipment	\$	1,000,000.00
13	7, 4C, 4D	Coventry	Lakeside Area II - Contract 11	\$	2,300,000.00
13	7, 4C, 4D	Coventry	East Shore Drive & Tiogue School - Contract 10	\$	4,810,000.00
13	1	Narragansett	Scarborough Wastewater Treatment Facilities Upgrade.	\$	8,237,000.00
13	1	NBC	Utility Reliability Enhancement for Field's Point Campus	\$	703,050.00
13	12	NBC	Bucklin Point Solar Energy	\$	7,495,984.00
13	4C	North Kingstown	Mark Drive Sewers	\$	3,600,000.00
13	4C	North Kingstown	Pine River Road Sewers	\$	1,300,000.00
13	4C, 4D	North Kingstown	Wickford Village Phase 1	\$	4,500,000.00
13	4C, 4D	North Kingstown	Wickford Village (W-1) Subarea Sewers	\$	15,400,000.00
13	4C, 4D	North Kingstown	Wickford Village (W-2) Subarea Sewers	\$	11,900,000.00

Rhode Island Department of Environmental Management

Office of Water Resources

Fiscal Year 2015 Project Priority List

13	4C, 4D	North Kingstown	Wickford Village (W-3) Subarea Sewers	\$	6,900,000.00
13	2, 7	Warren	Wastewater Treatment Facility Improvements	\$	25,000,000.00
13	4C	Warwick	Governor Francis Farms III Sewer Project: WSA Contract #85B	\$	4,600,000.00
12	8	Barrington	Landfill #3 Closure	\$	1,000,000.00
12	8	Barrington	Landfill #4 Closure	\$	1,000,000.00
12	3B	Barrington	Legion Way Sewer Repair	\$	500,000.00
12	3B	Barrington	Princes Pond Pump Station Comminutor Modifications	\$	250,000.00
12	3B	Bristol	Pump Station Improvements: Constitution and Silver Creek	\$	2,000,000.00
12	3A, 3B	Bristol	Sewer System Repairs	\$	2,500,000.00
12	3A, 6	Bristol	Inflow Source Removal	\$	100,000.00
12	1	Burrillville	WWTF - General Improvements and Maintenance Upgrades	\$	150,000.00
12	3A	Cranston	Inflow & Infiltration Study Implementation	\$	900,000.00
12	3B	Cranston	System Wide Sewer Repair	\$	1,400,000.00
12	3A, 6	NBC	NBC Systemwide Inflow Reduction Program	\$	900,000.00
12	4C, 4D	Smithfield	Lower Sprague Reservoir (Area)- Indian Run Plat, Totem Pole Trail	\$	5,000,000.00
12	4C	Smithfield	Richard St. and Hazel Point Sewers	\$	565,000.00
12	4C, 4D	Smithfield	Levesque Dr, Jambray Dr., Dongay Rd, Elna Dr, John Mowry Rd (North) and Brayton Rd. Sewers	\$	3,450,000.00
12	4C	Smithfield	Highview and Hilldale Estates Sewers	\$	3,775,000.00
12	4C	Smithfield	Green Lake Dr. and Ruff Stone Dr. Sewers	\$	855,000.00
12	4C	Smithfield	Friendship Ln., Domin Ave., Potter Ave., Rawson Ave., Sydney St., Myers St., and Ridge Rd Sewers	\$	1,235,000.00
12	4C	Smithfield	Fanning Lane Sewers	\$	2,850,000.00
12	4C	Smithfield	Elmgrove Ave. (off Sanderson Rd.) Sewers	\$	720,000.00
12	4C	Smithfield	North Candy Court Sewers	\$	160,000.00
12	4C	Smithfield	Austin Ave, Mapleville Road / Colwell Road Sewers	\$	2,420,000.00
12	4C	Smithfield	Cortland Ln, Baldwin Dr, Kimberly Ann Dr, Crabapple Lane and Christopher Dr. Sewers	\$	1,500,000.00
11	1	NBC	New IM Facilities	\$	6,579,000.00
11	1	NBC	BPWWTF UV Disinfection Alternatives	\$	3,000,000.00
11	1	NBC	Facility Electrical Improvements	\$	500,000.00
10	3B	Burrillville	Pumping Stations - General Improvements and Maintenance Upgrades	\$	500,000.00
10	11, 12	East Greenwich	Sewer Jet/ Vac Truck	\$	350,000.00
10	3A, 3B	Middletown	Upper Easton's Point Sewer Improvements	\$	4,000,000.00
10	3B	Middletown	Sewer Main Upgrades (Newport/Middletown Line)	\$	750,000.00
10	3B	Middletown	Marshall Village Pump Station Replacement	\$	675,000.00
10	6	Middletown	SSES Inflow & Infiltration Investigation	\$	370,000.00
10	3A, 3B	Middletown	Stockton Drive Collection System	\$	900,000.00
10	3B	Middletown	Stockton Drive Pump Station Replacement/Removal	\$	600,000.00
10	3B	NBC	Louisquisset Pike Interceptor Replacement	\$	2,400,000.00
10	3B	NBC	Interceptor Easements - NBC BVI	\$	1,376,000.00
10	3B	NBC	NBC Interceptor Easements	\$	5,432,000.00
10	3B	NBC	Rehabilitation of NBC CSO Interceptors	\$	6,686,000.00
10	3B	NBC	Providence River Siphon Rehabilitation	\$	6,000,000.00
10	3B	NBC	Inspection and Cleaning of CSO Interceptors	\$	3,544,000.00
10	3B	Smithfield	Improvements to Town's Pump Stations	\$	320,000.00
10	3B	South Kingstown	Kingston Pump Station Replacement Generator	\$	300,000.00
10	3B	South Kingstown	Silver Lake/Kingston Pump Station Upgrades	\$	500,000.00
10	3B	Warwick	Main Influent Interceptor Repairs	\$	800,000.00
10	3B	Warwick	Cedar Swamp Force Main Replacement or Rehab.	\$	3,000,000.00
10	2	West Warwick	Advanced WWTP Improvements - Clarifier Addition	\$	4,000,000.00
9	2, 7	Burrillville	Phosphorous Removal - Design, Construction	\$	4,500,000.00
9	3B	Cranston	Pump Station Safe Capacity Upgrades	\$	1,400,000.00
9	1	East Greenwich	Rotating Biological Contractors Rehabilitation	\$	4,200,000.00
9	6	NBC	River Model Development	\$	468,000.00
9	6	NBC	NBC System-Wide Facilities Planning	\$	500,000.00
9	6	NBC	Site Specific Study	\$	457,000.00
9	6	NBC	Municipal Sewer Acquisition Impact Study	\$	300,000.00
9	1, 3B	New Shoreham	Misc. System Improvements to the Wastewater Treatment Facility & Collection System	\$	3,000,000.00

Rhode Island Department of Environmental Management

Office of Water Resources

Fiscal Year 2015 Project Priority List

9	2	Smithfield	Smithfield Treatment Plant Upgrades - HVAC	\$	750,000.00
9	2	Smithfield	Upgrade WWTP's Fire Protection System	\$	250,000.00
9	3B	Warwick	Flood Hardening of Oakland Beach Pump Station	\$	150,000.00
9	3B	Warwick	Warwick Vet's Force Main Relocation	\$	600,000.00
9	3B	Warwick	Flood Hardening of the Knight St. Pump Station	\$	150,000.00
8	3B	Newport	Railroad Interceptor Replacement/Rehabilitation	\$	5,000,000.00
8	7	Scituate	Hope Village Sewers	\$	325,000.00
8	8	Smithfield	Landfill Closure (Ridge Road)	\$	4,000,000.00
8	3A	West Warwick	I & I Study	\$	500,000.00
8	11	Woonsocket	Ruby St Permeable Paving	\$	49,500.00
8	11	Woonsocket	Brier ST Permeable Paving	\$	26,000.00
7	6	Barrington	GIS Software	\$	10,000.00
7	3B	Barrington	Vactor Truck	\$	370,000.00
7	3A, 6	Narragansett	Sand Hill Cove Area I & I Study/Removal	\$	200,000.00
7	3A, 3B, 6	Narragansett	Pier Area Flow Improvements	\$	100,000.00
7	3B	Narragansett	Bonnet Shores Pumping Station	\$	150,000.00
7	3B	Narragansett	Wolf Road Pumping Station	\$	55,000.00
7	3B	Narragansett	Mettatuxet Pumping Station	\$	95,000.00
7	6	Narragansett	Lake Canonchet/Little Neck Pond (Beach Pond) Water Quality Analysis	\$	100,000.00
7	3B	NBC	Interceptor Easements - NBC AVI	\$	1,408,000.00
7	3B	NBC	Omega Pump Station Rack Room	\$	800,000.00
7	3B	NBC	Moshassuck Valley Interceptor Replacements	\$	3,718,000.00
7	3B	NBC	Butler Hospital Sewer Lining OF 027	\$	344,555.00
7	6, 3A	Smithfield	Smithfield Infiltration & In-Flow Removal - SSES	\$	1,500,000.00
6	3B	Cranston	Sewer Pump Station Flood Proofing	\$	500,000.00
5	4C	Woonsocket	Jillson Ave Sewer	\$	1,163,315.00
5	4C	Woonsocket	Beausoleil & Mendon Sewer	\$	363,149.00
5	4C	Woonsocket	Comstock Court Sewer	\$	82,846.00
4	6	Middletown	Westside Pump Station Consolidation Study	\$	75,000.00
4	3B	Narragansett	North Interceptor Access Road	\$	100,000.00
3	4C	Coventry	Rte. 3 - Woodland Manor to West Greenwich Line Sewers	\$	1,970,000.00

Total	\$ 1,464,765,864.00
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Conduit Financing Only:

Points	Category	Community	Project Name/Number	Cost (\$)
Total:				\$ -

Not Rated - Project Already Funded/Under Construction/Completed

Points	Category	Community	Project Name/Number	Cost (\$)
---	4C	East Greenwich	Howland Farm Sewer Extension	\$ 600,000.00
---	5	NBC	Floatable Control Facilities for CSO Outfall	\$ 5,003,030.00
---	5	NBC	Phase II CSO Facilities WCSOI OF 054	\$ 2,825,000.00
---	5	NBC	Phase II CSO Facilities WCSOI West	\$ 10,259,272.00
---	5	NBC	Phase II CSO Facilities WCSOI North	\$ 9,277,000.00
---	5	NBC	Phase II CSO Facilities WCSOI Regulator	\$ 968,616.00
---	5	NBC	Phase II CSO Facilities SCSOI Regulator Modification	\$ 736,000.00
---	5	NBC	Resident Services for Phase I - Construction	\$ 36,220,000.00
---	2	NBC	FPWWTF Nitrogen Removal Upgrade	\$ 62,397,717.00
---	1,12	NBC	FPWWTF Wind Turbines	\$ 14,687,547.00

Total:	\$ 142,974,182.00
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Not Rated - Not Applicable

Points	Category	Community	Project Name/Number	Cost (\$)
---	---	Barrington	Utility Truck	\$ 70,000.00
---	---	Barrington	Compost Screener	\$ 300,000.00

Total:	\$ 370,000.00
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Rhode Island Department of Environmental Management

Office of Water Resources

Fiscal Year 2015 Project Priority List

Not Rated - Not Eligible

Points	Category	Community	Project Name/Number	Cost (\$)
---	11	Burrillville	Stillwater Culvert	\$ 500,000.00

Total:	\$ 500,000.00
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Grand Total: \$ 1,608,610,046.00

RHODE ISLAND DEPARTMENT of ENVIRONMENTAL MANAGEMENT

Office of Water Resources

Fiscal Year 2015 Project Priority List

DESIGN CATEGORY		
<u>CATEGORY</u>	<u>NUMBER</u>	<u>DEFINITION</u>
Secondary Treatment	1	Replacement/modifications/additions based on an approved Wastewater Facilities Plan (WWFP) to achieve/maintain secondary treatment
Advanced Treatment	2	Replacement/modifications/additions based on an approved WWFP to achieve/maintain advanced treatment
I/I Correction	3A	Corrective actions in sewer systems identified in an approved I/I Analysis or Sewer System Evaluation Survey
Sewer System Repair	3B	Rehabilitation is extensive repair of existing sewers/pump stations beyond scope of normal maintenance programs. Replacement is construction of parallel sewers/sewers with exact function of sewers to be abandoned. Replacement of pump stations is construction of a new pumping station with the same functions/flow capacity of the old facility. All must be in WWFP
Collectors (Future)	4A	Sewers that will convey flows from future homes, businesses and industries identified in a CCP and approved in a WWFP
Interceptor (Future)	4B	Sewers that will convey flows from one of more Category 4A areas to another interceptor or WWTF
Collectors (Present)	4C	Sewers to convey flows from present homes, businesses, and industries identified in a CCP and approved in a WWFP
Interceptor (Present)	4D	Sewers to convey flows from one of more Category 4C areas to another interceptor WWFP
CSO	5	Combined Sewer treatment/storage/separation per an approved WWFP
Planning	6	Detailed plan determining the need for and feasibility of water pollution abatement project(s)
Design	7	Plans, Specifications, and bidding documents
Non-Point	8	Implementation project per Non-Point Source Plan (SGP # 731)
Estuarine	9	Implementation project per Comprehensive Conservation and Management Plan (SGP # 715)
Onsite Wastewater Treatment Facility (OWTS)	10	Alternative systems, subsurface (OWTS), and Wastewater Management Districts (WWMD) per RIGL 45-24.5
Stormwater	11	Planning & Implementation of municipal stormwater management programs and controls
Other	12	Other water pollution abatement or water quality improvement projects

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

In Re: Monthly Board Meeting of the Commission

DATE: December 9, 2014

TIME: 11:00 a.m.

PLACE: Narragansett Bay Commission

Corporate Office Building

One Service Road

Providence, RI 02905

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Executive Director & Secretary
Richard Burroughs
Mario Carlino
Joseph DeAngelis, Esquire
Michelle DeRoche
Michael DiChiro
Seth Handy
Paul Lemont
John MacQueen
Joan P. Milas
Al Montanari
Alan Nathan
Richard Worrell

ALSO PRESENT:

Nick Anderson, MWH
Cecille Antonelli, NBC
Sherri Arnold, NBC
Karen Beard, US Bank
Rich Bernier, NBC
Tom Brueckner, NBC
Gail Degnan, NBC
Leah Foster, NBC
Linda George, Senate Policy Office
Jennifer Harrington, NBC
Laurie Horridge, NBC
Joanne Maceroni, NBC
John Motta, NBC
Karen Musumeci, NBC
George Palmisciano, Pare Corp
Rich Raiche, MWH

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1 ALSO PRESENT, cont.

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Deborah Samson, NBC

3 Mark Thomas, NBC

Thomas Uva, NBC

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1 (BOARD OF COMMISSIONERS MEETING COMMENCED AT 11:09 A.M.)

2 CHAIRMAN MESOLELLA: All right. We do have
3 a quorum, we just make it, but we do have a quorum, so
4 recognizing a quorum, we will call the meeting of the
5 Narragansett Board of Commissioners to order on Tuesday,
6 December 9th at 11:09.

7 The first order of business is the approval of the
8 previous minutes of September 23rd and October 28, 2014.
9 Have all of our members had an opportunity to review the
10 previous minutes, and if so, are there any comments,
11 questions or corrections regarding the previous minutes?

12 THE COMMISSION: (No response)

13 CHAIRMAN MESOLELLA: Okay. Hearing none,
14 all of those that are in favor of approval of the
15 previous minutes will say aye.

16 THE COMMISSION: Aye.

17 CHAIRMAN MESOLELLA: Are there any opposed?

18 THE COMMISSION: (No response)

19 CHAIRMAN MESOLELLA: There are none opposed,
20 and the motion carries.

21 (MOTION PASSED UNANIMOUSLY)
22 CHAIRMAN MESOLELLA: Item Number 3, which is
23 Acknowledgment of Awards. Mr. Secretary.
24 RAYMOND MARSHALL: Yes, Mr. Chairman. We
25 have one award that we want to acknowledge today. It's

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1 from the Government Finance Officers Association, the
2 Distinguished Budget Presentation Award. We've received
3 this numerous times through the years, but this
4 particular time we received special recognition; and our
5 budget plan document was acknowledged as outstanding as
6 a financial plan, outstanding as an operations guide,
7 outstanding as a communications device and a special
8 recognition from capital planning and special
9 performance measures of recognition.
10 So, this is, and the reason I want to point this out
11 is a lot of what the Sheehen Bill wants to make sure
12 that we're doing, this is a validation that we're
13 already well ahead of the curve in that respect, and
14 this is an objective third party organization that
15 evaluates the documents with great scrutiny.
16 So, I'd like to have Karen Giebink, Sherri Arnold and
17 Gail Degnan come up to receive the award and have their
18 picture taken.

19 RAYMOND MARSHALL: Thank you very much.

20 CHAIRMAN MESOLELLA: Thank you very much
21 for your great work. All right.

22 (APPLAUSE)

23 COMMISSIONER MILAS: Excuse me, Mr.
24 Chairman. I'm curious, do the people that have to
25 comply with the Sheehan Bill, does it get reported to

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1 them that there are entities like the NBC that have been
2 compliant for years? Like, is there a reporting
3 mechanism to show that you have fulfilled it and that it
4 gets acknowledged that the NBC has been doing this?

5 CHAIRMAN MESOLELLA: I think what gets
6 acknowledged is when you don't comply, and then what
7 happens is, they put you all over the newspapers and
8 then everybody throws darts at you, but I don't know.
9 What's the answer, Jo?

10 COMMISSIONER MILAS: Are they looking for a
11 report from those quasis to be -- like, will it be
12 reported in the 2015 sessions?

13 MS. MACERONI: It actually does not call for
14 that. Whether the Oversight Committee will call in the
15 quasis again because we've already made presentations to
16 them in the past, I'm not sure.

17 COMMISSIONER MILAS: Because it's very
18 noteworthy how compliant the NBC is.

19 CHAIRMAN MESOLELLA: Thank you. Okay, the
20 next order of business is the Executive Director's
21 Report. Mr. Secretary, do you have a report?

22 RAYMOND MARSHALL: I do. It's going to be
23 stunningly short. It is a change. It's in the spirit
24 of the season.

25 The nitrogen season is over. We met all our

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1 requirements at both plants. I do want to just remind
2 you that we still have the problem with the blowers over
3 at Field's Point. They are a concern. We're working
4 aggressively with the manufacturer to get that
5 straightened out because we want to be in a solid
6 position before the start of the next nitrogen removal
7 season, which is May 1.

8 So, we're still operating under that emergency
9 provision. We are making progress. There's some things
10 I feel we still need to do to solidify our situation
11 over the next several months, and then we'll have to
12 also come up with a more long-term plan as well; and
13 we'll make a more detailed report to you on that in the
14 next month or two.

15 Construction continues into December on Phase 2
16 projects with winter shutdowns occurring, and some
17 projects are actually being completed. There will be
18 some spring work to do once the weather gets better, but
19 we're in good shape as things stand at this point.
20 The lab, or the regulatory control building across
21 the street, is ongoing, but it is behind schedule. We
22 had a problem with the concrete sub on that job, which
23 has delayed the project about 120 days. There's no real
24 ramifications of that, other than the fact that we're
25 120 days behind, and we wanted to get the new lab out

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1 and running. So, the contractor will try to make up
2 some of that time, but that remains to be seen.
3 The winter event, we just had two great months. In
4 October, we generated 56 percent of the power that we
5 need at the Field's Point Wastewater Treatment Facility,
6 and in November, it was 57 1/2 percent, so we're at 48
7 percent so far through the first 11 months of 2014.
8 Last year you probably remember we were at the 42 or
9 43 percent for the entire year, so we're on track to
10 match or beat last year's numbers.

11 COMMISSIONER WORRELL: Excuse me. Do we get
12 any credit for net metering?

13 RAYMOND MARSHALL: Yes. What happens, when
14 we generate more than we need, then the meter starts
15 spinning backwards again.

16 COMMISSIONER WORRELL: Do you know roughly
17 what the amount of money we've gotten from net metering
18 in savings?

19 RAYMOND MARSHALL: I'd have to go back and
20 have them calculate that. But in addition to that, we
21 also have renewable energy credits that I've mentioned,
22 so we figure that we're saving over a million dollars a
23 year between the power we don't purchase, the credit
24 that we get by spinning the meter backwards and the
25 renewable energy credits themselves. We'll generate

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1 some numbers for the next meeting because we'll have
2 finished the entire 2014.

3 COMMISSIONER WORRELL: That's huge.

4 RAYMOND MARSHALL: Yes, it is.

5 COMMISSIONER NATHAN: Ray, with the rate
6 increase pending, that would mean that our payback is
7 going to be quicker.

8 RAYMOND MARSHALL: Yes, that's correct.

9 CHAIRMAN MESOLELLA: That's right.

10 RAYMOND MARSHALL: Now, the renewable energy

11 credit market is becoming more populated, so the per
12 unit payback is less. It was 64 the first year, and the
13 first part of this year. Now I think it's dropping to
14 50 because the market, it's a commodity.

15 COMMISSIONER WORRELL: That's a good sign.

16 RAYMOND MARSHALL: We are still generating
17 as many as we can, and we'll try to maximize that to the
18 greatest extent possible.

19 The big item today will be a presentation on the four
20 alternatives that remain for Phase 3 of the CSO program.
21 We're not asking for any decisions today by the board.
22 The presentation was made before Long Range Planning.
23 That will come up when Mario gives his presentation, and
24 so maybe by January, we'll ask you to weigh in on which
25 of the alternatives you prefer; but we'll let you see

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1 the info, ask your questions, and if there's more
2 information that you want, we will generate that and
3 come back to you in January for further updates.
4 The last thing is, the list of meetings for 2015 is
5 posted on the commissioners' website, and I don't know
6 if everyone has copies as well, Karen, so that you can
7 pencil those in your 2015 calendar; and we appreciate
8 all your time and attention to our business here.

9 That's it, Mr. Chairman.

10 CHAIRMAN MESOLELLA: All right. So, do any
11 of our members have any questions with regard to the
12 Executive Director and his report, any questions or
13 comments?

14 THE COMMISSION: (No response)

15 CHAIRMAN MESOLELLA: Hearing none, moving
16 right along, the first committee reporting today would
17 be the CEO Committee.

18 COMMISSIONER MacQUEEN: We do not have
19 anything today, Mr. Chairman.

20 CHAIRMAN MESOLELLA: Okay, no report today.
21 The Personnel Committee met and had a discussion about
22 the reorganization to the IT, but there's no action
23 required.

24 RAYMOND MARSHALL: No. There's no action
25 required.

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1 CHAIRMAN MESOLELLA: There's no action
2 required. Finance Committee, there were some
3 resolutions that needed to be passed. They're all in
4 your packet. Resolution 2014, that would be 26.

5 RAYMOND MARSHALL: Yes.

6 CHAIRMAN MESOLELLA: 26, although it doesn't

7 say it on your agenda sheet, that would be Resolution
8 2014:26. This was authorization to proceed with the
9 borrowing of \$41,735,500 from the Rhode Island Clean
10 Water Agency. The Chairman moves approval.
11 COMMISSIONER MILAS: Second.
12 COMMISSIONER MONTANARI: Second.
13 CHAIRMAN MESOLELLA: Seconded by
14 Commissioner Milas and Commissioner Montanari. Further
15 discussion on Resolution 2014:26.
16 THE COMMISSION: (No response)
17 CHAIRMAN MESOLELLA: Hearing none, all of
18 those in favor will say aye.
19 THE COMMISSION: Aye.
20 CHAIRMAN MESOLELLA: Are there any opposed?
21 THE COMMISSION: (No response)
22 CHAIRMAN MESOLELLA: None opposed. The
23 companion resolution 2014:27, although it doesn't say
24 that in your agenda, with the companion resolution,
25 which would allow us to do a rate filing consistent with

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1 Resolution 2014:26.
2 COMMISSIONER MILAS: Approval.
3 COMMISSIONER MACQUEEN: Second.
4 CHAIRMAN MESOLELLA: Motion approved by

5 Commissioner Milas, seconded by Commissioner MacQueen.

6 Discussion on that resolution. Commissioner Worrell.

7 COMMISSIONER WORRELL: I voted for the last
8 resolution, and I'm going to vote for this one.

9 CHAIRMAN MESOLELLA: Thank you.

10 COMMISSIONER WORRELL: I'm favorable of
11 phases. However, I think what has been going on in my
12 mind for the last couple of months is, we're stuck in
13 the middle. We're stuck in the middle by mandates to do
14 things which cost a lot of money, and so our answer to
15 that is, we go out and we borrow a lot of money; and to
16 finance the debt service on that, we go to the PUC and
17 get increments in our rate charging capabilities.

18 And I've been involved here for maybe, I don't know,
19 three or four years, maybe longer, maybe 5 years, and
20 maybe we've gone to the PUC, maybe three or four times
21 during that period, maybe more; but I think we're
22 knocking our heads on the top level of the amounts of
23 money we should be borrowing and the amounts of money
24 that the ratepayers can stomach or should be asked to
25 stomach, and this gets us into the dilemma of, what do

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1 you do? Do you cut back on all the environmental good
2 that we're doing here on a daily basis, on a yearly

3 basis, by cleaning up the wastewater that's going in the
4 Narragansett Bay? That's the dilemma.

5 We're going to have an opportunity when we look at
6 Phase 3, it seems to me, when we have the opportunity as
7 well as the responsibility to kind of get tough and
8 aggressive in the way that we view, how do we control
9 the cost?

10 Now, it may very well be that we should be
11 aggressively promoting the idea that we'd like to see
12 the cost of Phase 3 cut in half or cut by 60 percent.

13 Can that be done? You're asking the wrong person here,
14 but I mean, I think it's our responsibility to be
15 looking very hard at these things and not just saying,
16 well, we have to do it, so we're going to do it. It
17 seems to me our responsibility is to weigh that mandate
18 against the real road that we're starting to go down.

19 I have a great friend who has a comment, and he says,
20 when you get in a situation where you're talking about
21 money, everybody's money is nobody's money. When you
22 think about that for a while where you say, if it's
23 nobody's money, and it's not my money, hell, I'll spend
24 it.

25 But I think our responsibility as board members here

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1 rises above that. We can't hide behind that nobody's
2 money, everybody's money is nobody's money. We should
3 not be thinking that way.

4 So, as I say, I'm going to vote for this. We have,
5 in my opinion, no option. We need it to finance the
6 ongoing responsibilities that we've got under the
7 mandate and under our capital program, which we've
8 already approved.

9 So, when you vote, and presumably, you're going to
10 vote with me and in favor of this, I would ask that you
11 do so with a strong look out of the side of your eye at
12 Phase 3. Thank you.

13 CHAIRMAN MESOLELLA: Commissioner Lemont.

14 COMMISSIONER LEMONT: I think he said it
15 very well. He should have been over at my meeting the
16 other day.

17 COMMISSIONER BURROUGHS: We need to compare
18 notes.

19 CHAIRMAN MESOLELLA: Okay. Well, we're
20 going to have a presentation in a short while about rate
21 impacts, potential rate impacts. I think you would be
22 very interested to see this and what the potential
23 ramifications are of this. I want to make sure you
24 understand the mandated program, and then I'm sure we'll
25 have more comments at that time.

1 So, for purposes of Resolution 2014:27, we have a
2 motion, and we have a second. All of those that are in
3 favor will say aye.

4 THE COMMISSION: Aye.

5 CHAIRMAN MESOLELLA: Are there any opposed?

6 THE COMMISSION: (No response)

7 CHAIRMAN MESOLELLA: There are none opposed,
8 and the motion carries.

9 (MOTION PASSED UNANIMOUSLY)

10 CHAIRMAN MESOLELLA: Item C is, Review and
11 Approval of Resolution 2014:28, which is authorization
12 to refund some of the NBC outstanding debt, bonds, 2007
13 Series A bonds.

14 COMMISSIONER MILAS: Move approval.

15 COMMISSIONER MONTANARI: Second.

16 CHAIRMAN MESOLELLA: Commissioner Milas
17 moves approval, and Commissioner Montanari seconds the
18 motion. All those in favor of Resolution 2014:28 will
19 say aye.

20 THE COMMISSION: Aye.

21 CHAIRMAN MESOLELLA: Are there any opposed?

22 THE COMMISSION: (No response)

23 CHAIRMAN MESOLELLA: There are none opposed,
24 and that motion carries.

25 (MOTION PASSED UNANIMOUSLY)

1 CHAIRMAN MESOLELLA: And that concludes the
2 report for the Finance Committee. Now, Rules and
3 Regulations. Commissioner Carlino.

4 COMMISSIONER CARLINO: Long Range Planning.

5 RAYMOND MARSHALL: The Rules and Regs
6 Committee, the next two, Joanne can give the explanation
7 on that, if you need her to.

8 CHAIRMAN MESOLELLA: So, Joanne, do you want
9 to talk about the Resolution 2014:29 and 2014:30? This
10 is our compliance with the Sheehan Bill, which you gave
11 a presentation on last month as well. So, review and
12 approval of Resolution 2014:29, Joanne.

13 MS. MACERONI: Yes. One of the requirements
14 of the new quasi public Accountability and Transparency
15 Act, or as we view and refer to as the Sheehan Act, is
16 that each quasi public board must establish a code of
17 ethics for their board members and their employees, and
18 as we noted, the Narragansett Bay Commission Board and
19 employees already follow the Rhode Island Code of
20 Ethics. So, what this resolution does is it confirms
21 that the board and the employees follow the Code of
22 Ethics, and we will continue to do that.

23 CHAIRMAN MESOLELLA: So, Resolution 2014 and

24 Resolution 2014:30, 29 and 30 are related. There's no
25 reason why we can't take those both at the same time.

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1 RAYMOND MARSHALL: That would be fine.

2 CHAIRMAN MESOLELLA: We have a motion to
3 approve Resolution 2014 and 2014:30, 29 and 30.

4 COMMISSIONER FARNUM: Move approval.

5 COMMISSIONER MacQUEEN: Second.

6 COMMISSIONER DeROCHE: Second.

7 CHAIRMAN MESOLELLA: Commissioner Farnum
8 moves approval, seconded by Commissioner MacQueen and
9 Commissioner DeRoche. Further discussion on Resolution
10 2014:29 and 30.

11 THE COMMISSION: (No response)

12 CHAIRMAN MESOLELLA: Hearing none, all those
13 in favor will say aye.

14 THE COMMISSION: Aye.

15 CHAIRMAN MESOLELLA: Any opposed?

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: There are none opposed,
18 and the motion carries.

19 (MOTION PASSED UNANIMOUSLY)

20 CHAIRMAN MESOLELLA: Now we're going to take
21 Long Range Planning, Commissioner Carlino.

22 COMMISSIONER CARLINO: Long Range Planning
23 met this morning at 8:30. There was no voting. We've
24 got a presentation on the Phase 3 CSO from MWH, Rich
25 Raiche. The presentation is very, very good. It talks

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1 about the impacts to middle household income, the
2 impacts on our rates, very well done.
3 As the Executive Director stated, ask as many
4 questions as possible. Up to and during this meeting,
5 if there are more questions later on, at our January
6 13th meeting, if we're ready, we need to vote. If we're
7 not ready and you have more questions, we'll delay it;
8 we can do that, but maybe our goal is, let's try to meet
9 that January 13th date. If we can't, that's fine. If
10 people are uncomfortable and have more questions, please
11 ask. Now's the time to ask, or if you think of
12 something during your festive holidays, by all means,
13 let's ask. This way we can try to shoot for that goal
14 of January 13th. So, with that, MWH will present.

15 CHAIRMAN MESOLELLA: Rich, are you ready?
16 So, we're going to hear a presentation from MWH
17 regarding our four potential options we have for how we
18 can proceed with Phase 3.
19 We'll have some discussions during the month prior to

20 January 13th, and hopefully, come up with a
21 recommendation for your consideration; but I think it's
22 going to be very interesting, and we appreciate your
23 attention to this matter.

24 RAYMOND MARSHALL: Sorry for the technical
25 difficulties. I think we're ready to go now.

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1 MR. RAICHE: The last time we were here
2 before you, we talked about Phase 3. We had just
3 configured the subsystem alternative analysis, what the
4 little components of the overall plan should be. Today
5 what we've done is put them together in four different
6 plans so you understand what the whole picture looks
7 like.
8 I'll start off and define those four plans so we
9 understand what the four alternative plans are and then
10 set two comparisons of those plans against each other so
11 we can at least inform you a little bit on how to pick
12 between them.
13 The alternative defining plans, Alternative 1 is the
14 current approved plan, the baseline CDRA, the Conceptual
15 Design Report Amended. That's currently what has
16 defined Phases 1 and 2 and what defines what Phase 3
17 currently is. So, in terms of moving to the regulators

18 and asking to move forward, this plan has already been
19 approved, so it would be easier.

20 From there we stepped to a second alternative, which
21 modifies some of the components of it, based again on
22 that subsystem alternative we just completed, but more
23 importantly, phases that.

24 As it currently stands, Phase 3 is supposed to be
25 done in one administrative swoop. We go to the DEM and

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1 the EPA for a preliminary design, and they review it, we
2 bless it; and we move forward with construction of the
3 entire thing. The concept here is you break it into
4 phases so that we have more check-ins with DEM and EPA
5 to go along the way and better understand what some of
6 these other surrounding issues are.

7 Alternative 3 takes that same sort of approach, and
8 then extends the deadline even longer and reschedules or
9 reorders what the components are.

10 Alternative 4 is entirely different. It takes the
11 marquee component out of Phase 3, which is the tunnel
12 and approaches things in a completely different mindset,
13 which is more about storage and treatment.

14 So, baseline CDRA, this should be a review for just
15 about everyone. What it entails, it's like a tunnel,

16 very similar to the one that has been completed in
17 Providence in terms of size and expense and interceptor
18 to pick up that one loan CSO in Moshassack and bring it
19 over to Seekonk and the Blackstone where the other, the
20 majority of the CSOs are and also a few interceptors to
21 pick up northern outlier CSOs and some sewer
22 separations, especially similar to what is happening
23 currently in the neighborhoods in Providence.

24 COMMISSIONER WORRELL: Excuse me, are the
25 interceptors the blue lines?

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1 MR. RAICHE: The existing interceptors, the
2 existing systems are the blue lines. The Phase 3
3 components are various shades of sort of orange and
4 yellow.

5 COMMISSIONER WORRELL: And the strong
6 yellow, straight down the middle, is that the tunnel?

7 MR. RAICHE: Yeah. A little bit more orange
8 on the yellow scale, that is the tunnel. That is the
9 alignment of the tunnel.

10 So, essentially, the alignment of the tunnel is
11 designed to follow the Seekonk and Blackstone Rivers and
12 is really bound by the fact that the two single, or the
13 two largest CSOs are 205, which is sort of in the corner

14 out there where Pawtucket and Central Falls meet and
15 218, which is just slightly to the north of the Bucklin
16 Point Treatment Plant. Those, by far, are the two
17 largest CSOs, so the tunnel connects the dots between
18 those two locations and picks up the CSOs in-between.
19 The interceptors to the north of there pick up, sort of
20 the outliers and the one in Moshassack. That's the
21 design behind it.

22 So, again, as it currently stands is one phase. The
23 impacts, in terms of what it costs, we have a very high
24 block of costs to pay for the entire Phase 3.

25 Essentially, if you look at the amount of times we

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1 need to design and build it, it's roughly a 9- to
2 10-year timeframe, if you were to do things as quickly
3 as you possibly could. So, from a regulatory
4 standpoint, all other things being equal, this is what
5 the EPA would expect to happen.
6 So, what happens is, we design and build a tunnel,
7 and some of the other components there, we essentially
8 capture 70 to 80 percent of the total volume with that
9 tunnel and things immediately adjacent to the tunnel,
10 and then round out with some additional work on the
11 periphery to complete that program by 2050.

12 We did just complete the Subsystem Alternative
13 Analysis and concluded that several of the components of
14 Phase 3 are indeed, from an engineering perspective and
15 efficiency perspective, the right things to do. The
16 tunnel is an efficient system to capture those volumes.
17 The northern interceptors are an efficient means of
18 picking up those northern outliers.
19 There were some modifications that we made to the
20 plan. The Pawtucket Avenue interceptor is very invasive
21 on Pawtucket Avenue, very costly, so the concept is
22 either to do a tank or a stub tunnel to pick up that
23 220, which is out on the Moshassack. Two of the sewer
24 separation areas in northern Providence, rather than
25 sewer separation, the West River interceptor is a

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1 preferred way of handling those flows.
2 We also introduced green stormwater infrastructure
3 into the plan. There was none in the prior plan, and
4 there are anticipated benefits for incorporating green
5 infrastructure into the plan.

6 COMMISSIONER WORRELL: Excuse me, are we
7 talking about Option 2 here?

8 MR. RAICHE: We're leading into Option 2,
9 correct.

10 COMMISSIONER WORRELL: Well, is this Option
11 1? This is Option 1 right here (indicating).
12 MR. RAICHE: These are the components for
13 Option 2.
14 COMMISSIONER WORRELL: So, we're now in it,
15 this is Option 2.
16 MR. RAICHE: Yes. So, in terms of, as I
17 said, we wanted to modify some of the components of
18 Phase 3, but more importantly, what we want to do is
19 phase it so that we have a longer compliance schedule
20 and have modifications to the consent agreement that
21 allow us to go back to DEM and EPA to evaluate what is
22 the best thing to do at these milestones.
23 COMMISSIONER MILAS: I apologize. I'm
24 getting really confused. When you say, we, are you
25 talking you or is that the work group that's -- whose

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1 presentation is this? This is yours or that whole task
2 force that's working --
3 MR. RAICHE: I should probably not be using
4 the word we on this. I should be saying you. As the
5 consultant, I've adopted the plans as my own.
6 COMMISSIONER MILAS: So, this is not the
7 result of all of the work group?

8 MR. RAICHE: The work group has informed
9 this.

10 COMMISSIONER MILAS: So, this is agreed upon
11 by the work group?

12 COMMISSIONER WORRELL: Who is the work
13 group, by the way? It's a term we're not familiar with.

14 RAYMOND MARSHALL: The stakeholders group,
15 and the stakeholders group is the meeting that has
16 environmentalists on it, it has the business community
17 on it, it has shellfishermen on it.

18 COMMISSIONER WORRELL: That's the work
19 group.

20 RAYMOND MARSHALL: So, what Rich is
21 presenting to you today, it's the same thing that he's
22 going to be presenting to the stakeholders group.
23 They've been weighing in on things, but they have not
24 made any decisions. They have really no authority to
25 make a decision. They're just providing input as to

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1 what everyone in the community is interested in, and of
2 course, there's a divergent set of views on what should
3 be done.

4 So, what Rich and his firm has tried to do at MWH is
5 to try to come up with the best solution or the best

6 options for the Narragansett Bay Commission for you, the
7 commissioners, to choose as we go forward into Phase 3.
8 So, no one's going to be making any choices, except you.
9 You have the final say on what we go to DEM with.
10 There are four alternatives that they've narrowed it
11 down to that Rich of MWH, Tom Brueckner and me and the
12 rest of staff have said, these are the ones that are
13 most worthy of consideration as we go into Phase 3
14 because doing nothing for Phase 3 is not an option.
15 That would never be approved by DEM and EPA.
16 So, here are the four, the second alternative of the
17 four options as to what you want to think about, ask
18 questions about, demand more information on, if you feel
19 it's necessary.
20 Ultimately, the board's going have to say, we like
21 alternative whatever you choose, and then we'll go to
22 DEM and EPA, and they will say, that's okay, go ahead
23 and do it, or they'll negotiate with us.
24 Now the stakeholders might have a completely
25 different opinion. We respect that, but it's not their

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1 decision. It's your decision as a board. Does that
2 answer your question?

3 COMMISSIONER CARLINO: And the board's

4 concern mostly is the affordability, the impact on the
5 ratepayers, and that's the reason for looking at
6 different options.

7 COMMISSIONER DiCHIRO: So, this is an
8 advisory --

9 RAYMOND MARSHALL: Right. Right now it's
10 saying, this is what we've narrowed it down to. Do any
11 one of these strike you as being the way that the board
12 would like to proceed? And of course, there's a lot
13 more information to come in the next 20 minutes or so.

14 COMMISSIONER MILAS: So, there's not a final
15 project that the NBC is in collaboration with that work
16 group that satisfies everyone's needs, and that's what,
17 is that the goal, I would think?

18 RAYMOND MARSHALL: Well, I think it's fair
19 to say that the goal is to get everyone's input. We're
20 never going to come up with an alternative that
21 satisfies everyone's opinion or point of view, and so
22 what we're trying to do is let people have as much input
23 as possible, that being the stakeholders group, and then
24 ultimately, the hard decision comes down to the board as
25 to which one you want to proceed with.

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1 COMMISSIONER DiCHIRO: And then something

2 that's approved by EPA or DEM also.

3 RAYMOND MARSHALL: Correct.

4 COMMISSIONER DiCHIRO: And it has to be
5 approved by them also, and try and get the cost down.

6 COMMISSIONER MILAS: So, is it possible that
7 something gets presented to the work group, and they
8 absolutely, hypothetically, hate part of it, so do you
9 just take that under advisement, or does the work group
10 actually incorporate their ideas into this, so that the
11 package that gets finally, God forbid, goes forward, is
12 a collaborative package? Does that make sense?

13 RAYMOND MARSHALL: I think it does. I can
14 be pretty sure that they're all not all going to like
15 one of these alternatives, but we can't go on forever;
16 and we can't try to gerrymander this so it's a crazy set
17 of options that's not implementable. So, there are
18 going to be some people that will be unhappy in the
19 stakeholders group. That's unfortunate, but that's the
20 reality.

21 COMMISSIONER WORRELL: I had a question. It
22 would be very helpful to me, you've shown the curve of
23 Option 1, it's taking a 10-year phase in, and roughly,
24 it goes like this (demonstrating), and presumably, we're
25 going to get a curve, we're going to get a graph like

1 that for the other three.

2 MR. RAICHE: For all four, yes.

3 COMMISSIONER WORRELL: For the other three.

4 MR. RAICHE: Yes.

5 COMMISSIONER WORRELL: Now, have you, or is
6 it remotely possible for you, to say, if we do this
7 graph or if we do this graph or if we do that graph,
8 we're going to have to go to the PUC and ask for 6
9 percent, 4 percent, 5 percent increase. If we can put a
10 price tag on this, the ratepayers --

11 COMMISSIONER NATHAN: You just have to be
12 patient. It's coming.

13 COMMISSIONER WORRELL: So, keep my mouth
14 shut. Go ahead.

15 RAYMOND MARSHALL: Just for the record, I
16 didn't say that, Commissioner.

17 MR. RAICHE: So, again, with Alternative 1,
18 it is the currently-approved plan. If we were to go to
19 the regulators and say, we want to do the approved plan,
20 that's a very easy thing to do. So, what we're doing,
21 or what the Commission is seeking to do is alter the
22 plan to make it either more affordable or better in some
23 ways.

24 And what Alternative 2, in addition to tweaking some
25 of the technical components of it, the big ask, if you

1 want to understand it, is that we're looking to phase
2 the program. We're going to extend the schedule. We're
3 not going to compress it to an 8- to 10-year schedule,
4 just base it on how physically fast you can dig a
5 tunnel, but have some break points in there, some
6 milestones where we can evaluate it in terms of where we
7 are.

8 So, Phase 2 is the first, Alternative 2 is the first
9 approach at that. What we do here with Alternative 2 is
10 prioritize the ones that we know have the biggest bang
11 for your buck. You're going to have the largest water
12 quality benefits associated with digging the tunnel
13 first and also doing some green stormwater
14 infrastructure in targeted areas. Based on our
15 analysis, we have sort of a triage and a hierarchy where
16 you want to do those first, in each one of those phases.

17 So, essentially, the tunnel would be the first piece,
18 and it would have the same sort of implementation
19 schedule as the total Phase 3 from Alternative 1. The
20 second phase, rather than doing it concurrently, would
21 be to extend those interceptors to pick up the northern
22 CSOs, do some additional GSI.

23 The third phase would be to address 220 on the
24 Moshassack, and the fourth and final phase for

25 Alternative 2 would be to return the focus to the

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1 Providence area with the West River interceptor and the
2 sewer separation.

3 So, what we see here in terms of removing volume of
4 the CSO from the bay, we still have a very large hit
5 right out of the gate. So, by 2022, again, we've
6 captured 70 percent of the total volume. The difference
7 between Alternative 2 and Alternative 1 is that that
8 remaining 30 percent gets phased out over a longer
9 period of time.

10 In terms of expenditures, we do have an initial high
11 increase, an initial high expenditure because the tunnel
12 is, in addition to being the thing that has the most
13 volume, also is the most expensive component, and then
14 more steady rate increases as the smaller components go
15 on line.

16 COMMISSIONER MILAS: So, what's the cost of
17 your existing tunnel during that whole process? I mean,
18 there's got to be, if you're going out to 2050, what
19 kind of maintenance goes on, the cost of the maintenance
20 for what we have now? There's got to be a huge --

21 MR. RAICHE: In terms of rate impact -- the
22 rate study.

23 COMMISSIONER BURROUGHS: Could you just say
24 a word about taking 220, in specific, and saying what
25 the prospects are for use designation change? In other

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1 words, the reason that we're incurring the cost is we
2 set a goal for the water quality in that urban river,
3 which is, basically, swimmable and the question is, if
4 you say, well, that goal is overambitious, then what
5 does the EPA structure do to you?

6 RAYMOND MARSHALL: One slight modification
7 when Dr. Burroughs says that we have set the goal, he
8 means the Clean Water Act.

9 COMMISSIONER BURROUGHS: And our state
10 designation.

11 RAYMOND MARSHALL: Yes, and DEM and EPA, not
12 the Narragansett Bay Commission.

13 COMMISSIONER BURROUGHS: That's very true.
14 So, in your experience, Rich, if we go back to EPA and
15 say, we were overly ambitious with this goal, what will
16 that trigger?

17 MR. RAICHE: You're putting a 220 into the
18 Phase C, which is the third phase. In addition to the
19 way we looked at cost efficiency, it was put off to a
20 later date, partially for those reasons. There are

21 other questions surrounding 220. One is the use
22 designation for the Moshassack River, the only one on
23 the Moshassack River, and the question has been brought
24 up by the stakeholders and by others, is it reasonable
25 to think that someone will want to swim in the

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1 Moshassack River? And probably not, but that is a
2 request that would have to go to the EPA to change the
3 use designation for the Moshassack.
4 There's also sort of another issue with the Branch
5 Avenue interceptor, and what you do with 220 could help
6 that down the road. So, frankly, the idea of putting
7 the solution, the 220 in future phases makes more sense
8 until all these other things are better understood.

9 COMMISSIONER WORRELL: Before we leave 220,
10 I have one question. Have you done any analysis to
11 determine if the enforcement of point and non-point
12 pollution would be an alternative that could create
13 higher returns for the dollars spent?

14 MR. RAICHE: And that is also one of the
15 reasons why NBC would want to phase this and why it
16 makes sense to phase the implementation of this.
17 As it currently stands, in order to make that
18 side-by-side judgment of a CSO project versus a

19 non-point source with stormwater project, you need that
20 stormwater project to compare it to.
21 As it currently stands, none of the member
22 communities have that analysis done. No one has a
23 stormwater project, a non-point source control pollution
24 project on the table to compare it to. They won't by
25 the time we need to submit this report.

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1 However, 5, 10, 15 years down the road, we may be
2 looking at serious stormwater alternatives as the member
3 community for somebody else, a regional district has.
4 So, the idea behind phasing it is that when we come back
5 to these phase milestones and we re-commit what it is
6 that phase entails, the idea is that you look to see if
7 there are non-point source control projects that are on
8 the table at that point, and then do the cost benefit
9 analysis and have DEM and EPA evaluate that.
10 As we currently sit, EPA and DEM want something to
11 start moving, what is on the table to move is the CSO
12 project. So, let's move forward with a CSO project and
13 then come back in 5 or 10 years, whatever that window
14 is, whatever that milestone is, and then take a look and
15 say, for \$40 a gallon, we can address CSOs, or for \$30 a
16 gallon, we can do a stormwater project.

17 COMMISSIONER WORRELL: Or for \$10 a gallon,
18 maybe we could do an enforcement project on the point
19 solution, which I feel has been something that has not
20 been going on in this community, but in any event, and
21 that's a lot less expensive business than \$40 a gallon.

22 MR. RAICHE: Now, I do want to make the
23 board aware that we have done some analysis, in addition
24 to that alternative analysis, identifying areas where we
25 can optimize this solution, the design of the tunnel,

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1 the design of the interceptors, how these components go
2 together.
3 We do think that there's potential for cost savings
4 in how we actually design and construct these things,
5 but in terms of looking at the rate impacts, these
6 aren't necessarily ideas that we want to move forward
7 for the negotiations with EPA, partially because we
8 don't fully understand if they are fully implementable.
9 We have to do some more studies, we have to understand
10 the member community system to make sure that we're not
11 impacting the level of service.
12 So, during preliminary design is when we vet out
13 these ideas and optimize the costs, but for the analysis
14 that we're looking at today, those ideas are not put in

15 here.

16 So, again, moving back to our third alternative,

17 Alternative 3 has a lot of the same components of 1 and

18 2. However, the sequencing is different. With

19 Alternative 2, the acknowledgment is that the tunnel

20 provides the greatest water quality benefit, so let's do

21 that first.

22 With Alternative 3, the acknowledgment is that the

23 tunnel is the most expensive component, so let's see

24 about delaying that and do some other projects first,

25 including some interim projects that would have water

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1 quality benefits. Not necessarily the long-term

2 solution. The solutions may go off-line once we build

3 the tunnel, but we would have some interim benefits,

4 sort of sweeten the deal with EPA.

5 So, the concept would be to take 218, which is the

6 single largest outfall, bring it down to the Bucklin

7 Point treatment plant, and ride through the wet weather

8 facility there, still do GSI and another small project.

9 In the second phase, we turn our attention to 220

10 because it's a discreet thing that can be done in

11 isolation, and then in the third phase and from 2025 to

12 2032, that is when the tunnel gets implemented and

13 rounding out the northern piecework, which can't be done
14 until the tunnel's in place, and round out that overall
15 sequence with the attention to the Providence areas.
16 So, in terms of cash flow and benefits, again, what
17 we do for, essentially, into the first 15 years of the
18 program, have small but steady increases and some of the
19 smaller projects happen, then once the tunnel gets
20 built, we have a large jump in the expenditures, and
21 then again, in the out years as those outlier CSOs are
22 brought in, again, it's a steady increase.
23 In terms of volumes reduced, we push out that big
24 benefit, that 7 percent benefit. Instead of happening
25 in 2023, it happens in 2032, but as I said, we would

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1 have the idea that we would have some interim treatment,
2 so we're having water quality benefits through those
3 periods.
4 Alternative 4 is the completely philosophically
5 different one, right? We're not capturing these
6 volumes. The concept here is to do some storage, but
7 mostly focus on treatment, similar to one of the
8 components of Phase 3, bring 218 to a location near the
9 Bucklin Point Treatment Plant, store it in a tank, add
10 some disinfectant to it as the first component; it's

11 actually fairly cost effective.

12 As the second component, extend that interceptor up
13 to 205. Again, the second largest filler, do a small
14 tank at 220, continue to do green stormwater
15 infrastructure, then extend and pick up the northern
16 outfalls and round out the program with the sewer
17 separation and West River interceptor in Providence.

18 What we see here in terms of cash flow are just
19 steady increases as all these different components are
20 built and maxing out as we round numbers about half of
21 what these other options are.

22 In terms of volume captured, we're significantly
23 lower than the other options, but we do have this
24 treatment issue in there, which changes the complexion
25 of this plan.

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1 So, in terms of how they stack up against each other
2 and the baseline, Alternative 1 we get everything right
3 out of the gate. With Alternative 2, we get to 70
4 percent right out of the gate and tail out and volume
5 captured. Alternative 3 pushes out that large benefit
6 for a decade and a half, and Alternative 4 is more
7 centered around treatment rather than capture.

8 In terms of cash flow, Alternative 1 jumps up very

9 high and then holds steady once your complete with Phase

10 3.

11 COMMISSIONER WORRELL: Excuse me, are these

12 all present value costs?

13 MR. RAICHE: Yes. These are all brought

14 into present dollars, yes.

15 COMMISSIONER WORRELL: Did you present value

16 these expenses?

17 MR. RAICHE: Well, the numbers shown here

18 are in 2018 dollars, which is just --

19 COMMISSIONER WORRELL: So, the answer to my

20 question is, no. These are not present value.

21 MR. RAICHE: 2018 dollars, yes. They're

22 2018 dollars.

23 COMMISSIONER WORRELL: Have you done any

24 counts on present value into all of these costs?

25 MR. RAICHE: When we get to the rates, it's

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1 reflected in the rate. The rate table is going to be

2 coming up. This is more illustrative to have the

3 expenditures happen over time. Alternative 3 keeps

4 expenditures low until it jumps up and then crosses over

5 Alternative 2.

6 In terms of total capital costs, 3 is higher than

7 these other interim projects to add on. In terms of
8 what we want to present to the EPA, we have some
9 premiums in the modified plan. It's including GSI that
10 we know will be expenses on the back end, but we don't
11 want to account for them yet.

12 COMMISSIONER MILAS: Excuse me. Again, I'm
13 pretty lost, but why does it jump so dramatically?
14 What's the justification for the dramatic jump?

15 MR. RAICHE: All these jumps, every time we
16 see a dramatic jump, that is when the tunnel is
17 restructured because the price tag associated with the
18 tunnel is very large. So, that the question is, when
19 does that jump if you have a plan with the tunnel in it?
20 The only one that doesn't have a radical jump is the one
21 that doesn't have the tunnels, and that focus is on
22 storage and treatment.

23 COMMISSIONER BURROUGHS: I think another
24 thing you need to think about as you're looking at the
25 jump is the water quality implications, and it's my

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1 understanding, and Rich, correct me if I'm off here, if
2 we focus on capturing water and we get really good at
3 capturing water, we may still have lots of bacteria in
4 the river, and we way not meet our use attainability

5 goal. So, is that fairly accurate?

6 MR. RAICHE: Yes. There are background
7 loads that are currently not the responsibility of NBC
8 to handle.

9 COMMISSIONER BURROUGHS: So, we can look
10 really good in terms of how much water we collect, but
11 we may not be meeting our water quality objective
12 because there are things we don't control. I don't know
13 what to do about that.

14 RAYMOND MARSHALL: There's one thing I'd
15 like to add to that. It's not just a matter of
16 collecting a lot of water. Whatever we spend our money
17 on, we are going to improve water quality. Just like in
18 Phase 1, tremendous improvement of water quality. All
19 the numbers show it; all the antidotal reports we get
20 show it. The bottom line is, is in a rainstorm, the
21 receiving waters still don't meet water quality
22 standards because there are so many other sources. So,
23 that's the thing to bear in mind.

24 We will get improvements with whatever alternative we
25 or you choose, but we're still not going to meet water

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1 quality standards because there are so many other
2 sources that are contributing to the problem, and we

3 don't have control over those other sources.

4 COMMISSIONER WORRELL: I'd like to comment
5 on that. We don't, DEM doesn't, but EPA does, and EPA,
6 it seems to me, ought to be playing some sort of role of
7 arbitrator of what goes on in the upper Blackstone
8 Valley project, which is going on right now; I don't
9 know how successful it is, up in Worcester, where
10 they're rebuilding a 75-year-old facility.

11 RAYMOND MARSHALL: Well, I mean, you're
12 right. EPA has control of Massachusetts because they're
13 DEQE, or whatever they're called these days, does not
14 have the delegated authority. In Rhode Island, DEM has
15 the delegated authority.

16 COMMISSIONER WORRELL: Yes, but DEM in Rhode
17 Island can't control upper Blackstone.

18 RAYMOND MARSHALL: No, but they can control
19 Providence, Pawtucket, Central Falls and all the others
20 that are discharging stormwater into the receiving
21 waters, violating water quality in and of themselves,
22 never mind what we're doing. So, if we remove
23 everything, every drop of CSO, the stormwater still
24 violates water quality standards.

25 COMMISSIONER WORRELL: It's also true that

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1 Worcester doesn't do a good job of rebuilding their
2 plant up there. I mean, we can build the best plant in
3 the world, we can get water quality, we can have a
4 stormwater program here in Rhode Island, and Worcester
5 can keep flushing the toilet on us, and that's a very
6 real part of this problem.

7 RAYMOND MARSHALL: Unfortunately, I have to
8 say that I believe that upper Blackstone is doing more
9 to address that situation than any of our member
10 communities are doing to address their stormwater
11 situation. I think that's a fair statement. I don't
12 know if Tom --

13 MR. UVA: Worcester is in compliance.
14 Worcester's done a great job. Of all of the rivers that
15 discharge bacteria in this upper bay region, the
16 Blackstone River is the cleanest. It's in compliance
17 about 70 percent of the time in dry weather.

18 We sample upstream of all of our CSOs to see what
19 comes down the rivers, and none of the rivers meet water
20 quality standards for bacteria in wet or even in dry
21 weather; so the Blackstone is by far the best.

22 COMMISSIONER WORRELL: We're further than
23 the Blackstone.

24 MR. UVA: The Blackstone is the best of all
25 of the rivers that empty here into the Providence area.

1 COMMISSIONER NATHAN: Which are the worst?

2 MR. UVA: Woonasquatucket, Moshassack River.

3 So, all of the rivers are 0 percent compliant, if you

4 look at it in wet or dry weather. So, there could be

5 bird populations, there could be animals, there could be

6 stormwater.

7 We sample our stormwater outfalls from the cities and

8 towns, and there's essentially raw sewerage that comes

9 out of the cities and towns going in. So, that's where

10 a lot of the problems are. They have to be addressed on

11 the municipal level.

12 CHAIRMAN MESOLELLA: So, at this point, I'd

13 like to make a recommendation. We'll do whatever you

14 want to do. Rich said he had about 6 or 7 more slides

15 to get through. What I'd like to propose is, I know

16 there are a lot of issues, and it's a very protracted

17 discussion because it's a very important discussion

18 because it's going to impact our ratepayers for the

19 next, for a very long time.

20 So, I would like to offer this, let Rich get through

21 his presentation, and maybe we can talk about doing a

22 workshop, specifically on this issue, and then we can

23 take a couple of hours or whatever amount of time you

24 want to take.

25 I want to make absolutely certain that all of our

1 commissioners, and we have a lot of commissioners that
2 are not here today. How many are we missing, Karen?

3 MS. MUSUMECI: Six.

4 CHAIRMAN MESOLELLA: The Chair of Finance is
5 not here and the Vice Chair is not here, and it's
6 important, I think, they understand the gravity of this
7 presentation as well.

8 So, I would like to offer this. I'd like to offer
9 that Rich finish up his presentation. You can kind of
10 absorb it the best that you can. There's a lot of
11 information being offered in a very short time and that
12 we schedule a workshop, specifically on this issue, for
13 a couple of hours, or whatever time it takes.

14 Some time prior to our January meeting, we'll have
15 Karen poll the members to see what their availability
16 is. I know it's the holiday season, but this is a very
17 important matter that needs to be vetted by the board,
18 and we need to take all the time that we need to do
19 that. Does anybody have any problems with that
20 suggestion?

21 COMMISSIONER MILAS: Vinny, would it be
22 possible for us to present questions prior to that so
23 that you're prepared at the meeting so that we all can

24 submit questions?

25 CHAIRMAN MESOLELLA: Yes. I was going to

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1 say, let's go through it, take your notes, and then
2 we'll get through it, and we'll have some lunch, and
3 prior to our January meeting, whenever we have that, I
4 know it's scheduled for January 13th, but that's not
5 cast in stone, but we'll try to get everybody together
6 before then. If not, then we can always move the board
7 meeting, the presentation, or we can make arrangements
8 for that.

9 We can talk about this all day because there's a lot
10 of information in a short period of time. So, does
11 anyone have any problems with that?

12 THE COMMISSION: (No response)

13 CHAIRMAN MESOLELLA: All right, Rich, so why
14 don't you wrap up and go through your slides.

15 MR. RAICHE: So, in terms of what the
16 projected bills are, and this initial jump here has
17 nothing to do with Phase 3 whatsoever, that's residual
18 of Phase 2, the plant work. So, essentially, we're
19 starting off with bills just up of \$500 per household.
20 They're average bills for an average household.

21 COMMISSIONER DiCHIRO: Is it yearly?

22 MR. RAICHE: Yearly, correct. Yearly on
23 this axis we're talking about 500, and monthly on this
24 axis they're about \$40 per month.
25 Alternative 1, which does everything all together,

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1 your bill jumps, essentially, almost doubles. The bills
2 are a little over 800. Alternative 2, again, a lot of
3 those same components but spaces them out of time. We
4 keep the rates moderate through most of the program and
5 then jump up at the conclusion at 2030 to about \$770 per
6 year or \$64 per month.

7 Alternative 3, which just shifts the timing of the
8 tunnel. Eventually, at the end of the program we catch
9 up, 2 and 3 end up at the same point. The only
10 difference is how long do you delay the big rate
11 increases?

12 Alternative 4 has moderate increases over the entire
13 lifecycle, settling in at about \$52 per month.

14 COMMISSIONER WORRELL: Excuse me, are these
15 present value, 2014 dollars?

16 MR. RAICHE: These ones are 2015 dollars.

17 COMMISSIONER WORRELL: Well, if you present
18 value that back to today, it's a lot less.

19 RAYMOND MARSHALL: Right. I don't think

20 there's a calculation that you're asking for has been
21 done yet. That might be one thing that we will need to
22 do, but what we try to do is, we try to put it in
23 today's dollars because who knows in 2048 what \$100 or
24 \$1,000 is really going to mean to anyone. But I
25 understand that your question, you're thinking present

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1 value.

2 COMMISSIONER WORRELL: People can only think
3 in present value dollars.

4 MR. RAICHE: These numbers are 2014 dollars
5 (indicating), so this doesn't have any escalation over
6 time because they're all 2014 dollars.

7 In terms of exactly what you were asking, the
8 incremental rate increases year over year, this is a
9 very hard graph to read, unless you have very good
10 eyesight, but this shows what the rate jumps are in any
11 given year associated with what gets constructed.

12 So, essentially, the very large jumps are in years
13 where you've got tunnel construction, whether it be 1 or
14 2 or 3, and then it's smaller increases as smaller
15 pieces are constructed.

16 Now, what EPA expects you to do is spend 2 percent of
17 median household income on Clean Water Act projects, so

18 as it currently stands, the Clean Water Act projects
19 that are on the table are the CSO projects and the
20 commitment that NBC has to operate the existing plants
21 and maintain the existing networks.

22 So, all of the O and M, the Phase 1 and 2 debt
23 service and the Phase 3 capital expenditures are rolled
24 up into these graphs and measured the average annual
25 bills against median household income.

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1 So, if you just look at the face of it, just the NBC
2 costs for the entire service area, all of the options
3 are below the 2 percent. So, if we stopped the
4 negotiation there, EPA says, all of Phase 3 is
5 affordable, go do it.

6 We'll point out for you on the next slide, there are
7 improvements in terms of affordability for Alternative
8 2. Again, 2 and 3 are very close, and 4 is
9 significantly different.

10 We have a refined way of looking at these. We
11 actually break down the bills by census tracks. I'll
12 move through this very quickly because the bottom line
13 is that for the cities, the impact and the affordability
14 is a lot larger than the district as a whole, and the
15 most telling case of those, the one with the largest

16 population, is the City of Providence.
17 So, a negotiating tactic that other districts have
18 done is go to EPA and say, look. We can't average this
19 out over our entire service area because we have income
20 discrepancies. Let's look at a number of communities
21 that are on the lower end. So, in this case, Providence
22 is a very telling case.
23 When we look at just the City of Providence's median
24 household income versus these bills, you see that doing
25 everything all upfront tips it over that 2 percent

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1 affordability. Spacing things out for Alternative 2
2 keeps you just under.
3 Again, Alternative 3 is very similar. It just delays
4 when you catch up to that, and Alternative 4 remains
5 well below the affordability limit, which would mean, in
6 a negotiation stance, that EPA would say, you're not
7 spending enough. You have to do more than Alternative
8 4.

9 COMMISSIONER BURROUGHS: Plus, if I
10 understand correctly, there are other costs beyond the
11 ones you've tabulated, which hypothetically could be --

12 MR. RAICHE: The first step in the
13 negotiation on extending the schedule or doing something

14 different is distilling it down and residential and
15 district-wide, is look at a member community or a number
16 of member communities.

17 The next step is that that 2 percent affordability
18 threshold is for Clean Water Act commitment, so anything
19 that would address sanitary infrastructure or stormwater
20 infrastructure is game.

21 The problem that we have sitting right now in late
22 2014 is that for the most part, with the exception of
23 East Providence and Lincoln and Johnston, you have a
24 decent handle on your systems. None of the member
25 communities have robust capital improvement programs or

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1 robust O and M, so when you layer your current spending
2 on top of this, it doesn't look that dramatic.

3 However, for the City of Providence, in particular,
4 also true for Pawtucket, you look at the age of their
5 systems and what could reasonably be expected to be
6 required, those numbers go up significantly higher.

7 Now, this is, a first cut at it would be negotiations
8 from EPA to buy into these numbers, but if you look at
9 what Providence could be spending on its own
10 infrastructure that layers on top of NBC's expenditures,
11 all of the alternatives go above that 2 percent

12 threshold. So, that's the analysis that is being done
13 and needs to be looked at a little bit more. Do you
14 want to break into --

15 CHAIRMAN MESOLELLA: I'll tell you what, why
16 don't we just conclude it, and we'll take it up at the
17 workshop.

18 MR. RAICHE: So, I think at the workshop, we
19 can look at comparing these things against each other.
20 There's kind of no point in trying to summarize it. I
21 think that's enough information for everyone to absorb.

22 COMMISSIONER WORRELL: Could we get copies
23 of some of these graphs?

24 MR. RAICHE: Absolutely.

25 RAYMOND MARSHALL: We will post this

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1 particular presentation on the commissioners' website
2 so that you can look at it to address Commissioner
3 Milas's point.

4 If you have questions or you think there's something
5 missing, send an e-mail to Karen Musumeci, funnel
6 everything through her, and that way there's just one
7 sure contact, and then she'll make sure that it gets to
8 the appropriate people so the work can get done.

9 One thing I wanted to leave you with. Remember, this

10 is, basically, just for CSOs. No one knows what
11 stormwater's going to cost, no one knows what all the
12 lab and sewer work is going to cost, so you have to add
13 all of those labs, whatever the cost of the CSO option
14 is because it's the same people who are going to be
15 paying the bills, whether we're sending it, East
16 Providence is sending it, Central Falls is sending it,
17 and that could be part of that workshop that the
18 chairman has suggested.

19 CHAIRMAN MESOLELLA: There's a lot of
20 information here, and we need to set some time aside so
21 everyone has a comprehensive understanding of the
22 consequences of our actions. So, all right.

23 COMMISSIONER CARLINO: I think it's a great
24 idea to have the workshop. So, we have nothing else to
25 report on Long Range Planning.

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1 CHAIRMAN MESOLELLA: Moving along, Citizens
2 Advisory Committee. Harold, where is he? So, Harold
3 left. Compensation Committee didn't meet. Ad Hoc
4 Internal Ethics Committee, the Executive Committee
5 didn't meet. Joanne, there's no Legislative Report
6 today, I would assume?

7 MS. MACERONI: No, there isn't, Mr.

8 Chairman.

9 CHAIRMAN MESOLELLA: No Legislative Report.

10 So, in the Chairman's Report, Commissioners, as you

11 know, I did appear at the last meeting of the

12 stakeholders. I did present what I thought was a

13 paramount issue confronting our board.

14 I expressed that I believe I have the support of the

15 board when I talk about how do we proceed with this

16 project. We have to be mindful of cost benefit ratios,

17 and you've seen a little bit of some of the options that

18 are available to us; I will discuss that again, and I

19 did emphasize from the board's perspective, paramount,

20 Commissioner Worrell, in our mind is impact to our

21 ratepayers. I thanked them on behalf of the commission

22 for all their time and their effort.

23 The next board meeting is scheduled for January 13th.

24 Depending on everyone's availability for the workshop,

25 we'll kind of play with that date, but put that in your

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1 calendar.

2 The only other thing, we're not going to be meeting

3 prior to the holiday, so I would just like to take this

4 opportunity to extend to all of you the very best

5 holiday season and a safe one as well, and to your

6 families, all of your families as well.

7 Having said that, is there any new business to come
8 before the commission?

9 THE COMMISSION: (No response)

10 CHAIRMAN MESOLELLA: New business. No new
11 business. Any other business of any kind? Any
12 business?

13 THE COMMISSION: (No response)

14 CHAIRMAN MESOLELLA: Commissioner Montanari,
15 are you making a motion to adjourn?

16 COMMISSIONER MONTANARI: I am.

17 CHAIRMAN MESOLELLA: Well, thank you very
18 much, everyone, for attending today. We have a holiday
19 lunch which is prepared and ready for you. So, thank
20 you, thank you, thank you very much for all of your
21 efforts all year long and the best holiday season.
22 Thank you.

23 Motion to adjourn, it's been seconded. All in favor
24 of adjournment say aye.

25 THE COMMISSION: Aye.

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1 CHAIRMAN MESOLELLA: Any opposed?

2 THE COMMISSION: (No response)

3 CHAIRMAN MESOLELLA: None opposed, and the

4 motion carries. Thank you very much.

5 (MOTION PASSED UNANIMOUSLY)

6 (BOARD OF COMMISSIONERS MEETING CLOSED AT 12:19 P.M.)

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I, Heather Marie Finger, do hereby certify
that the foregoing is a true, accurate, and complete
transcript of my notes taken at the above-entitled
hearing.

IN WITNESS WHEREOF, I hereunto set my hand
this 29th day of December 2014.

HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
MY COMMISSION EXPIRES 4/02/16

DATE: December 9, 2014
IN RE: Board of Commissioners Meeting
HEARING OF: Narragansett Bay Commission

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

NARRAGANSETT BAY COMMISSION

IN RE: NBC MONTHLY BOARD MEETING
OF THE COMMISSION

DATE: October 28, 2014
TIME: 11:00 A.M.
PLACE: Narragansett Bay Commission
Corporate Office Building
One Service Road
Providence, RI 02905

COMMISSIONERS:

Vincent Mesolella, Chairman
Angelo Rotella, Vice Chairman
Raymond Marshall, Executive Director & Secretary
Mario Carlino
Michael DiChiro
Seth Handy
John MacQueen
Joan Milas
Richard Worrell
Alessandro Montanari
Robert Andrade
Paul Lemont
Alan Nathan
Michelle DeRoche
James Bennett
Richard Burroughs
Bruce Campbell
Jonathan Farnum
Joseph Kimball

1 OTHER ATTENDEES:

2 Jamie Samons, NBC
Thomas Uva, NBC
3 Laurie Horridge, NBC
Jennifer Harrington, NBC
4 Joanne Maceroni, NBC
Tom Brueckner, NBC
5 Sherri Arnold, NBC
Gail Degnan, NBC
6 Harold Gadon, NBC
Leah Foster, NBC
7 Karen Musumeci, NBC
Cecille Antonelli, NBC
8 John Motta, NBC
Deborah Samson, NBC
9 Richard Bernier, NBC
Jean Lynch, CAC
10 Diane Buerger, NBC
Christine Comeau, NBC
11 Eliza Moore, NBC
Rich Raiche, MWH
12 Greg Baird, MWH
Kathryn Kelly, NBC
13 Kerry Britt, NBC
James Kelly, NBC
14 George Palmisciano, Pare Corp.
Karen Giebink, NBC
15 Paul Nordstrom, NBC

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1 (HEARING COMMENCED AT 11:05 A.M.)

2 CHAIRMAN MESOLLELA: Okay. Good
3 morning, everyone. Recognizing a quorum. We
4 will begin the meeting of the Narragansett Bay
5 Commission Board of Commissioners, October 28th,
6 2014, at 11:05. First order of business is the
7 Approval of the Previous Minutes.

8 UNIDENTIFIED SPEAKER: Motion to
9 approve.

10 CHAIRMAN MESOLELLA: This is going
11 to be quick. Everybody wants to get out of here
12 this morning. By having a motion to approve,
13 I'm assuming all of our commissioners had an
14 opportunity to review the minutes? Are there
15 any comments or questions? Commissioner
16 Kimball?

17 COMMISSIONER KIMBALL: Mr.
18 Chairman, I had a chance to go through the
19 minutes and -- I will make a motion that we
20 postpone the vote on the minutes until we have a
21 chance to make some edits.

22 CHAIRMAN MESOLELLA: Okay. We have
23 a motion to delay the previous motion on the
24 table, amend the motion. Seconded by
25 Commissioner Farnum. I don't think any of our

1 members have a problem with giving Commissioner
2 Kimball an opportunity to edit the previous
3 minutes. All in favor of postponing approval of
4 the previous minutes will say aye. Are there
5 any opposed? There are none opposed, and the
6 motion carries. Thank you, very much,
7 Commissioner Kimball.

8 (UNANIMOUS VOTE)

9 CHAIRMAN MESOLELLA: Item Number 3
10 is Acknowledgement of Awards. Mr. Secretary?

11 MR. MARSHALL: Thank you, Mr.
12 Chairman. We have four awards today that we're
13 very proud to have won by our very competent
14 staff, and I'm going to take them one at a time.

15 The first one is the Water
16 Environment Federation Award. This is a
17 national organization that represents all facets
18 of the wastewater industry, including
19 engineering operations and management. And we
20 received a water quality improvement award on a
21 national level. And these individuals have had
22 a key role in putting together the application,
23 it's a lot of work and it resulted in winning
24 this award. We have staff from the Policy,

1 Operations and Engineering Division. So if the
2 individuals, as I call their name, please come
3 up here. They include Christine Comeau, our
4 environmental scientist, Steve DePasquale
5 representing the Water Quality Monitoring Team,
6 Nora Lough, who's our biologist, and from
7 operations and engineering, Katherine Kelly,
8 senior environmental engineer. So if you all
9 come up.

10 (APPLAUSE)

11 MR. MARSHALL: Why don't you guys
12 move over this way.

13 CHAIRMAN MESOLLELA: Right over
14 here. Jamie?

15 MS. SAMONS: You look fantastic.
16 Great.

17 CHAIRMAN MESOLELLA: Thank you,
18 very much.

19 (APPLAUSE)

20 MR. MARSHALL: The Narragansett
21 Wastewater Pollution Control Association is our
22 safety award and it's the result of the great
23 safety program that we have here at the bay
24 commission. And all of our employees are

25 exposed to some safety training when they come

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1 on board. Some of the programs that they go
2 through are annual updates. Dave Aucoin is the
3 one that runs that program for us. Dave is away
4 at a safety seminar today, so he's not able to
5 come up and receive the award. So he requested
6 to Jim McCaughey, so we're going to have Jim
7 come up and take all the credit for Dave
8 O'Coyne.

9 (APPLAUSE)

10 CHAIRMAN MESOLELLA: Here you are.
11 Hold on to that.

12 MR. MARSHALL: We'll photo shop
13 him. Good job, Jim.

14 (APPLAUSE)

15 MR. MARSHALL: All right. Now, the
16 next award -- this might be the most fun award.
17 This is the New England Water Environment
18 Association. That is the regional arm of the
19 Water Environment Federation who gave us the
20 first award. So regionally, what you have are
21 teams of operation maintenance lab, and yeah, I
22 guess that's it -- individuals who have
23 challenges in five or six different areas:

24 Process control, laboratory testing, safety,
25 pipe repair, and setting up a bypass pumping

7

1 operation. So you put together your team, and
2 the teams compete, and then you look at where
3 you rank in each of those categories, and then
4 they combine them all. I think our team
5 finished in third place in every one of those
6 categories, but collectively, they finished in
7 first. It is the environment federations form
8 of the Stanley Cup. And then they went to the
9 national. They also went to the national
10 competition. That was in late September, as I
11 remember, down in New Orleans. Hopefully, they
12 behaved themselves. And they competed down
13 there, and I think out of 50 teams nationally, I
14 think we finished somewhere in the middle of
15 that group. So a great job. Hopefully next
16 year they'll do even better and finish higher
17 nationally. I won't put any pressure on you
18 guys. But I'd like Mike Spring, Joe Crosby,
19 Mike Ceasrine and Ed Davies to come up.

20 (APPLAUSE)

21 CHAIRMAN MESOLELLA: All right, so
22 who's the team captain? All right. You get the
23 big award. You get to hold the big trophy.

24 I'll hold on this for you. All right.

25 MS. SAMONS: Are you ready? You

8

1 look great. Awesome.

2 CHAIRMAN MESOLELLA: All right.

3 (APPLAUSE)

4 MR. MARSHALL: You have to hold

5 that above your head like this.

6 CHAIRMAN MESOLELLA: You got a

7 chance to run around the table.

8 MR. MARSHALL: You have to pass it

9 off to one another so you each have it for a

10 week. That will go through the piping.

11 The last item is the Construction

12 Management Association of America Award. This

13 is for the work that we did during the

14 construction of the Field's Point Wastewater

15 Treatment facility, being our upgrade, and our

16 construction team who we'd like to acknowledge

17 for all the great work they did. That was a

18 project that finished about one year early. And

19 as a percent of the bid price, it was something

20 like 1.7 percent of the bid price, so it was

21 really a well-run job, and I want to thank and

22 have -- come up here to be acknowledged, Manny

23 Enos, Dennis A. Russo, and Joe Medina.
24 (APPLAUSE)
25 CHAIRMAN MESOLELLA: Commissioner

9

1 Rotella?
2 MR. ROTELLA: We have about 10
3 meetings a year, I guess, and it seems like six
4 or eight of them, we start with awards ceremony.
5 I think that's a great tribute to all these
6 people who work here. And I think it's
7 something that we should definitely continue to
8 do, obviously, win awards, but recognition is
9 most important. And I think for the board to
10 see how many times our employees are recognized
11 for overall access. It's a tribute for the
12 people who work for us, and the people who work
13 for the people of Rhode Island. And I think
14 it's very important that we acknowledge
15 everything they do, and one more round of
16 applause.

17 (APPLAUSE)

18 CHAIRMAN MESOLELLA: Well said,
19 Commissioner Rotella, and ditto, I think on
20 behalf of the entire commission. I thank all of
21 you for your dedication. We truly appreciate
22 it. Okay, moving right along.

23 Next order of business is Item
24 Number IV, which is the Executive Director's
25 Report,

10

1 Mr. Secretary, do you have a report?
2 MR. MARSHALL: Yes, I do. Just to
3 add to what the Chairman and the Vice Chairman
4 have said. When I asked the directors who
5 they'd like to come up to receive these awards.
6 They always pick the staff members who were most
7 instrumental in having us actually win those
8 recognitions. So, I think that's a great thing.
9 We actually get to see the faces of the people
10 who are on the front lines. So with that, both
11 Field's Point and Bucklin Point are coming to
12 the end of their seasonal permit for nitrogen.
13 It ends in a couple of days, October 31st. The
14 plants are operating well and they're in full
15 compliance, so we're very thankful for that.
16 Staff at both facilities have done a great job
17 running these new more sophisticated operations
18 and, I want to thank them for that. By the way,
19 this is all under the direction of Paul
20 Nordstrom, who does a great job cultivating his
21 people and making sure that they're well trained

22 for any new challenges.
23 At Field's Point, we're still
24 working on that problem with the aeration
25 blowers that I mentioned to you last month. We

11

1 have met with the, actually, the president of
2 the company that supplied the blowers and we're
3 working out a resolution to the situation. Once
4 we get to November 1st, the heat will be off a
5 little bit. We don't have to remove nitrogen at
6 that point. We still need to keep the process
7 active, and we'll be under less stress. But we
8 do need to get ready for next season. And in
9 the mean time, our new blowers, or if we're
10 going to change technology can be nine, ten
11 months each year, so we need to stay focused on
12 that and make sure that we get everything
13 straightened out for the period that begins May
14 1st, which is when the nitrogen limits will kick
15 in again.

16 Phase II is the CSO program under
17 Rich Bernier's direction is continuing to
18 progress, and we are coming to completion on
19 more jobs each and every month. The most
20 notable one at this point is the work around
21 Miriam Hospital, which was very sensitive in

22 terms of maintaining access to that facility at
23 all times. We completely surrounded the
24 hospital, really. We had a project north of
25 hospital, south of the hospital, and west of the

12

1 hospital. So our construction staff lead by
2 Rich did a great job coordinating with the
3 facilities and medical people at Miriam
4 Hospital. And I believe the last bit of paving
5 in front of Miriam Hospital is either being done
6 today or was done yesterday. So, hopefully,
7 we'll quietly fade into the sunset, and like we
8 were never there. Those are jobs that are
9 always the best when you get them done and no
10 one really even knows that you were out there.

11 Phase III of the CSO program we had
12 our 5th Stakeholder's Meeting last Thursday. We
13 have one more scheduled for November 13th, and
14 Tom Brueckner's been leading the charge on this.
15 And today, you'll hear a presentation from the
16 consultant on that project, MWH, and that will
17 happen at the end of the meeting as the chairman
18 invites you up to grab your lunch. So we'll
19 bring you up to date on everything that's
20 happening on Phase III and you can ask any

21 questions that come to mind.
22 Resource Recovery: They're going
23 to start sending their flows to us. They'll
24 come down to Field's Point starting on or about
25 November 11th. It'll start out somewhere in the

13

1 order of 260, 270,000 gallons a day, so that
2 will be additional revenue. I don't know what
3 that equates to exactly in terms of additional
4 revenue, but we're starting that progression.
5 At some point in the future, they'll be sending
6 us somewhere, I think, around 650,000 gallons a
7 day. And it also opens up more opportunities
8 for more customers. There's a nursing home out
9 there that we're looking to connect, as well as
10 a number of homes and other industries.

11 We did have one dry weather
12 overflow event about two weeks ago. Their flow
13 went into the Blackstone River. It was the
14 result of a City of Pawtucket Sewer collapsing.
15 It backed up. And the pipe it had to relieve
16 itself was through our combined sewer overflow
17 pipe. So because it came out of our pipe, it's
18 our problem. But we immediately went into extra
19 sampling mode. Tom Uva had his teams out there
20 for the next several days. We monitored. And

21 the laboratory did the analysis. We fed the
22 information to the DEM and the Department of
23 Health. And the bay had been closed anyway
24 because of some big rainstorms, but it was going
25 to end at, say, today at noon, just as an

14

1 example. But because of the overflow they had
2 to extend it one more day. But what we proved
3 was that even though a million and a half
4 gallons went over into the Blackstone River, it
5 did not impact the shellfishing beds. It shows
6 you how valuable the testing we do each and
7 every day really is, because you can use it not
8 only in your long-term assessment of what's
9 happening in your receiving waters, but what
10 happens when an event unfortunately occurs.

11 You heard Karen Giebink talk about
12 the refinancing we did on the 2005 Series A
13 Bonds. We replenished about 40 million dollars
14 in total, and that will result in a 10.4 million
15 dollar savings. So Karen did a nice job in
16 making sure that we were out there ready to take
17 advantage of the market situation. The PUC
18 approved our rate increase. It will be 3.97
19 percent effective September 19th, so going back

20 about a month.

21 So that's good news. And our wind
22 turbines generate renewable energy credits, as
23 you probably heard me report on. Just a quick
24 update of where we are on those. In 2013, the
25 renewable energy credits resulted in \$410,600

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1 worth of revenue to the Narragansett Bay
2 Commission. For the first half of 2014, we now
3 have been able to earn another \$266,200 for a
4 total in 18 months of \$676,800.

5 So that's money that we use to
6 defray the cost of our operating our facilities,
7 of course, and also that's another item or
8 another item in the calculation in terms of
9 payback. On October 16 we had a lien sale. We
10 started out originally with 281 accounts, only
11 about \$425,000. When we finally went to the
12 sale, we sold 33 out of the 34 liens that still
13 existed.

14 At that point, all the others had
15 been resolved either by the owners or the
16 lenders coming in or Rhode Island Housing. And
17 Lori Horridge and Jen Harrington lead the charge
18 on this effort. This is done twice a year. So
19 the total collection on those outstanding

20 accounts ended up being \$466,000 of revenue that
21 seemingly would not been able to be collected in
22 any other way. The executive staff lead by
23 Joanne and Jen have been extending a lot of
24 effort analyzing the bill know as the Sheehan
25 Bill, which is the Quasi-Public Transparency

16

1 Act. They met with the Rules and Regs Committee
2 today, and Chairman DiChiro will report on that
3 shortly and finally as part of the personnel,
4 the Personnel Committee when they report I will
5 give you an update on the changes. We're
6 implementing at the Bucklin Point Treatment
7 Plant, and with that, I'm done Mr. Chairman.

8 CHAIRMAN MESOLELLA: Thank you,
9 very much. You have heard the Executive
10 Director's Report. Do any of our commissioners
11 have any questions regarding the Executive
12 Director's Report? Hearing none. Okay.

13 Moving right along. Item Number 5
14 which is Committee Reports and Action Items
15 Resulting. The first committee reporting would
16 be the Construction Engineering and Operations
17 Committee. Commissioner MacQueen, do you have a
18 report for us today?

19 MR. MACQUEEN: Yes, I do.
20 CHAIRMAN MESOLELLA: Proceed.
21 MR. MACQUEEN: Review and Approval
22 of Resolution 2014:25; Award of Contract 127.00C
23 Field's Point WWTF Electrical Substation Number
24 1 Upgrade.
25 MR. MARSHALL: Yes, sir. One of

17

1 our main substation at Field's Point designated
2 as number 1, when we inspected it several months
3 ago, it was clear that it needed some upgrading.
4 It's been in service for quite a while.
5 Replacement parts are hard to come by for older
6 units such as these, and so we put together a
7 package of plans and specs to replace the
8 substations, and we received four bids on
9 October 7. The bids range from 1.375 to 1.95
10 million.

11 The low bidder was E.W. Audet &
12 Sons, Inc. Our construction staff had an
13 extensive discussion with them to make sure they
14 were comfortable with their bid, and they said
15 that they had spent a lot of time compiling it,
16 and that they felt that they could successfully
17 complete the project for that price. We are
18 familiar with E.W. Audet & Sons, Inc.

19 They have done work for us both as
20 a primary and subcontractor in the past, and
21 they have always done very good work, and we
22 believe they're fully capable of completing this
23 job. So what Resolution 2014:25 asked for is
24 for your permission to award the project,
25 Contract 127.00C to E.W. Audet & Sons for the

18

1 amount of 1 million 375 thousand dollars subject
2 to MBE, WBE and EEO requirements of the
3 Department of Administration.

4 MR. MESOLELLA: Okay, so having
5 heard the explanation, Commissioner MacQueen
6 moves approval of Resolution 2014:25, seconded
7 by Commissioner Montanari. Is there further
8 discussion, comments or questions with regard to
9 Resolution 2014:25. Commissioner Campbell?

10 MR. CAMPBELL: I noticed that two
11 of the bidders have the name Audet in it. I'm
12 just curious what's the connection, if there was
13 a connection?

14 MR. MARSHALL: They're brothers.

15 MR. CAMPBELL: Oh, they're
16 brothers.

17 MR. MESOLELLA: Commissioner

18 Carlino?

19 MR. CARLINO: Has this company

20 worked for us?

21 MR. MARSHALL: Yes, they have, both

22 as a subcontractor.

23 MR. MESOLELLA: And the work was

24 satisfactory and they completed on time.

25 Commissioner Kimball?

19

1 MR. KIMBALL: Mr. Chair, I should

2 probably recuse myself. Audet & Sons, Inc., is

3 a client of ours.

4 CHAIRMAN MESOLELLA: Okay, let the

5 record reflect that Commissioner Kimball has

6 recused himself from consideration of this

7 particular matter. Further discussion, comment

8 on Resolution 2014:25? Hearing none. All of

9 those that are in favor will say aye? Are their

10 any opposed? There are none opposed and the

11 motion carries.

12 (UNANIMOUS)

13 CHAIRMAN MESOLELLA: Is there a

14 further report?

15 MR. MACQUEEN: That's all I have.

16 CHAIRMAN MESOLELLA: No further

17 report. Thank you. The next committee

18 reporting is the Personnel Committee.
19 Commissioner Campbell, do you have a report for
20 us today?

21 MR. CAMPBELL: Yes. The Personnel
22 Committee met and considered a proposal to amend
23 the organizational plans that's related to the
24 position of operations manager at Bucklin Point.
25 And I'll turn it over to Ray to explain.

20

1 MR. MARSHALL: Thank you. At
2 Bucklin Point we have an interesting model over
3 there that we've used for the last 15 years.
4 The bulk of the operation and maintenance
5 personnel at the Bucklin Point treatment
6 facility are Narragansett Bay Commission
7 employees.

8 The supervisory staff and the
9 plant's superintendent and the maintenance
10 supervisor are part of a contract operations
11 firm. At this point it's United Water. This is
12 the model that we went to back in the middle of
13 1999 when we made our final break from the State
14 of Rhode Island. They were handling our
15 personnel administration, and we felt that we
16 could handle it better ourselves, and we

17 negotiated our way out.

18 At that point in time, we had 56
19 employees staffed at Bucklin Point. One of them
20 was a non-union person. On July 1st, what we
21 ended up with was five contract individuals.
22 They belong to a firm called PSG, which has now
23 been bought out by another larger corporation,
24 and we have 31 Bay Commission people, so we
25 reduced the staff significantly.

21

1 The savings, it was about \$700,000
2 a year, as I remember it, and that is carried
3 forward, of course, for all of these 15 years.
4 And now we have a new model, and it has worked
5 well up to this point, but we think we have now
6 reached the point in time where we can take over
7 the supervisory duties ourselves.

8 As of July 1, we had 34 Bay
9 Commission employees with seven contract
10 operations people. What this will do is it will
11 put the facility on a par with what we do at
12 Field's Point, where everyone is a Bay
13 Commission employee, we have supervisory staff
14 that were non-union and operations and
15 maintenance staff who are union individuals.
16 This will follow the same model. This will not

17 take effect until July 1st of 2015.

18 So what we will do is that any
19 money that is currently allocated or earmarked
20 for the contract operations firm will simply be
21 used to staff the facility ourselves. So we'll
22 be hiring people. It's a great opportunity for
23 a lot of the young people that we now have in
24 our organization at the operation of maintenance
25 level who are very capable, very motivated in

22

1 looking for a career path. We've actually had
2 some people who fall into that category leave us
3 over the past two or three years because they
4 felt that there's greater opportunity elsewhere.
5 They didn't see any upward mobility, and this
6 will provide that.

7 We have other very talented people
8 who are ready to make a move now. And actually,
9 a few that we think are interested in coming
10 back if they see the opportunity over the next
11 five, ten, fifteen years for them to advance,
12 so, I fully support this request by Paul
13 Nordstrom. I think it's a great idea. It will
14 not impact -- at all because the first thing
15 we'll do is we'll post the position that the

16 Personnel Committee approved today to reactivate
17 the operations manager at Bucklin Point.

18 We fully expect that that's going
19 to be an internal hire, and so that individual
20 is already on our payroll and now spends some of
21 their time getting ready for the transition
22 which will occur next July 1st. We will come
23 back to the Personnel Committee, and it will be
24 part of any FY16 Budget deliberations. That's
25 how we will staff the rest of the supervisory

23

1 positions at Bucklin Point once the contract
2 operator leaves. So we think it's a good move
3 at this point in time, and I'll be happy to take
4 any questions you have.

5 CHAIRMAN MESOLLELA: All right,
6 hearing the explanation, do any of our
7 commissioners have any comments or questions?
8 Commissioner Carlino?

9 MR. CARLINO: So this will effect
10 next years fiscal budget?

11 MR. MARSHALL: Yes.

12 MR. CARLINO: And the seven people
13 that work for United will be staffed, all seven,
14 correct?

15 MR. MARSHALL: Yes.

16 MR. CARLINO: And do you know if it
17 will cost more or less to the Bay Commission? I
18 know you said that United might pay more in
19 salary and benefits?

20 MR. MARSHALL: Yeah, all the
21 calculations that Paul has done, and he can go
22 into it, is he believes we can do it for --

23 MR. NORDSTROM: We think we can
24 save about \$200,000 a year but I will propose
25 that we go into next fiscal capital needs with

24

1 level funding. This way we may be able to shift
2 savings to support operating we have this year
3 and see what happens in the year and what the
4 expectation is. So we may have to shift at some
5 point in time that savings in the capital end.

6 MR. CARLINO: From a career path
7 perspective, I think this is a great idea. It
8 is all part of the Narragansett Bay Commission
9 and I think its great that the staff spends time
10 at both the Bucklin and Field's Point plants.
11 It's a great learning opportunity that they can
12 gain experience regarding the difference in
13 operations at each of the respective plants.

14 That people will spend time at

15 other plants so with people from Bucklin spent
16 time here atrophied point and try not to get a
17 different perspective. I'm sure both plans. Is
18 that something they do or no.

19 MR. NORDSTROM: We have already
20 begun to do this with our maintenance
21 departments. From a practical matter
22 standpoint, it doesn't make sense for us to have
23 a lot of specialized machine shop equipment at
24 both plants. The Field's Point machine shop,
25 although, small, has some high tech equipment

25

1 that we have been able to train Bucklin Point
2 mechanics on. Conversely, we have begun to
3 equip the Bucklin Point machine shop with
4 different specialized equipment with the goal of
5 training Field's Point mechanics.

6 So we've sent the candidates stuff
7 like that we have here, and outfitting the
8 maintenance, different types of machinery so
9 that Field's Point mechanics go over there, but
10 my expectation is this will start opening the
11 doors to other stuff.

12 CHAIRMAN MESOLLELA: So you raised
13 an excellent point, Commissioner Carlino, and I
14 think it's safe to say that initially when the

15 decision was made to go to contract supervision,
16 the reason the transition was made was not
17 primarily monetarily motivated. There were a
18 whole host of other issues surrounding that when
19 we contemplated making that decision.

20 It resulted in significant savings
21 in the end, and I suspect that, you know, we're
22 going to try to maintain that level of funding
23 at the same time, creating some multiple
24 mobility for the people, and maybe even get some
25 people back that we lost in the past as the

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1 result of this transition back to NBC control.
2 So there will be a grand of plan that we'll
3 bring before the board in the next couple of
4 months, but I think at the end of day you start
5 to look at succession planning, that this is our
6 first step in that process, and I truly and
7 sincerely endorse it. All right. So we don't
8 need a motion, right, a motion to adopt the --

9 MR. MARSHALL: In fact, the
10 Personnel Committee has sole responsibility for
11 that, but we did want to report to the full
12 board on what the long-term plan is.

13 CHAIRMAN MESOLELLA: All right.

14 So, okay, excellent. Further report,
15 Commissioner Campbell?
16 MR. CAMPBELL: No further report.
17 CHAIRMAN MESOLLELA: Okay, great.
18 The next committee reporting is the Finance
19 Committee. Commissioner Andrade, do you have a
20 report?
21 MR. ANDRADE: We have no report
22 today, Mr. Chairman.
23 CHAIRMAN MESOLELLA: No report from
24 the Finance Committee meeting. Long-Range
25 Planning.

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1 Commissioner Carlino?
2 MR. CARLINO: Yes. We met on
3 October 21st from 2 to 4. We had two action
4 items, one of which you're going to hear today.
5 It's regarding the CSO Phase III evaluation
6 update by MWH, which they'll do a presentation
7 today. So basically the concern of what we're
8 going to be seeing today is affordability and
9 how will the water quality be after Phase I and
10 II, versus III. So they're going to present
11 some of that to us.
12 So we spent about an hour on that,
13 and then we spent an hour on Mineral Spring

14 Avenue sewer, which if most of you recall, at
15 last month's meeting the mayor of North
16 Providence, Lombardi, and his staff were here to
17 ask if we would look at the possibility of
18 taking over a section of the pipe on Mineral
19 Spring Avenue. And the Executive Director and
20 the Chairman asked that we take, and the
21 Long-Term Planning Committee take a look at it.
22 So on the 21st we met. Staff provided us with
23 information regarding some visual manhole
24 inspections that they did and also some
25 maintenance problems that have occurred in the

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1 past. Also, the legal staff provided us with
2 the acquisition agreement, which we took a look
3 at. So there was no voting, it was just an
4 update. So what I'm providing to you today is
5 an update, also. So obviously, our biggest
6 concern is setting a precedent whatever we do
7 with North Providence, we're going to have to be
8 concerned with others.

9 So Commissioner Leone actually told
10 us that North Providence is replacing about 220
11 feet right now at a cost of about \$70,000. So
12 this line does not impact us, because if I'm

13 correct, it's actually separated. So one goes
14 towards Pawtucket, and the other one goes down
15 Mineral Spring. And the next step we took is
16 that once the repair is completed, we would go
17 out there and put a camera in the line to look
18 and see, look at the condition of that line.

19 And at that time the staff's
20 Executive Director will come back to us and
21 state whether or not the condition is good
22 enough for us to take it over. Will there be a
23 fee. That's all things that the Executive
24 Director and staff has looked at and will
25 provide to us so that we can vote on whether or

29

1 not we want to do this as a kind of a precedent.

2 And that's it.

3 MR. MARSHALL: No, that was fine.

4 MR. CARLINO: And that's all we
5 discussed, two hours. It was a good two hours.
6 That's all I have.

7 CHAIRMAN MESOLLELA: Thank you,
8 very much. So the next committee reporting is
9 Rules and Regulations. Commissioner DiChiro, do
10 you have a report for us today?

11 MR. DICHIRO: Yes, Mr. Chairman,
12 the Rules and Regs met, and we discussed a

13 number of drafts as additions to the NBC Policy
14 Manual, and all of these drafts have to do with
15 the Sheehan Bill that was introduced at the
16 State House and became law. That bill calls for
17 open transparency and government of
18 quasi-publics such as Narragansett Bay.

19 So I believe what staff has done,
20 and Joanne in particular, is draft these policy
21 manual changes to reflect what is actually done
22 here at the Narragansett Bay Commission already,
23 but to make it compliant with the Sheehan Bill
24 and the requirements under that bill. But most
25 of these are policies that are already followed

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1 at the Bay Commission, but the crux of this is
2 to in the end it deals with matters such as
3 internal accounting, administrative controls,
4 environment and costs on their employee
5 reimbursement.

6 If you want to take those
7 individually, but at the end a lot of that is
8 day-to-day management of the Bay Commission.
9 And I guess what we have to do as a commission
10 is give that authority to the Executive Director
11 to do that and just reaffirm that he has the

12 authority to do these day-to-day matters, handle
13 these day-to-day matters without coming to the
14 board to approve every individual matter.

15 But I guess the second summary, the
16 Bay Commission already follows all of these
17 procedures that are required by the Sheehan
18 Bill, but we want to codify that and make this
19 an amendment to our policy manual.

20 CHAIRMAN MESOLELLA: And is that
21 what this document is?

22 MR. DICHIRO: Yes.

23 CHAIRMAN MESOLELLA: This is the
24 recommendation for adopting these draft
25 requirements of the Sheehan Bill?

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1 MR. MARSHALL: Well, what the top
2 sheet is is that's the actual act itself, then
3 behind it, next month we'll come back with the
4 Rules and Regs policies, or come back with a
5 resolution and all the attached policies, and
6 then the Rules and Regs Committee can vote, and
7 then the full board can vote on it.

8 MR. DICHIRO: Correct, and my
9 understanding is that we'll do that at the
10 December board meeting formally.

11 CHAIRMAN MESOLLELA: So we're just

12 accepting this --

13 MR. DICHIRO: This draft advisory
14 opinion. At this point, we're going to formally
15 going to vote on it. At the December meeting,
16 that will give members a chance to look at it.

17 MR. MARSHALL: Okay. So if any
18 member of the board, in addition to the Rules
19 and Regs Committee, has a question on how we do
20 anything here, feel free to contact either me or
21 Jen Harrington, or Joanne Maceroni, and we'll
22 get you whatever item you need us to review
23 further or you want any answer that you're
24 looking for before this comes to a full vote
25 next month. Commissioner Campell?

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1 MR. CAMPBELL: Will these documents
2 be posted?

3 MR. MARSHALL: Yes, we'll put these
4 up on the board. Okay, we will put those up on
5 the Board of Commissioners website. That will
6 alert everyone.

7 CHAIRMAN MESOLELLA: Okay. Further
8 report?

9 COMMISSIONER DICHIRO: That
10 concludes the Rules and Regulations Committee

11 with the exception of the minutes of the meeting
12 for the Rules and Regs previous month, subject
13 to any corrections by members. I guess there
14 were minutes of the meeting from the previous.

15 CHAIRMAN MESOLELLA: So did you
16 move approval of the minutes?

17 MR. DICHIRO: I moved approval of
18 that subject to any corrections by members that
19 we approve the minutes of the previous meeting
20 of the Rules and Regs.

21 CHAIRMAN MESOLELLA: Okay, so we
22 have a motion to approve the previous minutes,
23 seconded by Commissioner DiChiro, seconded by
24 Commissioner Montanari, MacQueen and Milas.
25 Discussion on the previous minutes? Discussion

33

1 on the previous minutes? Hearing none. All of
2 those in favor will say aye. Are there any
3 opposed? There are none opposed. The motion
4 carries? Further report?

5 (UNANIMOUS)

6 MR. DICHIRO: No further report,
7 Mr. Chairman. Moving right along, the Citizens
8 Advisory Committee. Harold, do you have a
9 report for us today?

10 MR. GADON: Thank you, Mr.

11 Chairman. I have a small report. The CAC met
12 Wednesday, October 22nd and achieved a quorum in
13 spite of inclement weather. The meeting focused
14 on Tom Bruekner giving us a presentation of the
15 status of CSO Phase III helping to give a better
16 understanding of complex project. At our next
17 meeting on December 3rd, Tom Uva has planned to
18 make an outstanding presentation. End of
19 report.

20 CHAIRMAN MESOLLELA: Thank you.
21 The Compensation Committee did not meet, nor did
22 the Ad Hoc Committee on ethics meet. Executive
23 Committee did not meet. Joanne, on the
24 Legislative Report, that was basically what you
25 make of the committee today, all right? She's

34

1 not here. I'm talking to myself.

2 MR. MARSHALL: She made the sale
3 and left the room.

4 CHAIRMAN MESOLLELA: All right.
5 She made the sale and left the room. Okay, so
6 no further Legislative Committee Report. So on
7 the Chairman's Report, most of what I had to
8 report you've already heard about, talking about
9 our plans at Bucklin Point.

10 The one thing I would like to
11 raise, and just pile on a little more work to
12 the Long-Range Planning Committee, is the matter
13 that I've been discussing with Tom Uva, and that
14 is our business permit fees. We'd like to take
15 a look at the policy regarding permit fees for
16 business and industry, and we'll do that in
17 conjunction with Karen Giebink, and look at some
18 of the financial impact of those fees. And if
19 it's at all possible, we'll report to the Board
20 on our findings, and if there's any possibility
21 that we can eliminate those fees for business to
22 make this a more business-friendly environment
23 in Rhode Island. I think we would like to do
24 our fair share to do that. I think there have
25 been some prior discussions, and correct me if

35

1 I'm wrong, Tom and Karen, it looks like it's
2 within the realm of possibility that we would be
3 able to afford to do that. We would have to
4 look at some regulatory issues, I'm sure, but
5 it's something that I think we should definitely
6 take a look at, and so we're just going to try
7 and pile that on all the other stuff that you're
8 going to have to do. I told you the beginning
9 of the year, the Long-Range Planning Committee

10 was going to be an active committee this year,
11 and there are a lot of things that are going to
12 come your way, so thank you for accepting that
13 responsibility.

14 MR. CARLINO: Our members wanted
15 more so.

16 CHAIRMAN MESOLLELA: All right. So
17 having said that, is there any New Business to
18 come before the Board this morning, New Business
19 this morning, any? All right. So we're going
20 to have the presentation regarding CSO Phase
21 III. But before we go into that, why don't we
22 take a few minutes, grab some lunch. How long
23 is that presentation going to be, Tom? Where
24 are you, Tom?

25 MR. BRUEKNER: About an hour.

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1 CHAIRMAN MESOLLELA: If there's
2 anybody here, you just keep going. Don't worry
3 about us. All right. So why don't we grab a
4 bite, and when everybody gets settled, we'll
5 begin the presentation.

6 (LUNCH BREAK 11:40)

7 MR. RAICHE: I just wanted to make
8 an announcement. We are going to have handouts

9 about the presentation for you, but two printers
10 have already died. We have, I think, 50 copies
11 already. Is there anybody here who might not
12 want a copy? So we'll have those for you
13 hopefully before, at the end of the
14 presentation.

15 CHAIRMAN MESOLELLA: All our
16 Commissioners all settled?

17 MR. BRUECKNER: I'll turn it over
18 to Rich Raiche, who's the project manager for
19 the program for MWH. Rich?

20 MR. RAICHE: Thank you. Before I
21 begin, I would like to, on behalf of the MWH
22 Pare team, thank the commission for the
23 opportunity to work on this project. It's been
24 a really amazing project. Everyone on our team
25 has been energized by the challenges here. I

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1 also want to extend a thanks to the Commission
2 staff. Everyone has been extremely helpful in
3 getting us the information we need. Tom Uva on
4 the stormwater systems, Rich Bernier on the
5 construction cost that we can calibrate the
6 Phase III cost estimates. Karen from Finance
7 and Jamie from the Stakeholder's, it's been a
8 pleasure to work with them. It's obvious that

9 everyone's dedication to the Bay, it permeates
10 to the entire organization, so I just want to
11 express the gratitude from the team on those
12 fronts.

13 Today we'll give you a background
14 and a status report on where we are. So for a
15 little bit of a background on the CSO program,
16 the history, just to know how we got to this
17 point, and I'll step through a progress report
18 on the various tasks that are involved with the
19 reevaluation.

20 We've got Greg here, who's our
21 financial expert, who will get into a lot more
22 depth on the affordability analysis, which is
23 probably the biggest difference between doing
24 the Phase III planning now and the last time,
25 and will have a big implication on what the

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1 schedule is for the program. So, I mean, it's
2 background: Why are we concerned about CSOs?
3 In 1970, the Nixon Administration passed the
4 Clean Water Act so that our clean water goals
5 for all the receiving waters in the United
6 States. Under that, the EPA first targeted
7 wastewater treatment plants to bring those

8 effluents up to the quality that they wanted,
9 and then turned to CSOs.

10 Now CSOs are combined sewers. We
11 have those in the three inner cities;
12 Providence, Pawtucket and Central Falls. The
13 surrounding communities have separate systems,
14 so we don't have CSOs or combined sewer
15 overflows from there. In the three cities what
16 happens is that the same pipe carries sanitary
17 wastewater and stormwater when it rains.

18 When it rains those pipes get
19 overwhelmed, and there are essentially relief
20 points in the system to prevent the system from
21 backing up onto private property, and the
22 people's houses, but unfortunately, that winds
23 up discharging sanitary waste straight into the
24 bay. So the NBC history really starts in 1992,
25 when the Bay Commission signed a Consent

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1 Agreement with the Rhode Island Department of
2 Environmental Management, RIDEM or DEM. By '94,
3 there was a conceptual report that outlined what
4 the CSO mitigation plan would be. Shortly
5 thereafter, EPA revised the rules for CSO
6 programs and the Bay Commission took advantage
7 of that and reevaluated at that time what the

8 CSO program should entail.

9 By '96, there was agreement on the
10 makeup of that, and in 98, the Conceptual Design
11 Report Amendment was issued. So the CDRA is
12 what outlines the current CSO controlled
13 program. That program consisted of three
14 phases. Phase I, the main component for that
15 was a deep rock storage tunnel for CSO volumes
16 in Providence. Phase II then essentially built
17 some interceptors to bring the more remote CSOs
18 into that central storage location. And now
19 we're looking at Phase III which shifts the
20 focus more geographically than anything else.
21 Phases I and II focused on the southern end of
22 the system, the Field's Point system in
23 Providence. This Phase III shifts the
24 geographic focus to the Bucklin Point system
25 with Pawtucket and Central Falls. Phase II,

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1 which you just heard is nearing completion,
2 expects to be complete next year. Phase III
3 would then initiate after that with a projected
4 completion date of 20/25.

5 So when we talk about Phase III, we
6 talk about the Phase III baseline which is

7 what's recommended in the CDRA. Again, the
8 primary component of this much like Phase I, is
9 a deep rock storage tunnel. The concept here is
10 to take the overflow volume and store them deep
11 underground in the tunnel while it's raining and
12 the system is overloaded.

13 Once it stops raining, pump that
14 volume out and run it through the Bucklin Point
15 Treatment Plant once the system has capacity to
16 do that. The tunnel is aligned along the
17 Seekonk and Blackstone River. It captures most
18 of the outfalls that we have in Pawtucket.

19 There are, much like Phase II, the
20 need for additional interceptors to bring the
21 more further afield CSOs into that central
22 location. The higher cross street interceptors
23 pick up outfalls from Central Falls. The middle
24 street interceptor picks up the Northernmost
25 ones from Pawtucket. And then the Pawtucket

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1 Avenue Interceptor picks up sort of an outlier
2 in the system which is on the Moshassuck River
3 as opposed to Seekonk and Blackstone, more on
4 the western side of Pawtucket.

5 There are a couple of additional
6 sewer separation areas in Northern Providence

7 that is sort of the outline and general rule of
8 thumb that we're talking about. The Bucklin
9 Point system, that is still part of the Field's
10 Point System, but was not covered in Phase II.

11 So what has happened thus far? The
12 Phase I experience was that the actual costs to
13 construct the facilities were higher than what
14 were projected in the CDRA. So what was found
15 was that the Phase I costs totaled almost what
16 the projected costs from Phases I through III
17 were to have been.

18 When you add in the additional
19 Phase II work that is projected to be completed,
20 and then recalibrating what Phase III is, it's
21 very clear that the overall CSO program was far
22 in excess of what the conceptual design report
23 amendment had projected. Looking at what that
24 did or will do to rates in the area, it was
25 readily identified that the rate increases from

1 Phases I and II started, but up against the
2 affordability for the poorer communities,
3 Central Falls, and then projecting out what
4 Phase III would do to the rates that it would
5 have potential affordability issues for the

6 other communities, as well.

7 MR. BURROUGHS: This slide is only
8 Phase I and Phase II; is that correct?

9 MR. RAICHE: Correct, what is shown
10 there is Phase I and Phase II.

11 MR. BURROUGHS: Above the
12 affordability in Central Falls before we put a
13 shovel in the ground for Phase III?

14 MR. RAICHE: Based on those initial
15 projections for Phase I and Phase II, correct.
16 So it was decided about a year ago now to
17 reevaluate what Phase III should be, you know,
18 both on the affordability side to determine what
19 the compliance deadline should be. But also
20 there has been some advantage in CSO mitigation
21 technology in the decade and a half to the
22 previous report, so we decided to take a look at
23 that. There are a couple of windows of
24 opportunity to do that. The Consent Agreement
25 with RIDEM states that upon Phase II completion,

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1 which has been projected for early next year,
2 there's a one-year preliminary design. So the
3 conceptual design report amendment has the
4 conceptual design. NBC has one year to prepare
5 a preliminary design. So a year ago that gave

6 the commission a one-year window to redefine
7 what the conceptual plan was. So that's why
8 we've been working for this year to do just
9 that.

10 There's also, I'd point out that
11 the SRF funding requires reaffirmation of the
12 plan about the content of the plan and the
13 Commission's commitment to building it every
14 five years. So there's a five-year cycle that
15 we'll be entering to reaffirm the technical
16 components of the plan.

17 So about a year ago the Commission
18 defined what the reevaluation tasks were. There
19 was a few -- there was a hydraulic model of the
20 Field's Point system that informs the design of
21 the Providence CSO mitigation facilities. We
22 need to develop a similar model for Bucklin
23 Point. We want to reevaluate the changes in
24 water quality as a result of Phase I and II to
25 determine what our baseline was. Were the water

1 quality gains from Phase I and II greater than
2 anticipated? Could we scale back Phase III
3 based upon that? Of course, the technical
4 evaluation, which was mentioned for changes in

5 the state of the art, the affordability
6 analysis, we again involved the Stakeholder
7 group in the development of the plan. They had
8 been part of the previous CDRA, and we convened
9 essentially that same group.

10 So where are we? In terms of the
11 hydraulic model, we've completed the development
12 calibration of that model. We now use that to
13 predict CSO volumes, and give us an
14 understanding of how this system works so that
15 we can design the CSO mitigation's technical
16 component. It is a complex system. We've got a
17 complex interaction between the different pipes,
18 the city systems that feed into it, and then the
19 CSOs.

20 So understanding how all those
21 components interact so that we can design the
22 systems appropriately. So this is a sort of
23 graphical representation. You can see that
24 graphically, we've got two very large outfalls,
25 205 and 218, at the northern and southern end of

1 Pawtucket. Other ones are smaller. The one on
2 the Moshassuck, 220, is smaller than those two,
3 but it is a large volume considering the
4 Moshassuck is a much smaller river than the

5 Seekonk, so you don't have as much dilution.
6 The water quality model has been
7 calibrated since we brought on board the same
8 firm that did it last time. We recalibrated
9 this model based on changes in the sewer sheds,
10 going as far as upstream as Worcester, what they
11 did in the Blackstone plant, and any changes in
12 the past 10 to 20 years. We recalibrated that.
13 We put in post Phase I and post Phase II model
14 outputs so that we understand how the water
15 quality reacts. And these are sort of sample
16 outputs. It allows us to take a look at this
17 system so that we can determine, you know, 205
18 and 218 are the big ones, but what is a
19 contribution of 220 on the relatively smaller
20 Moshassuck, and things like that.

21 So that's what we're using the
22 water quality models for right now to determine
23 what our goals are. In terms of the technical
24 reevaluation of the components of Phase III, the
25 previous one with the focus on sewer separation

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1 and deep rock tunnel storage, those are what we
2 consider pathway and receptor type mitigation.
3 The main change since the previous evaluation is

4 in source controls. It attempts to deal with
5 the stormwater and the rain water as close to
6 the source as possible where that drop of rain
7 falls. And we look at stormwater controls and
8 what we call green stormwater infrastructure.
9 So we'll use the three letter acronym, GSI, for
10 green stormwater infrastructure.

11 These are technically what the
12 Commission is requiring from development and
13 large redevelopment currently through its
14 stormwater mitigation projects and permit
15 requirements. There are things like pervious
16 pavement and vegetated strips and parking lots,
17 green roofs, blue roofs, anything like that that
18 holds stormwater before it gets into the
19 combined system. Some other mitigation
20 strategies we looked at include near surface
21 storage in the receptor category.

22 Philosophically, it's similar to the deep rock
23 storage, but instead of collecting disprite CSOs
24 and bringing them to a central deep storage
25 facility, these ones are smaller tanks in more

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1 remote locations that do the same thing. They
2 store the volume, but they're closer to the
3 surface and the neighborhoods. So where are we

4 in that evaluation? We've gone through the
5 developments of the alternatives. Each one of
6 these things has to be tweaked or modified to
7 meet local needs, and we work with the
8 Stakeholder groups to determine what those
9 things are. Then we went through, once we
10 developed what those alternatives are and what
11 they look like in these neighborhoods, we went
12 through a subsystem alternative's analysis.
13 That was just complete on Thursday. And in
14 November, we will then be putting those
15 subsystems that we determined to be the right
16 subsystems for each one of these neighborhoods,
17 together in different configurations, run them
18 through the water quality model to see where we
19 get the best benefit, and determine what the
20 overall system should be.

21 Now, the technical evaluation
22 conclusions are that green stormwater
23 infrastructure cannot eliminate overflows
24 without additional gray infrastructure. This is
25 the same conclusion that's been reached

1 Nationwide. GSI generally helps you reduce the
2 size of gray infrastructure, gray being a tunnel

3 or a tank sewer separation, but cannot eliminate
4 it, except in rare instances.

5 In Narragansett, we're finding that
6 the coming interceptor capacity, either
7 additional flow coming in from upstream of the
8 system or constraints from the pipe downstream
9 in the system. Those things drive a lot of the
10 overflows more so than what's being loaded at
11 any individual CSO from the sewer shed that's
12 there.

13 We also run into a few physical
14 conditions. There are areas in the Phase III
15 zone where the soils just don't work for
16 infiltration where we've got steep slopes so we
17 can't really capture stormwater. So there's
18 sort of technical constraints around that. And
19 then, of course, you have to reach the limit of
20 where things are cost-effective. So it's the
21 conclusion that green stormwater infrastructure
22 can't be the entire picture. We looked at what
23 the corresponding gray pieces are. We came to
24 the conclusion that full scale sewer separations
25 are cost-prohibited, plus it's a really bad

1 idea. And near surface storage has a lot of
2 problems with it because we're looking at a very

3 densely developed area in Pawtucket and Central
4 Falls. We have very limited sites. The only
5 places that are big enough for us to put these
6 tanks are essentially ball fields which both of
7 those communities have very few, and parking
8 lots, which are also constrained, especially in
9 the downtown areas. And while we can restore
10 the surface over these tanks to those previous
11 uses, we do lose some of the real estate to
12 equipment buildings, and things like that. We
13 also would lose those uses for two to three
14 years during construction.

15 And there were issues raised by the
16 Stakeholders around the lack of those
17 facilities, you know, particularly the little
18 league fields for those urban areas. So that
19 leaves us essentially to the bottom line
20 conclusion, is that the Pawtucket Tunnel remains
21 a key component of Phase III.

22 So what does the revised Phase III
23 look like? We've got the Pawtucket Tunnel along
24 a similar alignment. The upper high cross
25 interceptor in the middle street interceptor

1 again to pick up those northern outfalls.

2 The Pawtucket Avenue we found not
3 to be cost-effective. We've got a very highly
4 trafficked narrow street with difficult
5 construction. The construction costs and the
6 disruption associated with that we found to be
7 unfavorable. So we're looking at two
8 sub-alternatives. Morley Field tank, again, the
9 near-surface tank, or a stub tunnel from the
10 main tunnel across Pawtucket as our
11 alternatives.

12 We are also exploring the
13 possibility of doing treatment and disinfection,
14 but that would largely be an interim solution.
15 U.S. EPA does not consider screening, remote
16 screening and disinfection as a long-term
17 solution because it doesn't meet the water
18 quality requirements of the Clean Water Act.

19 One of the sewer separation areas
20 targeted for Providence. We remained that that
21 is probably the best way. This is a
22 neighborhood that just so happens to already be
23 partially separated, although the flows are
24 recombined downstream. On the street, we
25 actually already have a two-pipe system. So

1 sewer separation in that neighborhood is a lot

2 more cost-effective than what the Phase II
3 neighborhoods were.

4 For the other two neighborhoods, we
5 found that the West River Interceptor is a more
6 cost-effective solution and less intrusive to
7 the neighborhoods. And then finally GSI is a
8 component of the plan. What we are doing is
9 targeting the GSI, especially for two uses.

10 One, where we can optimize the size of these
11 gray systems, and two, where we can do it
12 cost-effectively early in the program to reduce
13 the overflows at some of the locations to get
14 some early water quality gains.

15 We involve the Stakeholder group.
16 As Ray mentioned earlier, we just concluded our
17 6th meeting. They helped us determine what
18 these projects looked like, develop evaluation
19 criteria beyond just water quality and cost, the
20 impacts to the neighborhoods, the co-impacts to
21 the neighborhoods from doing any of these
22 things. We've concluded the affordability and
23 alternative analysis, and next month we will
24 look at project sequencing. In terms of the
25 affordability analysis, we've completed the

1 development and calibration of the financial
2 models that allow us to look at how these impact
3 rates. We've projected rates from our baseline
4 CDRA, and found that we have some affordability
5 issues. And I'll turn it over to Greg, who will
6 give you more detail on that.

7 MR. BAIRD: Okay, so now everybody
8 has eaten, which is good, no food fights, or
9 anything like that, and hopefully this
10 conversation can, you know, help you digest your
11 food also.

12 With that, affordability: It's
13 always interesting talking about affordability
14 because it can be somewhat subjective, as well
15 as unique for each community. We've done a
16 number of different things to analyze it and
17 look at it in ways that
18 maybe you haven't seen it before to try to offer
19 additional impairment to try to make some
20 decisions on it, also.

21 We first started with the
22 development of the financial plan, basically
23 having a spreadsheet model that brings in all of
24 the sources and all of the uses, so we can kind
25 of match our financial projection to what the

1 actual projections and functionality are for
2 NBC. And Karen and her staff have been awesome
3 to work with. We really like coming out here.

4 Some of the key financial plan assumptions:

5 We have duro-growth. We're
6 including all revenues. We have debt proceeds
7 built in there projecting 45 million for some of
8 the state revolving funds in 2015, and then 25
9 million into the future years because they
10 basically said that, you know, that half of
11 their state revolving funding allocations could
12 be used towards this project. We have O & M
13 expenses escalated at 2.3 percent.

14 We have the assumptions for debt
15 service at 20-year issuance time periods, and
16 the loans at 3 percent and the municipal bond
17 market at 5 percent. What did you get lately
18 for your closing.

19 UNIDENTIFIED SPEAKER: Around three
20 and a half.

21 MR. BAIRD: Three and a half.
22 That's fine. We have an assumption in here also
23 on reserves, because when we've looked at the
24 size of the utility and the different types of
25 risks that you're faced with, we basically have

1 a component that's growing up to the industry
2 standard, or what the credit markets would
3 consider as a standard as the 90 days of O & M,
4 be able to set side. And it's interesting to
5 note when you start looking at the condition of
6 infrastructure surrounding the NBC treatment
7 plants in the collection systems out there, it
8 really seems like there's going to be greater
9 things that are going to collapse that
10 potentially might impact NBC. We can probably
11 see that here.

12 MR. BURROUGHS: Does this include
13 the potential cost for biological nitrogen
14 removal expansion? In other words, when you're
15 looking into the future, are you looking
16 primarily at the tunnel, or are you adding in
17 all the other things that we can be tagged with?

18 MR. BRUEKNER: It's basically
19 what's in the CIC -- so, yes, whatever we're
20 required to do that we know of now --

21 MR. BAIRD: So what we do know is
22 that we have the wastewater treatment facility
23 improvements at about 75 million dollars over
24 this 12-year period, infrastructure managements
25 and asset management built into that. The sewer

1 improvements and the interceptor repair wrapping
2 up Phase II, and then we have the cost for Phase
3 III set at 740.7 million dollars, and Rich
4 that's a midpoint 2018 number?

5 MR. RAICHE: Yes, we calibrated all
6 of those at 2018, the midpoint date when we
7 started in this process.

8 MR. BAIRD: So you can see it's in
9 a sizeable TIP over the next 12 years, 915.8
10 million dollars. When you kind of throw it up
11 in the graph format, you can see where it's
12 really spiking, and 2021 and 2022, as the core
13 components are being built, and then it tapers
14 down. When you look at the work that you have
15 to do even on the financial side to start
16 issuing the debt and staying ahead of that, you
17 know, when you get into 2019, a hundred and 1
18 million, and a hundred and 4 million, a hundred
19 and 65 million, and then it drops back down to
20 98 million.

21 Just on the financing side, that
22 definitely is a lot of work. As I experienced
23 as a CFO for utilities also, when you look at
24 the breakdown of the expenditures, you can see
25 start with that blue baseline, so that's the O &

1 M expenses, you know, slightly coming up. Then
2 you have the existing debt service in red. That
3 next growing bar is the proposed debt service
4 for green, and then purple on top of that is the
5 capital projects.

6 So you kind of show how things kind
7 of stack up each year, but it's, you know,
8 almost by 2026, you know, doubling the existing
9 debt payments. When you look at rate increases
10 on top of that knowing that you have to do a
11 rate case and go to the PUC, if I was a
12 municipal sewer authority, then I would want to
13 try to smooth that out, but the case that, you
14 know, that as you go to the PUC to basically,
15 you know, say, okay, this is what I need and
16 here's the different needs, this is how it
17 stacks up, and when you think of affordability,
18 there's actually a couple of different
19 components. There's the overall affordability
20 over time, but you're also talking about the
21 issue of the ability to pay or the ability to
22 absorb an increase.

23 So, you know, if your Starbucks
24 coffee went up 15 cents a year, you could
25 probably absorb that a little bit, but if it

1 went up two bucks every year, then that could
2 create a problem. So something usually between,
3 you know, say 5 or 8 percent depending on how
4 it's stacked and rolled out, you know, people
5 might have the ability to absorb that, but the
6 larger jumps create another level of
7 affordability concern.

8 MR. WORRELL: Excuse me. Am I
9 correct that if we apply that green line in
10 those increments that would represent the
11 increase and now until 2026?

12 MR. BAIRD: Yes, and I know you
13 probably added it up.

14 MR. WORRELL: I did from 60
15 percent.

16 MR. BAIRD: You add inflation for
17 about 14 percent, and you get an overall
18 increase of about 84 percent.

19 MR. WORRELL: Thank you.

20 MR. BAIRD: So when you look at the
21 total rate adjustment, 84 percent, and if you do
22 this across the Board, not only on the
23 residential, but you see the commercial side
24 experiencing that also, inflation's just about
25 15 percent, so the net increases about 15

1 percent. But when you see how things stack up,
2 you have two components, you have the fixed cart
3 component, and then you have kind of the
4 consumption component, and you can see that that
5 splits. Usually the fixed cart is somewhere
6 around 30 to 45 percent of the total bill, and
7 you can see where that gets up.

8 Now, we're only talking the NBC
9 bill at this point. Some of the earlier data
10 that was analyzed said that, you know, that
11 maybe the average annual charge is based on 200
12 gallons per day. When we analyze all of the
13 billing data, it's looking more like it's about
14 150 gallons per day, knowing that over the last
15 decade and even five years, water conservation
16 and a downturn in the economy, people have
17 actually been reducing their water consumption
18 that has an effect also on the sewer side.

19 Now, we're going into this
20 financial capability assessment. And as you
21 know the EPA in 1997 issued some guidance. And
22 this is where I want to be able to kind of shift
23 some of our mind set. In the past it's been
24 population accounts. There was no real use of

25 the real bills and doing affordability analysis.

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1 The EPA wanted to look at the entire service
2 area, not individual communities. There was no
3 look at the income distribution. There's always
4 the discussion as far as where you're pulling
5 your data, and it was all about the median
6 household income.

7 Now we have the ability to look at
8 household information, utilize the actual bills,
9 look at the census tract data. Within every
10 census tract that we've analyzed, there's 16
11 buckets of the income that's actually
12 distributed, and we know how many households
13 fall into each one of those buckets, and what
14 the average bill is for each one of those census
15 tracts.

16 And so now we're being able to go
17 into a weighted average world to take these
18 things into effect. Now, the 1997 EPA
19 methodology says any time you're going to have
20 any discussions, this is actually where they
21 want you to start. And they have the Phase I
22 residential indicator. And please note that
23 they really don't look at the commercial impact.
24 But the residential indicator says anything

25 below 1 percent, you know, it's low midrange,

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1 it's 1 to 2 percent, and anything greater than 2
2 percent, then they would consider that as a high
3 burden. And then they have Phase II economic
4 indicators, which is, you know, and we'll see
5 this briefly, but it has its own percentages and
6 it really looks at the bond ratings, net debt,
7 property value, unemployment rate, median
8 household income, property tax, property value,
9 property tax collection rates. And they apply
10 some percentages, and it's just a simple, you
11 know, addition and division to be able to
12 calculate, you know, what the overall impact is.

13 So it's all kind of weighted the
14 same. And you can see where it basically says,
15 you know, where you're at as it relates to the
16 national average. Where are your bond bills at?
17 What are your credits? And so we've drawn on
18 counting data, NBC data, and tried to look at,
19 you know, Providence area as a whole, the NBC
20 service area necessary to update this. So when
21 you compile it through all the different
22 spreadsheets, looking at once again, the NBC
23 data only, the EPA's view would basically say

24 you have 118,683 households. And by the time
25 you look at operation costs, capital costs, put

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1 everything together, the cost per household is
2 about \$789.95.

3 So they go out to the 2026 period.
4 They kind of compile all it all in as a
5 snapshot, and that's the formula. They compare
6 it to a weighted and adjusted median household
7 income for the area at \$47,165, and they would
8 say your residential indicator. NBC is a median
9 burden at 1.67.

10 MS. MILAS: In your calculations,
11 did you also sit down with Economic Development
12 Commerce, whatever. Are there other mandates
13 that ratepayers are going to have to burden
14 other than this project, so if that's looking at
15 Phase III in a vacuum, but are there shoreline
16 projects that all the ratepayers are going to
17 also to have to use a federal mandate that
18 they're cleaning up the shore so we all have to
19 pay. So it's not just that number.

20 MR. BAIRD: You're right, you're
21 right, you're absolutely right. And every
22 community is a little different. Their guidance
23 and what they look at, though, they say, yes,

24 all these other things are occurring, and maybe
25 you lost or got the money on the federal

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1 housing, and different things, and they go,
2 we're really not looking at that. This is how
3 we are trying to treat everybody the same as it
4 works.

5 MS. MILAS: I appreciate that, but
6 that really was not my question.

7 MR. BAIRD: Well, they don't --

8 MR. MILAS: I'm not saying they,
9 I'm saying as a commissioner, if I'm going to
10 look at this, I also want to think broadly what
11 other expenses, even me as a ratepayer, is going
12 to be paying? So in your analysis, do you have
13 columns, or do you anticipate doing columns that
14 guess what, in the next 10 years they're beefing
15 up the shorelines and we're all going to have to
16 burden that. And then they're going to do, I
17 don't know, other infrastructure projects in the
18 state that have federal funds. And guess what,
19 in the next 20 years, ratepayers in the state
20 are going to have pay for that. So guess what,
21 in 2026 it's not just Phase III, it's 10 other
22 major projects, so each ratepayer is going to be

23 spending \$1,500. Are you doing that in your
24 analysis?

25 MR. BAIRD: We did not include

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1 climate change capital projects in this 15-year
2 period. We used the CIP in the different
3 categories that have been consistent that
4 they've been going to the PUC with, and we
5 focused, and I'll show you, you know, as we get
6 to adding in some storm drain costs and some
7 community costs, but we were kind of constrained
8 with how the EPA looks at the world, looking at
9 sewer, not taking into consideration these other
10 things.

11 And then our Stakeholder's meeting
12 on Thursday, yeah, the governor's office, they
13 were like going, hey, there's all of these other
14 different issues that are coming out. Were
15 those imbedded into this? And we said, no,
16 we're kind of really focused on 175 million
17 dollars that NBC needs to spend on their things
18 anyway, and then the additional 740 million for
19 Phase III. Those are the capital costs that
20 we're considering at this time.

21 MS. MILAS: Ray, is that something
22 we're going to look at as a commission before we

23 make any type of decision? Is it going to be a
24 cumulative 30 thousand, but look at what's going
25 to happen.

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1 MR. MARSHALL: What he'll show you
2 shortly, I believe, is they went through
3 Pawtucket, Central Falls and Providence. And
4 they added on top of what we were spending and
5 what the communities are spending is admittedly
6 a lower number on their lateral sewers that will
7 have their stormwater programs. So we tried to
8 stay in the water realm.

9 MR. BAIRD: Right, but the list was
10 not exhaustive that it's probably reality over
11 the next decade.

12 MS. MILAS: But as a commissioner,
13 I would like to be able to see a broader picture
14 at some point before any decision's made.

15 MR. MARSHALL: If I could just add
16 one thing. I think as we progress through the
17 next several slides, I think it will become more
18 and more obvious what the burden just this is
19 going to cause on our ratepayers. And you're
20 absolutely right, there are other things that
21 they have to pay, same group of people. There

22 are some numbers that we can estimate, but there
23 are others, for example, for climate resiliency.
24 I mean, those numbers have not been generated by
25 anyone, so I think we can make a good case. I

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1 think it will show up. Like I said, just in the
2 next several minutes, or we can go back and say,
3 we believe we're overstressing our ratepayers.
4 If we do this under the current schedule, we
5 need to push everything out, and then if they
6 agree, we would have to revisit it every five
7 years and reevaluate this.

8 MR. BURROUGHS: You might just say
9 integrated financial planning, and to what
10 extent, and the EPA regulations address Joan's
11 question, and to what extent they don't.

12 MR. RAICHE: These are EPA
13 affordability guidelines, which specifically
14 ties to the Clean Water Act and the goals, the
15 water quality goals of the Clean Water Act. So
16 this is just a snapshot of the Bay Commission's
17 rates and Bay Commission's projects. The EPA is
18 open to looking at other Clean Water Act
19 projects, which is what Greg is going to
20 stepping through next. So we've been able to
21 add in what the individual communities will need

22 to do for their sewer systems and stormwater
23 systems. That changes the complexion, and we'll
24 see how it changes the complexion. But there's
25 a 2 percent indicator the EPA uses. It's still

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1 only for clean water projects. But we
2 completely agree with you that there are other
3 water-based projects that will require funding
4 from the same people, but EPA does not consider
5 those on the 2 percent. Whether that's fair or
6 not, is not the for me to say.

7 I might tend to agree with you as
8 an MWRA ratepayer that it's probably not all
9 that fair to the constituents, that those are
10 excluded from this evaluation, but we are
11 working with the constraints of the EPA analysis
12 that ultimately to loop this map around, what
13 we're trying to do is redefine the CSO program
14 and compliance duration for that CSO program,
15 and using these figures as a base to determine
16 that compliance deadline. And RIDEM and EPA are
17 the regulatory bodies who will be reviewing
18 those plans, so we kind of have to play by their
19 rules. There might be a degree to it where we
20 can make additional arguments, but the degree to

21 which those regulatory volumes will accept those
22 arguments, I can't say.

23 MR. ROTELLA: The median household
24 income at \$47,000 is significantly higher than
25 the numbers you had up there on the previous

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1 slides for Providence and Central Falls. Why is
2 this so high?

3 MR. BAIRD: This one is for those
4 communities and this is a weighted average,
5 basically, taking in all of the 15 communities
6 and weighting against the number of households
7 in each, and then escalating it according to the
8 guidelines of the EPA. And you'll see how that
9 actually comes into play.

10 UNIDENTIFIED SPEAKER: So the fact
11 that the two communities that have been much
12 lower are --

13 MR. BAIRD: We'll see exactly how
14 to break that up. But if you said the NBC
15 service level as a whole, what would the EPA
16 consider the median household income? They
17 would say 47,000.

18 MR. DICHIRO: There's other
19 considerations, too, because we're projecting a
20 total of 12 years, so like increased electricity

21 costs, increased healthcare costs for employees.

22 That's reflected in our rates, eventually. Is

23 there a point where this -- those projections

24 are not taken into consideration.

25 MR. BAIRD: We have about a 2.3

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1 percent on O & M built into that, so anything

2 that we knew we captured some of that.

3 MR. DICHIRO: Is there a point at

4 which this ultimate rate amount comes

5 cost-prohibited that we can't do this, or do we

6 have a choice?

7 MR. BAIRD: As I continue, you're

8 going to see a lot more red on the pages, and I

9 think that it will be apparent.

10 MR. WORRELL: On the weight of the

11 average median household income, can you tell us

12 what it is right now? That's projected out to

13 2026, the 47,000, right?

14 MR. BAIRD: That's actually --

15 we're trying to take out 2026, bring it back in

16 today, so that's essentially what 2014, what the

17 EPA would say, they would call it as the median

18 household income.

19 MR. WORRELL: Today?

20 MR. BAIRD: Today.
21 MR. WORRELL: For the service area?
22 MR. BAIRD: For the service area.
23 Let me continue, and you'll see some of these
24 differences. When you look at the bond rating
25 and some of these other economic indicators

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1 strong, strong, weak, midrange, it all ends up
2 at a midrange. And so that usually is what the
3 EPA based on their '97 guidelines has, you know,
4 has historically said, okay, now are we going to
5 just say you need to do the project because
6 we're really not going to consider expanding or
7 looking at anything unless it's greater than 2
8 percent. That's been the historical approach
9 for the different regions in the EPA.

10 Now, as we move forward, you know,
11 as I've worked with and presented to the U.S.
12 Mayor's Water Counsel, we know that there's a
13 bunch of holes in that methodology, the income
14 distribution and sku. It looks at NBC as a
15 whole. It doesn't say, well, what's really
16 happening in our neighborhood, and the
17 methodology really didn't look at real bills.

18 So when we look at this enhanced
19 affordability modeling, now we're able to get to

20 a bigger, deeper level of granularity to be able
21 to say, okay, what's really happening as it
22 relates to affordability in our area.

23 Now, when you look at the median
24 household income census tract in the NBC service
25 area, you know, this is pulling it for not a

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1 weighted average, but just what the County of
2 Providence says, they're saying 49,000 as the
3 county, but each one of these census tracts show
4 what, you know, what the income distribution sku
5 looks like in your service area, and so you can
6 see that there's a significant range there.
7 When you take a portion of that for one census
8 tract, and you say, okay, what's really
9 happening there, you can see those 16 different
10 buckets, those income buckets, less than 10,000,
11 10,000 to 15,000, all the way out to 200,000 or
12 more, and then you can see kind of what the
13 population is, and how that's distributed, and
14 that's a single look in just say one of the
15 census tracts, you know, with the significant
16 amount of households actually in these lower
17 incomes. So this is that greater level of
18 granularity that we're talking about in this

19 enhanced approach.
20 Now, as we've taken the financial
21 model and we pulled in the census tract data and
22 affordability information, we've been able to
23 end up with a weighted average, residential
24 index. We calibrated it back to a 2 percent
25 index because that's essentially what everybody

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1 is talking about as it relates to affordability
2 for sewer, and then we put colors, and we
3 attached those colors to this 2 percent
4 calibrated index.
5 Now, when we look at a snapshot at
6 applying the 84 percent rate hikes over the
7 12-year period, and with that color coding you
8 can kind of see for NBC costs only, 20/20,
9 20/23, 20/26 as it starts impacting the various
10 census tracts in the service area.

11 Now, by the time you get to the
12 end, given all the costs that we've captured,
13 then it would suggest you're greater than 2
14 percent if you're defining that as unaffordable,
15 then 56 percent of the households in Central
16 Falls, 444 percent in Pawtucket, 46 percent in
17 Providence.

18 Now, there's other considerations.

19 We were only talking about the NBC annual bill,
20 and its impact to the service area. So when we
21 took it to the next step to try to say, okay,
22 what's really happening, now you have to bring
23 in the unique information for each of those
24 communities. And when you look at, you know,
25 here's a weighted average for that 49 tied in

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1 here, Providence, Pawtucket and Central Falls
2 make up 72 percent of NBC's service area
3 households, and kind of see where they kind of
4 fall in, into these different numbers. So
5 that's where the most impact is going to occur
6 with everybody kind of below that line.

7 Now, this looks a little busy, but
8 when you think of -- if I took an NBC bill,
9 every census tract has some affordability
10 concerns at the lower income bucket today. So
11 if we look at, you know, that first -- let's see
12 where's the pointer. So I have census tracts,
13 and now I can see that this bucket is really
14 this first bucket less than 10,000, and then
15 we're looking to 10,000 to 15 for the next
16 bucket.

17 So there's already affordability

18 issues that going past hitting, or going past
19 that 2 percent for these levels of income, and
20 these levels of income, and these levels of
21 income fall into every census tract regardless
22 of the city. So we're already starting a
23 starting point at about 30 percent of the
24 service levels having potential problems. And
25 then you can of see as it goes forward, you get

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1 it to about the 70,000 range and it covers 70
2 percent of the income that are distributed
3 throughout the NBC service area.

4 Now, we knew the NBC bill is only
5 kind of the treatment part, but there's a huge
6 amount of collection system that the cities own
7 that they have to take care of. In fact, going
8 back to that liability and even the report that
9 Ray gave earlier, was essentially in Pawtucket
10 when they have a collapse of their sewer line
11 and they're going to fix it as an emergency
12 repair, what happens, then that actually effects
13 kind of the dry overflow situation.

14 When you look at now the total pipe
15 length, the average age of some of this pipe,
16 and what they would need to start replacing to
17 get back to a more healthy age of the system,

18 then we calculated what the annual costs are and
19 these are annual capital costs for each of these
20 different communities.

21 Now, anybody want to take a guess?
22 That they're actually going after these numbers.
23 You should have seen their jaws dropped during
24 the Stakeholder meeting when they saw this. So
25 we also took a look at some of the storm drain

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1 capital needs, not as great. Central Falls
2 doesn't have that built into their system, but
3 yet, here's another cost that we needed to look
4 at also.

5 MR. MILAS: Who's the president of
6 the Stakeholder meetings, who are the
7 Stakeholders?

8 MR. BRUEKNER: Well, we have a
9 varied group. We have several communities. All
10 of the communities are represented. We have
11 Save the Bay represented, we have someone from
12 Brown University, we have Brian Bishop, who is
13 just kind of an advocate. We have businesses
14 represented, EPA.

15 MR. BAIRD: This room was full.
16 Now, we already talked about that median burden

17 issue, so I said, okay, what if following the
18 EPA's logic, I built in the 21 million annually
19 that if these municipalities were going to start
20 taking care of all of their aging
21 infrastructure, implement asset management
22 programs, which is interesting that Rhode Island
23 is now saying that they need to have an asset
24 management plan if they want to basically use
25 some of the state revolving funds, and we imbed

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1 the storm drain costs and some of the O & M
2 costs that they have, build into the equation
3 cost of household 931, and it still comes up
4 under the EPA'S methodology, 1.98 percent, which
5 they would say it's a median burden, and, you
6 know, an annual bill would need to be \$950 to be
7 considered in the IPA's methodology a heavy
8 burden.

9 Once again thought, we understand
10 that even with this information, there's some
11 holes in the data that we talked about, the
12 income sku, and other things. So the next
13 component that we wanted to do was to actually
14 analyze 3 communities. So when we looked at the
15 City of Providence, where they're paying
16 basically fifty to a hundred thousand per year

17 spent on emergency repairs, which is interesting
18 as a financial guy.

19 I know that an emergency repair is
20 going to be two to three times more than a
21 proactive repair job. Nonetheless, estimated
22 infrastructure costs, and this is what they
23 would need to do. And when you look at most of
24 these communities, it's all off of their tax
25 base. They haven't even developed an enterprise

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1 system with rates and fees and charges to be
2 able to support these programs. And you know
3 how difficult it is to basically increase your
4 property taxes.

5 So you have the blue bars, which is
6 essentially the NBC portion of the bill, with
7 the city's portion if they were going to go
8 ahead and take care of these needs. So a little
9 bit of red on the page. This first line up here
10 basically represents the NBC's portion of the
11 bill only based on their weighted average median
12 household average house income, and you can see
13 that in 2023 is where just for the NBC portion
14 of the bill that it would start raising some
15 issues.

16 When you add in what they would
17 need to do, then you can see where that
18 affordability then moves forward by a couple of
19 years. And this is by year, so we have the
20 census tracts. So I'm not showing it broken
21 down based on the 16 income buckets on this
22 piece, but it's a timeline, so we can see by
23 census tract, you know, how they progress
24 through time to basically get to a, maybe a
25 affordability rate. And we see what the time

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1 series map starts looking at.

2 MR. WORRELL: Just one question.
3 Earlier when you were showing us how we got down
4 to that 1.67, up there it says EPA Phase I only.
5 Is that the same as our Phase I?

6 MR. BAIRD: No, in there guidelines
7 they have Phase I, the residential indicator,
8 Phase II of their financial capability
9 assessment. It looks at the bonds and stuff.

10 MR. WORRELL: So that includes --
11 the numbers we see up there, include our Phase
12 III having been put into place?

13 MR. BAIRD: Yes.

14 MR. WORRELL: So it's Phase I, II
15 and III's NBC's --

16 MR. BAIRD: That entire capital
17 plan of 2026.

18 MR. WORRELL: That's what you were
19 showing us at one point.

20 MR. BAIRD: Yes. So we can see the
21 number of households that are impacted there at
22 55 percent. When we look at Pawtucket, they're
23 spending 80 to a hundred thousand per year on
24 maintenance and the infrastructure, a lot of
25 that in emergency repairs. They would need four

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1 million for the water. And you can see how that
2 plays out, not as bad as Central or Providence,
3 but nonetheless, you know, it still has an
4 impact.

5 When you look at Central Falls, it
6 has the lowest income levels. And they're
7 really not spending money on infrastructure, but
8 they would need to start on the 680,000 thousand
9 per year. And when you see what happens with
10 their census tracts, then it deteriorates in its
11 entirety with 61 percent of the household's
12 being impacted.

13 So we really end up with this
14 affordability and comparison overall, so we kind

15 of drilled down and then we did the different
16 case studies because NBC's in that unique
17 component where we have to look as if the
18 treatment costs are uncovered as in its
19 entirety, but then to look at the true impact,
20 you have to look at the individual communities.
21 Any questions?

22 MR. WORRELL: Yeah, I had a
23 question. How or where is the EPA of this
24 disaster?

25 MR. DICHIRO: I think it's

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1 something that the elected officials need to
2 know because sometimes the government
3 bureaucrats aren't phased by that. Senators in
4 congress need to know that that's going to have
5 this effect on their constituents to vote them
6 out of office. But I think it's something --
7 it's good that we're looking at these numbers
8 now in advance.

9 MR. WORRELL: And you voted for
10 this thing.

11 MR. DICHIRO: Yes, for Phase 1 and
12 2. We didn't vote for III yet.

13 MR. MARSHALL: DEM and EPA know
14 that we're going to come in and we're make a

15 pitch to have Phase III modified, not only in
16 terms of facilities, but also in terms of
17 scheduling. And that's what we have to do next,
18 we have to really look at how can we progress
19 and have the least impact. I mean, it might
20 mean we wait five years, ten years, fifteen
21 years before we start. We do small projects for
22 several years, and put the next tunnel up, who
23 knows, 20 years, but all those numbers now we'll
24 have the tunnel into place. We'll make our
25 pitch to the DEM and EPA, and say this is what

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1 we think has to be done to make this, keep this
2 affordable for our ratepayers. And those plans,
3 those modifications have been approved by EPA
4 and the state regulators in different locations
5 throughout the country. So not every region is
6 acting the same way, so EPA region I, we'll see
7 how they react. But from being a part of NACWA,
8 what the national leaders there told us and EPA,
9 is if you have a problem with the region, then
10 reach out to us, and we'll all try to sit down
11 and work something out. Because the conference
12 and the mayors, along with NACWA, have been very
13 influential, and coming up with this new

14 criteria saying, look, we have to draw the line
15 somewhere. This is just the water version, if
16 you would, and it does not begin to address the
17 other issues.

18 MR. BAIRD: And in each of these
19 areas, the EPA has typically only seen their
20 1997 methodology, they haven't seen the enhanced
21 methodology. So that's where as we're going
22 back, Akron, Munsee, Baltimore, these different
23 regions of the EPA have only seen historically
24 the 1997 methodology. They have not seen this
25 enhanced methodology that has this greater

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1 detail to it, and MWH is actually pleading that
2 in conjunction with the U.S. mayor's order
3 counsel, and so in Springfield, Massachusetts
4 and Akron, Ohio, Muncie, Indiana. I'm going
5 back this next month to Baltimore, and we do
6 everything based on this enhanced methodology.
7 So this is where there's some more demo.

8 MR. CAMPBELL: Are there increases
9 for this model?

10 MR. BAIRD: We have the inflation,
11 but essentially if you stripped it out and made
12 everything neutral, then that's what we're
13 looking at. Now, if the economy, you know,

14 boomed, then obviously, it would look more
15 affordable, but if there's another downturn,
16 then it would do the exact opposite.

17 MR. HANDY: Are the cost
18 projections you're using based on the existing
19 plan and budget, or are they based on your
20 modified plans for Phase III? Is that taken
21 into account with the cost projections?

22 MR. RAICHE: That was the existing
23 CDRA recommendations, because we had those
24 efforts going parallel. As good as Greg is, I
25 don't think he would have been able to crank the

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1 numbers on the revised plan that we just came
2 out with on Thursday.

3 UNIDENTIFIED SPEAKER: So the
4 revised plan (inaudible).

5 MR. RAICHE: Yes, it could, but I
6 don't think it will drastically change what you
7 see. I think that the overall costs are going
8 to be in that same report of magnitude.

9 MR. BAIRD: So when you think of
10 the next step, okay, this is kind of the
11 baseline and the models are set up and things
12 have been calibrated. So what are other

13 adjustments that would need to be made to this?

14 MR. BRUEKNER: I just want to state

15 one thing. This whole project is driven by the

16 need to meet water quality standards, which was

17 discussed at the first Stakeholder meeting.

18 What you have to understand is that even though

19 we do this today, and complete this and we spend

20 our level of affordability, we still would not

21 meet water quality standards all the time.

22 There would be rainstorms greater than the

23 design storm we have designed for, in which we

24 exceed water quality standards. At that point,

25 once you had now reached a point where the could

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1 afford to spend more, you'd be required to spend

2 more money to continue to meet water quality

3 standards with the bigger storms. So the way

4 the program is set up, we never stop spending

5 money. You always get a reprieve to stop doing

6 things when you spend all you can afford, and

7 that's why affordability is so important because

8 it dictates what you have to do in your program.

9 Water quality standards, because they can't be

10 achieved, they fall back on affordability to

11 determine what the program should be.

12 MR. BURROUGHS: Could you just say

13 a word about changing the water quality
14 standards and how a mess that is?
15 MR. BRUEKNER: Basically, you can
16 do it, it in their regulations, but forget about
17 it. And if even if you do get a change, it's
18 only for five years, and then you have to go
19 back and reevaluate whether they still remain
20 vacant, still be changed, or whether you have to
21 go back to the Clean Water Act and make that the
22 water quality standards.

23 MR. CAMPBELL: On top of the costs
24 all these people or most of these people have to
25 also buy water?

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1 MR. BRUEKNER: Yes, they do.

2 MR. CAMPBELL: So they buy the
3 water and then they pay for it on both ends?

4 MR. BRUEKNER: I believe there are
5 increased costs for water treatment (sic), as
6 well, further requirements.

7 MR. MILAS: How much influence does
8 the Stakeholder's group have in the final
9 decision making. I'm sitting thinking wouldn't
10 the Board of Realtors be having a heart attack
11 right now that in these communities, you know,

12 yes the taxes alone in Lincoln, but your water
13 bill's \$2,000, you know, your bill's 2,000 a
14 month. Everybody's going to move to South
15 County, the fastest growing region. I mean,
16 there's so many variables here for argument.
17 Are all of those other arguments taken into
18 consideration in your appeal to the EPA with our
19 Congressional delegation, or something, because
20 there's so much, and state tourism is going to
21 be having a heart attack.

22 MR. MARSHALL: As far as the
23 Stakeholder's group goes, we listen to what they
24 have to say. Some of the things they raise very
25 good points and we can do something about it,

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1 others there's really not much we can do, but
2 one of the real values of having the
3 Stakeholder's Group, and we saw this the first
4 time, is that there's some very, very different
5 points of view, the two ends of the spectrum.
6 So they hear each other and somehow they all
7 begin to realize, or each of them begin to
8 realize that they're not going to get what they
9 want. They're going to end up somewhere in the
10 middle, which is, of course, is where we find
11 ourselves all the time. Do more, we don't care

12 how much you spend. What are you crazy, you
13 can't spend any more than you're already
14 spending now.

15 So we have the plan based on their
16 input, but at least everyone who has wanted to
17 have a say was wanted to have some input, we've
18 tried to afford them that opportunity, but very
19 few of them are going to get exactly what it is
20 they want. So it's a valuable process. We
21 participate. We look at what all the other
22 opinions are, and then we have to go to you, our
23 Board, and say, okay, how do you want us to
24 approach this? We would like to go with an
25 approach that says we have an affordability

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1 issues and we want more time to do Phase III,
2 whatever Phase III exactly ends up being -- it's
3 not going to be all that important, it's all
4 going to be in the same ballpark. I mean, 50
5 million here.

6 I don't mean to be a wise guy, but
7 50 million here, 80 million here is not going to
8 be make a lot of difference in the affordability
9 impacts. So whether it's the current plan or
10 the revised plan, in order to meet water

11 quality, like Tom says, you just have to build
12 certain things.
13 MS. MILAS: When you put that
14 packet together for the EPA. Okay, here's our
15 decision. Is it a binder with all of the
16 interested parties, and they go Board of
17 Realtors, and here's all the reasons why they
18 hate it. The Tourism Council, so you have a
19 strong case of evidence above and beyond what we
20 think?

21 MR. MARSHALL: Part of what we
22 would submit would be all of the minutes. All
23 of the Stakeholder's meetings that sort of
24 summarized or -- it doesn't summarize, does it,
25 it lays out everything everyone says and all the

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1 concerns that everyone had. Whether anyone will
2 actually look at all of that part, I don't know,
3 but they'll certainly look at what it is we're
4 asking for, or what we're recommending.

5 MR. BAIRD: And then the financial
6 component, we have to do the 1997 calculations,
7 and then we add the enhanced components. We're
8 going to demonstrate the three case studies
9 here. And we'll have other paragraphs to talk
10 about, you know, unemployment and housing, and

11 maybe we'll be doing a paragraph on climate
12 change components that we don't know the cost,
13 but they're out there to. So you can throw in
14 other pieces as a paragraph, and then supposedly
15 they would take all things into consideration.
16 We know that their biggest consideration is you
17 did the methodology that they rolled out that
18 they trusted in the last couple of decades.

19 MR. GADON: The only solution is
20 going to stretch it out, how long to stretch it
21 out.

22 CHAIRMAN MESOLELLA: You know, it's
23 not that simple. Get the screen up, please. So
24 we had this discussion just the other day about
25 stretching it out, and mitigating the impacts,

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1 the rate impact on ratepayers. What's the rate
2 of interest today, Karen?

3 MS. GIEBINK: We funded bonds at
4 three and a half percent.

5 CHAIRMAN MESOLELLA: Three and a
6 half. Does anybody here think rates are going
7 down three and a half to three, to two and a
8 half? I'd be willing to wager five years from
9 today, or seven years from today, rates are

10 going to be significantly higher, maybe not
11 significant, but they're going to be higher than
12 three and a half percent. So what I've been
13 talking about is generating a model that shows,
14 you know, what happens with extending the life
15 of this project in today's dollars, and what the
16 impact is with the seven-year program.

17 So a seven-year program to a
18 fifteen-year program or a seventeen year
19 program, in today's dollars, what's the impact
20 on rates? That makes some assumption on
21 interest rates, because every time the rates
22 click up, you know, either a hundred basis
23 points or 50 basis points, all the money that
24 you think you saved by stretching the project
25 out five years, or seven years or nine years,

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1 are impacted.

2 MR. CAMPBELL: But the construction
3 price.

4 CHAIRMAN MESOLELLA: And
5 construction price. You know, construction
6 prices today are probably at all time lows,
7 right. So it's not just an extension, in my
8 opinion, this is only the Chairman speaking.
9 And I don't want you to forget that I am the

10 Chairman.

11 Rich and Greg, thank you for this

12 presentation today, because you really

13 highlighted a lot of the issues that I've been

14 talking about with regard to affordability and

15 the impact on the cost of this project for our

16 ratepayers. And I think it's now become very

17 obvious to everyone, and I think everyone

18 understands that. By the way, I thank everyone

19 for staying here for this, because it really is

20 important that we all understand, you know, what

21 the future impacts are financially on our

22 ratepayers. And I particularly paid attention

23 to Tom's remarks about we're always going to

24 have to spend money, and it's never going to be

25 affordable. So then the philosophical question

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1 which I had a discussion with Commissioner

2 Worrell outside a little earlier about it is,

3 you know, how clean is clean? And at would

4 point is clean clean enough? And you all

5 remember the discussion we had about the

6 nitrogen removal, and the cost of nitrogen

7 removal and that's another battle we may very

8 well be confronted with some time in the future.

9 Ray and I have been talking about that and with
10 our position with that, because there's no
11 demonstratable difference between five parts and
12 three parts, right.

13 So why would we be forced to expend
14 another 76 or how many, a dollars more for that
15 improvement level, which it's not at the end
16 there is no demonstrable improvement. So there
17 is a very serious philosophical discussion I
18 think to be had, and I think we need to figure
19 out, and I don't know what the answer is, but
20 these impacts are traumatic. They are dramatic,
21 and we don't know where the end is. We'll go
22 from there. We'll just continue to see what the
23 EPA and DEM says, and maybe at some point we'll
24 need to have a discussion with our Congressional
25 delegation about the entire concept and

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1 philosophy of the Clean Water Act. Rich.

2 MR. WORRELL: You know, along those
3 lines, EPA and DEM have a job to do, and their
4 job is cleaning up everything as clean as we can
5 get. So they're mandating and their function
6 and their passion is towards doing this. But
7 they're not the ones that have to pay for it.

8 And it seems to me that congress

9 created and the state legislative created these
10 two bodies, and I'm glad they did. Maybe it's
11 time for congress to really change its gears,
12 and we should be leading the fight on this, I
13 think, to bring to the attention of our
14 Congressional delegation. Look, it's fine for
15 you to go give a free leash to DEM and to EPA,
16 but for crying out loud you're going to have to
17 help fund this thing because we cannot keep
18 keeping these unfunded responsibilities on the
19 ratepayers, you know. There's an end to it.
20 And I think that's not going to be a story they
21 want to hear.

22 That's not going to be a story that
23 they're going to act on this year or next year,
24 but I think it's time to start screaming about
25 it, and I think we have a responsibility somehow

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1 or other to begin doing that.

2 CHAIRMAN MESOLLELA: I agree.

3 MR. MARSHALL: If I could just add
4 to that. That's the type of thing that NACWA,
5 that we belong to that organization has been
6 doing along with the conference of mayors for
7 the last several years. And the best that EPA

8 is willing to do is to create the flexibility
9 for affordability.

10 There has been talk about that the
11 whole Clean Water Act needs to be reauthorized,
12 and there are quite a few people that think it
13 would probably be a reasonable thing to do, but
14 there are just as many people who will fight to
15 the death so that it can't be changed. And you
16 know, with congress, they can't agree on what
17 time it is, never mind whether to change the
18 Clean Water Act.

19 But that doesn't mean that over the
20 next several years that situations like ours
21 become more and more and more prominent, that
22 the tide won't change. Because we're, in terms
23 of CSO control, we're probably out on the edge
24 of the curb in terms of doing things that a lot
25 of communities that are just starting their CSO

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1 program, like Hartford and Cleveland. So we've
2 already accomplished a lot, they're just
3 starting and they're just starting to realize
4 where they're going to end up if they carry it
5 all the way to the finish line.

6 MS. MILAS: Are there also impact
7 studies from called Commerce RI, or EPC, or DEM

8 that shows how many million new businesses are
9 coming to Rhode Island because the bay is
10 cleaner and the CSO project is such a success.
11 So at least you do know, you know, what it's
12 offsetting. It's really expensive, but the
13 benefit has been tremendous. The obvious
14 benefit is there, but economic development,
15 we're trying to create jobs and bring businesses
16 in, so can we request of the state to show us
17 that?

18 CHAIRMAN MESOLLELA: I can tell you
19 that this is dated, so I don't know what the
20 situation is today, but about five years ago
21 they actually did take a look at what fee
22 services cost the business are impacting a
23 decision for Rhode Island. There's a lot of
24 reasons today. We all know not to come to Rhode
25 Island. But the good news is, all of that is

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1 sewer rate fees was at the bottom of the list.
2 So people would not come to Rhode Island because
3 wastewater treatment was prohibited.

4 MR. ROTELLA: So we're going to try
5 to change that.

6 CHAIRMAN MESOLELLA: So we have a

7 goal and that is to stay at the bottom, and not
8 be at the top. And, you know, when you talk
9 about things like we just heard today, yeah, we
10 could possibly be, because, you know, don't
11 forget this is being done all over the country.
12 It's not just Rhode Island, it's happening
13 everywhere. So, but, like I said, five years
14 ago, I remember that study -- I forget who put
15 it out, but I can get, because, you know, sewer
16 rates, wastewater treatment rates was the bottom
17 of the concern. Energy consumption at the time
18 was the high priority, but not water treatment.

19 MR. DICHIRO: And I think it maybe
20 a good time to just reiterate that or explain it
21 further to the congressman and senators who have
22 control of the EPA, and tell them, you know, in
23 2026, we're projecting 66 percent of households
24 and certain communities cannot afford this, so
25 we're are we going. At what cost is the clean

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1 water going to be cleaner.

2 CHAIRMAN MESOLLELA: And as Ray
3 said, we have NACWA, which lobbies for agencies
4 like ours throughout the country. I think the
5 time has come, and I agree with Commissioner
6 Worrell that it's really time for a, you know, a

7 philosophical discussion with the congressional
8 delegation about, maybe redefining the goal of
9 the Clean Water Act to make it more realistic
10 than I think it is.

11 MS. MILAS: I'd like to go see you
12 testify in congress, Mr. Chairman.

13 CHAIRMAN MESOLLELA: Try to
14 maintain the quorum, I will if I can.

15 MR. MARSHALL: It might make the
16 NBC nightly news.

17 CHAIRMAN MESOLELLA: All right.
18 Well, okay, thank you, of course, for sitting
19 through this. It was a great presentation. It
20 really drives home the issues that we're
21 confronted with. It's probably maybe the major
22 issue that the Board is confronted with in the
23 next several months, so thank you, very much for
24 sticking around. And you know, what maybe some
25 time in the very near future, we'll commend

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1 another meeting. It doesn't have to be an
2 official meeting. We can have more comments and
3 discussion about what we just heard today. All
4 right. Having said that, Commissioner Rotella.

5 MR. ROTELLA: Move to adjourn.

6 CHAIRMAN MESOLELLA: Seconded by
7 the entire commission, I am sure. Thank you.
8 We are adjourned.

9 (HEARING ADJOURNED AT 12:15 P.M.)

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1 C-E-R-T-I-F-I-C-A-T-E

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3 I, PAULA J. CAMPAGNA, CSR, a Notary
4 Public, do hereby certify that the foregoing is
5 a true, accurate, and complete transcript of my
notes taken at the above-entitled hearing.

5

IN WITNESS WHEREOF, I hereunto set my
hand this 26th day of November, 2014.

PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
COURT REPORTER

MY COMMISSION EXPIRES: April 25, 2018

IN RE: NBC Monthly Board Meeting
of the Commission

DATE: October 28, 2014

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

NARRAGANSETT BAY COMMISSION

IN RE: NBC MONTHLY BOARD MEETING
OF THE COMMISSION

DATE: September 23, 2014
TIME: 11:00 A.M.
PLACE: Narragansett Bay Commission
Corporate Office Building
One Service Road
Providence, RI 02905

COMMISSIONERS:

Vincent Mesolella, Chairman
Angelo Rotella, Vice Chairman
Raymond Marshall, Executive Director & Secretary
Mario Carlino
Michael DiChiro
Seth Handy
John MacQueen
Joan Milas
Al Montanari
Richard Worrell
Robert Andrade
Ronald Leone
Mario Carlino
Paul Lemont
Alan Nathan
Michelle DeRoche
Joseph DeAngelis, Legal Counsel

1 OTHER ATTENDEES:

2 Jamie Samons, NBC
Paul Nordstrom, NBC
3 Thomas Uva, NBC
Laurie Horridge, NBC
4 Jennifer Harrington, NBC
Joanne Maceroni, NBC
5 Terry Cote, NBC
Tom Brueckner, NBC
6 Karen Giebink, NBC
Sherri Arnold, NBC
7 Gail Degnan, NBC
Harold Gadon, NBC
8 Leah Foster, NBC
Karen Musumeci, NBC
9 John Zuba
Joe Pratt
10 Michael A. Corriea
Harold Brouillette
11 Carol Brouillette
Cecille Antonelli
12 Brenda Smith
Crystine Marandola
13 Carmine Goneconte
G. Richard Fossa
14 Anthony Gallone
Rebecca Songolo
15 John Motta
Deborah Samson
16 Rich Bernier
Linda George
17 Jean Lynch
Kyle Connors
18 Mary Sahady
Diane Buerger

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1 (HEARING COMMENCED AT 11:11 A.M.)

2 CHAIRMAN MESOLELLA: Okay. Good
3 morning, everyone, and welcome back. I hope
4 everyone had a wonderful summer. Is this the
5 first day of Autumn.

6 MR. MARSHALL: It is.

7 CHAIRMAN MESOLELLA: All right, and
8 a beautiful day it is. The first order of
9 business is call to order, we call to order the
10 September 23rd, 2014, Monthly Board Commission
11 Meeting, Narragansett Bay Commission meeting at
12 11:11.

13 The first order of business is
14 approval of the previous minutes of May 28 and
15 June 24, the open and closed sessions of the
16 previous board meeting. Commissioner Montanari
17 moves approval, second by Commissioner MacQueen.
18 Have all our members had an opportunity to view
19 the previous minutes, and if so, are there any
20 comments, questions or corrections? Comments,
21 questions or corrections on the previous
22 minutes? Hearing none. All of those that are
23 in favor will say aye. Are there any opposed?
24 There are none opposed, and that motion carries.

25 (VOICE VOTE TAKEN)

1 CHAIRMAN MESOLELLA: Before we
2 begin the meeting, if I could just have the
3 commissioners that are intending to speak today
4 to kindly speak clearly into the microphone so
5 that we can get -- make absolutely sure that we
6 don't miss a single word. Okay.

7 First order of business, Item
8 Number 3, which is Acknowledgement of Awards:
9 Resolution of Appreciation to Manuel Correia,
10 Jr. Mr. Secretary?

11 MR. MARSHALL: Yes, Mr. Chairman,
12 we'd like to acknowledge today one of our
13 long-term employees, Manny Correia. I just saw
14 him a minute ago. Where is he? Manny, stand
15 up, please. I'm going to have Carmen come up
16 and read the resolution. And Manny, why don't
17 you join him while he does that.

18 CHAIRMAN MESOLELLA: Come on up.
19 Come on up, Manny. How are you?

20 MR. CORREIRA: Good.

21 CHAIRMAN MESOLELLA: Come on,
22 Manny.

23 MR. MARSHALL: So for many years
24 Manny has worked for Carmine directly, and so we

25 wanted to give Carmine the privilege of reading

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1 the resolution.

2 MR. GONECONTE: Thank you.

3 Resolution of congratulations and appreciation.

4 "Whereas Manuel, Manny Correira, Jr. joined the
5 staff of the Narragansett Bay Commission on June
6 26, 1983, as an Operator 1 and was promoted to
7 Operator 2 on February 26, 1989. And whereas
8 Manny was named Field's Point employee of the
9 month in February, 1987, in recognition of his
10 initiative to learn the operation of the new
11 treatment facilities, his troubleshooting
12 ability, and his willingness to assist his
13 fellow employees.

14 And whereas his 1990 idea for using
15 the vacuum truck instead of the sump pump for
16 cleaning tanks and his 1997 idea for portable
17 trough flusher both received efficiency award
18 from the State of Rhode Island and earned him a
19 reputation as troubleshooter extraordinary
20 amongst his coworkers.

21 And whereas his strategic thinking
22 and efficient movements have enabled him to jump
23 claim on any newly empty locker and find the
24 special hiding place in various parts of the

25 plan for tools, gloves and supplies. And

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1 whereas Manny is well known and well feared by
2 vendors visiting the Field's Point facility for
3 his persuasive personality. And whereas his
4 efforts have enabled the Narragansett Bay
5 Commission to achieve its mission to maintain
6 the leadership role of and the protection and
7 enhancement of Narragansett Bay, and it's
8 tributaries by providing safe and effective
9 wastewater collection and treatment to its
10 customers at a reasonable cost.

11 Now, therefore, let it be resolved
12 that we, the Board of the Commissioners of the
13 Narragansett Bay Commission express our sincere
14 appreciation to Manuel Correia, Jr. on his
15 retirement for his many years of service to
16 protect public health and water quality in Rhode
17 Island, presented on June 29, 2014, Chairman
18 Vincent Mesolella and Raymond Marshal, Executive
19 Director.

20 And just as a personal note, you
21 know, Manny and I spent many years together
22 working together. He is everything that this
23 resolution said, but most importantly, what he

24 was, he has a lot of fine attributes, but the
25 most important one was he was one of, if not,

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1 the best ambassadors for the Narragansett Bay
2 Commission at the plant. He came to us from
3 another employment opportunity, and as sometimes
4 happens, people are mean and complain about the
5 jobs that they're in and the situation at
6 certain times. Manny was the first one to tell
7 them that they should really think about where
8 they're at and what a good thing they have
9 working for the Bay Commission, and that did
10 very well for us, so for that, I thank you very
11 much for that, Manny, congratulations.

12 (APPLAUSE)

13 CHAIRMAN MESOLELLA: All right,
14 Manny. Let's see how photogenic you are.

15 MS. SAMONS: One more. You look
16 good. All right, awesome.

17 MR. CORREIRA: Carmine, thank you.
18 For all your varies of service.

19 CHAIRMAN MESOLELLA: Good luck and
20 God bless you.

21 MR. MARSHALL: Any time you want to
22 buy me breakfast, or anything.

23 MR. CORREIRA: Vinny, take care.

24 CHAIRMAN MESOLELLA: Thank you.

25 Manny Correira is just another example of what

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1 it takes to achieve and have the kind of success
2 that the Narragansett Bay Commission has
3 achieved through the years, and we thank him for
4 his service. Thank you, Manny, so much.

5 MR. CORREIRA: You're welcome.

6 CHAIRMAN MESOLELLA: All right,
7 moving right along. The next order of business
8 is Item Number IV, which is the Executive
9 Director's Report, Mr. Secretary, do you have a
10 report for us today?

11 MR. MARSHALL: Yes, I do.

12 CHAIRMAN MESOLELLA: Proceed.

13 MR. MARSHALL: After three months,
14 you can imagine. Overall, things have gone very
15 well over the summer. The Field's Point
16 Treatment Plant was operated under its new
17 permit five parts per million of nitrogen and
18 has performed very, very well.

19 We're down around three and a half,
20 or so, three and a half parts per million that
21 is, and the system has been running as it was
22 designed.

23 I do want to let you know that one
24 of the key components of the treatment system is
25 the so-called blowers and we have nine of them

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1 over there. And we have adopted a new
2 technology and brought a new technology into the
3 design and into the plant several years ago.
4 These new blowers are under a five-year
5 warranty, thankfully, because of the nine
6 blowers we've been having some problems and I
7 wanted to make you aware of that. At one point
8 we were down to five of the nine. Since we put
9 them on line, we've had problems.

10 The manufacturers fixed it. We've
11 gone back and forth on this, but we've always
12 seemed to have had seven available to us. And
13 we need five, so we felt that we had a cushion.
14 And in quick succession in early July. The two
15 spare blowers went down on us, and were
16 unavailable. So we were operating under some
17 pretty stressful conditions, to say the least.

18 And so I made that determination
19 that it was a situation that we had to act upon
20 immediately. I talked to Chairman. I told him
21 that I thought we had potential in an emergency
22 situation if we lost one more blower, we would

23 have been out of compliance. So working with
24 the legal staff engineering and operations we,
25 or I established the fact that there was an

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1 emergency situation that existed that gave me
2 the flexibility under our procurement regs to
3 take whatever steps necessary that had to be
4 taken in order to prevent what would have been a
5 catastrophe if we had lost one more blower.

6 So we hired an engineering firm to
7 study the situation, we went to the manufacturer
8 of the units and told them they needed to get
9 temporary units available to us. They were
10 portable units, but they were nowhere near big
11 enough to supply all of our needs, but there
12 were some improvements over the situation we
13 were operating under. And then we contacted
14 another manufacturer, one that we're using over
15 at Bucklin Point, and we are renting a couple of
16 units from them.

17 One is on line, one is on standby.
18 So our manufacturer who's known as HSI, or
19 Atlas, sent the units that were available back
20 to Houston where they're made and refurbished
21 and repaired two of them, sent them back to us.

22 So now we're in a much more comfortable
23 situation. We have five running, we have two of
24 the HIS blowers on standby ready to go, should
25 we have any more problems, and then we have the

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1 one alternate manufacturer that has a blower
2 that is hooked up into our system ready to
3 provide the level of treatment that we would
4 need in order to continue to meet permit.

5 So overall, it turned out okay. It
6 is going to cost us an amount of money that
7 we're still trying to tally, but it's probably a
8 couple of hundred thousand dollars, total, to be
9 up front with you, but I felt that it was
10 absolutely necessary.

11 We couldn't run the risk that we
12 would not meet permit, that we would have the
13 bay shut down during the summertime, and that
14 the reputation this organization would have been
15 tarnished if any or all of those things had
16 occurred.

17 But when we are now considering
18 what our next step is, we're going to be meeting
19 with the manufacturer of these nine turbo
20 blowers to see what we can work out with them.
21 The old technology that we had used prior to

22 switching over was not as efficient, but much
23 more reliable. And while the new technologies
24 are being used, the so-called turbo blowers are
25 great when they're running, there seems to be

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1 some sort of a reliability problem. And if you
2 can compare it to an automobile. I'll go back
3 to the days when I was young, quite a while ago.
4 It's like the old Chrysler Slant 6 where you
5 turn it on, it runs forever. You can't kill the
6 thing. The body rots around it, but the engine
7 keeps running versus one of the old time Jaguars
8 which were great cars when they ran, but they
9 were in the shop more than they ran.

10 So it's that type of comparison.
11 So we're really considering going back to the
12 old technology for our base air requirement, and
13 then using, keeping a few of the turbo blowers
14 as supplemental units, and to fine tune how much
15 process area we're actually delivering. That
16 final decision has not been made, and we need to
17 have some discussions with the suppliers of the
18 unit because they also supply the more
19 traditional blowers, and we're going to see what
20 we can work out, and we'll report back to you on

21 how that all comes together. But never missed
22 permit. That was the important thing.
23 At Bucklin Point the construction
24 has is ended. There's a few punch list items
25 and clean up to do. That facility has been

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1 operating very well, achieving a high level of
2 treatment. Again, around low to mid three parts
3 per million, and we should be around five, so
4 we're in great shape there.

5 Phase II has been progressing
6 throughout the summer. A lot of the projects
7 are coming to completion, final paving is being
8 done. North Main Street is a great example.
9 And the two larger projects in the
10 Woonasquatucket area, along that river and along
11 Seekonk, will probably be essentially done by
12 the end of this calendar year. There will be a
13 few small things that they probably need to
14 finish up in the spring.

15 Wind turbines have been performing
16 reliably as the wind dies down in the
17 summertime, the production isn't quite as
18 attractive or as good as it is in January and
19 February, but it will pick up again this fall.
20 Right now we're at about the 45 percent range of

21 power needs being met by the wind turbines at
22 the Field's Point Wastewater Treatment Facility.
23 So we're still getting a good return on those.
24 Phase III of CSO, the Stakeholder's process and
25 all of the engineering reevaluation has been

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1 progressing since the last time you heard from
2 me. There are two more Stakeholder's meetings,
3 October 23rd and November 13th.
4 Overall, the alternatives are being
5 identified. They're being evaluated right now,
6 and the consultant is spending quite a bit of
7 time addressing the affordability issue at this
8 point, and at the next board meeting, we'll have
9 a presentation for you on affordability. It
10 will be first presented at long-range planning
11 prior to the board meeting, and then again at
12 the board's meeting so you have a feel for
13 what's actually going on regarding Phase III and
14 how it's shaping up. And then we'll bring the
15 consultants in one more time when the final
16 recommended plan that will go to DEM and EPA at
17 the beginning of next year.
18 So you'll have a good understanding
19 of what they looked at, why they decided, what

20 they did, and ultimately, what Phase III looks
21 like, and we'll compare it to the way that it
22 looked prior to this reevaluation. The
23 stormwater study was completed. The regional
24 study was completed. The first phase, there's
25 going to be another phase now. All they've done

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1 is identify that it should be handled
2 regionally. Phase II which will be done between
3 November and next summer is being paid for by
4 the Bay Coordination Team money, and so we'll
5 stay active in that, so we'll protect our
6 interest in terms of stormwater
7 responsibilities.

8 Standard & Poor, we had a meeting
9 with them and yesterday, we had our double A
10 minus rate confirmed. Both Collective
11 Bargaining Agreements, the one with 1033, and
12 the one with Council 94 were signed about a
13 month after you last met. So we have a new
14 Collective Bargaining Agreement in place with
15 those unions, which will be valid until the end
16 of June 2017.

17 We've been going through the Public
18 Utilities Commission hearings on our request for
19 a rate increase, and we have a settlement that

20 we believe is ready to be signed. The attorneys
21 are putting all the words in the proper order,
22 and then it will be ready for agreement. We
23 were -- we had some exposure in the press during
24 the month of August. On August 13th, we had
25 that four inches of rain and Channel 12 showed

16

1 up and wanted an interview, and I accommodated
2 them in that regard. About a week later, Jim
3 Hummel was in, and he did about an hour
4 interview with me which he put on his website,
5 and then it was on WPRO 630 one morning with
6 Gene Valicenti on the CSO program, why does it
7 cost as much as it has and what's in store for
8 Phase III. And then Tom Uva took part in a
9 program that was on 790 WHJJ. It had to do with
10 water fire.

11 There's a segment on water fire
12 every week, I believe, and they were talking
13 about water quality and how it's improved and
14 why it's improved and how that's a big plus for
15 the water fire effort. So we've got some good
16 press in the month of August.

17 We had one issue that just came up
18 yesterday. We did have a dry weather overflow

19 event at India Street, and you might see that in
20 the newspaper today. Paul Nordstrom can fill
21 you in on that if you want more information. He
22 was actually the first respondent to that call
23 that we received.

24 And the last thing I wanted to
25 mention is for each of the committees, I've

17

1 assigned staff members to attend those committee
2 meetings and to be a liaisons with the various
3 committees, so you have someone that you can go
4 to for information if you're on a committee, if
5 you want further documentation, or you have a
6 question that pops into your mind.

7 So all the committees will post a
8 list on the Board of the Commissioners website,
9 and you will see those staff members at each of
10 your committee meetings, so that you have
11 someone other than me to reach out to if you
12 need some assistance. So with that, that
13 concludes my report. Mr. Chairman.

14 CHAIRMAN MESOLELLA: Okay, our
15 members have heard the Executive Director's
16 Report. Pursuant to the report, do any of our
17 commissioners have any comments, or questions,
18 or issues they'd like to raise in regard to the

19 Executive Director's Report? Commissioner

20 Worrell.

21 MR. WORRELL: I hope this is a
22 quick one. The audit report this morning talked
23 about the fact that we had an additional
24 \$400,000 of revenue. Well, I wasn't sure
25 whether it was a result of selling our RCUs or

18

1 -- what do you they call them?

2 MR. MARSHALL: Renewable energy
3 credits.

4 MR. WORRELL: RECs, was that where
5 that 400 came from?

6 MR. MARSHALL: Yes, it was.

7 MR. WORRELL: But in addition to
8 that, we also had the savings that we would get
9 in our electrical bill?

10 MR. MARSHALL: Yes.

11 MR. WORRELL: So the total savings,
12 the total revenue from those turbines is the 400
13 from the RECs, plus whatever we knocked down our
14 electric bill.

15 MR. MARSHALL: Which is probably
16 around a million dollars.

17 MR. WORRELL: Total, or a million

18 and four?

19 MR. MARSHALL: A million and four.

20 MR. WORRELL: All right. Thank
21 you.

22 CHAIRMAN MESOLELLA: Okay. Are
23 there any other questions with regard to the
24 Executive Director's Report? Hearing none,
25 we're moving right along to Committee Reports.

19

1 We're moving right along to Committee Reports
2 and Action Items Resulting.

3 The first committee reporting is
4 the construction engineering and operations
5 committee. Chairman MacQueen, do you have a
6 report for us today?

7 MR. MACQUEEN: I do.

8 CHAIRMAN MESOLELLA: Proceed.

9 MR. MACQUEEN: We have two items of
10 action. Review and Approval Resolution 2014:20;
11 Contract 303.06C-OF037 Increase COR
12 Authorization Limit.

13 MR. MARSHALL: Yes, sir. This is a
14 contract that CB Utility, also known as Britto
15 had a lot of work on North Main Street, and
16 heading west down the hill toward Route 95.
17 This particular, that project is essentially

18 complete. You might have a few cleanup items to
19 do, but the work is done. North Main Street is
20 paved. What this request is for is for \$270,000
21 to increase the change order authorized amount.
22 And the reason why we came before you for this
23 is that we had asked National Grid to move their
24 pipe so we could put in the new storm drain. We
25 have to pay National Grid to do that. They

20

1 moved their pipe. They did their temporary
2 paving. We went back in, we installed the new
3 storm drain. We restored our trench. When it
4 came to final paving, rather than have National
5 Grid pave over their trench, and we do our
6 trench, we decided it would be a better job if
7 we would just pave the whole street at one time.

8 So we asked our contractor to take
9 care of that, so this \$270,000 that we paid our
10 contractor to do, all of the paving is in place
11 of money, some of the money that we would have
12 had to pay National Grid to just do their
13 trench. So it's not a total increase in the
14 contract amount, it's just who we were paying
15 our contractor versus National Grid. So we ask
16 your approval of 2014:20.

17 CHAIRMAN MESOLELLA: So Chairman
18 MacQueen moved that we approve Resolution
19 2014:20. It was seconded by Commissioner
20 Montanari, Commissioner Milas and Commissioner
21 Leone and Commissioner Carlino. Is there further
22 discussion -- I'm sorry, I'm sorry.
23 MS. HARRINGTON: I don't mean to
24 interrupt.
25 CHAIRMAN MESOLELLA: I beg your

21

1 pardon. Commissioner Carlino abstains from this
2 vote. Let the record reflect that he abstained.
3 Is there further discussion on Resolution
4 2014:20? All right. In such case, all of those
5 that are in favor will say aye. Are there any
6 opposed? There are none opposed, and that
7 motion carries.

8 (VOICE VOTE TAKEN)

9 CHAIRMAN MESOLELLA: Further
10 report, Commissioner MacQueen.

11 MR. MACQUEEN: Review and Approval
12 of Resolution 2014:21; Award of Contract
13 811.00C:BPWWTF Effluent Pumps Rehabilitation.

14 CHAIRMAN MESOLELLA: Commissioner
15 MacQueen makes a motion that we approve
16 Resolution 2014:21, seconded by Commissioner

17 Montanari. This is a discussion we basically
18 just heard as a result of the Executive
19 Director's Report regarding the emergency pump
20 situation. Is there further clarification of
21 this change order required, further explanation
22 required? Anything you care to add?

23 MR. ROTELLA: Motion to approve.

24 CHAIRMAN MESOLELLA: Commissioner
25 Rotella moves approval along with Commissioner

22

1 MacQueen, Commissioner Montanari. No further
2 discussion? All of those that are in favor will
3 say aye? Are there any opposed? There are none
4 opposed, and the motion carries.

5 (VOICE VOTE TAKEN)

6 CHAIRMAN MESOLELLA: Further
7 report, Chairman MacQueen? No further report.
8 The next committee reporting is the Personnel
9 Committee. Commissioner Campbell was not
10 available.

11 Earlier today, the Chairman did
12 chair the subcommittee meeting. There was one
13 item for approval, which would be Resolution
14 2014:22 which was an amendment to the
15 Narragansett Bay Commission, Non-Union Defined

16 Benefit Plan. They were primarily housekeeping
17 matters. Karen, do you care to shed any light
18 on the issues regarding the Non-Union Defined
19 Benefit Plan.

20 MS. GIEBINK: Yes. These are
21 basically housekeeping matters that arose out of
22 the review Angel Pension Group and Mass Mutual
23 when we were converting over to a single
24 platform, and but the two items -- excuse me.
25 So the first item served to make the benefits

23

1 the same if you died before or after you
2 terminate service with the Narragansett Bay
3 Commission. And previously, another issues was
4 if you died before termination you automatically
5 became a hundred percent vested was
6 inconsistent with if you actually retired before
7 termination or quit service before you retired,
8 I should say.

9 And the second item has to do with
10 the current plan allows if you are unable to
11 locate a participant when their benefits should
12 be distributed. The current plan language is
13 such that we had to succeed that to the State of
14 Rhode Island and this language would modify that
15 so that the assets would stay within the plan.

16 And then six months later if we were actually
17 able to locate the beneficiary, we would be able
18 to make that distribution.

19 CHAIRMAN MESOLELLA: Okay. So
20 having heard the explanation, Commissioner
21 Worrell. Further comment for the record
22 regarding this issue. Okay, so having heard the
23 explanation relative to Resolution 2014:22, the
24 Chairman moves approval of that resolution,
25 seconded by the Commissioner Rotella. Further

24

1 discussion and Commissioner Leone. Further
2 discussion on Resolution 2014:22? Hearing none.
3 All of those that are in favor will say aye?
4 Are there any opposed? There are none opposed,
5 and that motion carries, as well.

6 (VOICE VOTE TAKEN)

7 CHAIRMAN MESOLELLA: The next
8 committee reporting is the Finance Committee.
9 Chairman Andrade, do you have a report for us
10 today?

11 MR. ANDRADE: Yes, I do, Mr.
12 Chairman.

13 CHAIRMAN MESOLELLA: Proceed.

14 MR. ANDRADE: The first item is the

15 approval of Resolution 2014:23; Authorization To
16 Approve And Accept The Comprehensive Annual
17 Financial Report For Fiscal Year 2014.

18 We had a very detailed excellent
19 presentation by our auditors and most of the
20 commissioners were here. But we asked if they
21 could come and give us a brief five-minute
22 overview for the record of the Financial Report
23 for the year.

24 CHAIRMAN MESOLELLA: Is there
25 anyone who does not have a copy of the auditor

25

1 report, along with the single audit document?
2 You don't have it, Commissioner Leone, or you
3 do? Commissioner Montanari? Karen?

4 CHAIRMAN MESOLELLA: Proceed
5 please.

6 MS. SAHADY: Thank you, again. For
7 those of you who didn't meet me earlier today,
8 my name is Mary Sahady, and I'm the principal
9 with the firm Hague, Sahady & Company out of
10 Fall River, and I have with me Kyle Connors, and
11 he was the manager on this engagement. So
12 again, I would like to thank all of the staff
13 here, Karen, Leah, and all of the individuals
14 who helped put this financial document together.

15 I will have to say that of all the
16 entities that we audit, this is one of the most
17 comprehensive. It was very well done. The
18 staff is very helpful. And what I would like to
19 say above and beyond that is the information
20 that each and every one of you receive on a
21 monthly basis, you can certainly rely on. There
22 were very few audit entries at the end of the
23 engagement and so what you're looking at from a
24 monthly basis when you're looking at your
25 statement of net position is really good

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1 information. The document itself is a
2 comprehensive annual financial report. As you
3 can see, it's accepted in the previous years
4 from the GFOA, the Governmental Finance Offices
5 Association, and this year it will be presented
6 again for certificate of excellence.

7 So I commend you, as well, with
8 regard to being able to achieve that certificate
9 on an annual basis. Your Executive Director,
10 Ray, together with Karen and Leah, put together
11 a very nice transmittal letter for all of you to
12 read. At the beginning of the document, it
13 talks a lot about the local economy. It talks

14 about your CIP program, and it gives you some
15 projections out to the year 2020, which will be
16 very helpful and it's very interesting reading.

17 The report letter is our report
18 letter. We have given you what's referred to as
19 a clean opinion on the report. We have no
20 findings or recommendations with regard to the
21 report, itself. Following our report letter, is
22 something that's referred to as the management
23 discussion and analysis. And that's really a
24 summary of your financial highlights with regard
25 to the entity for fiscal year 2014 in layman's

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1 terms. So if no other part of the document gets
2 read, the MD&A is a good section of the document
3 to read so that you can get an overview. From a
4 financial overview, not to bore you and repeat
5 ourselves, but in this particular year, your
6 increase in your net position was 24 million
7 dollars, was up from 20 million dollars in the
8 previous year. Some of that came from your
9 increase in your rates.

10 Other things as you just talked
11 about earlier in this meeting, had to do with
12 your energy, renewal energy credits from your
13 wind turbines. Your debt this year was

14 increased by 45 million dollars which was a
15 result of partnering with the Rhode Island Clean
16 Water Revolving Fund, as well as 37 million
17 dollars in additional revenue anticipation notes
18 or bonds.

19 Other than that, I don't know if
20 anyone has any specific questions. And as I
21 said, most of you were all on the Finance
22 Committee so repeating all this doesn't seem
23 like it's necessary.

24 CHAIRMAN MESOLELLA: So you've
25 heard -- can I refer to you as Mary, Mary? Can

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1 I call you Mary?

2 MS. SAHADY: You can, certainly.

3 CHAIRMAN MESOLELLA: I don't want
4 any complaints, Human Rights Commission, or
5 anything like that. I don't need that. In
6 addition to that, Mary, perhaps you want to
7 touch on the issue of the single audit?

8 MS. SAHADY: Certainly.

9 CHAIRMAN MESOLELLA: Do you mind?

10 MS. SAHADY: Not at all. So the a
11 secondary document that you received this year
12 is called the Single Audit Report. In previous

13 years, this agency, the Narragansett Bay
14 Commission was a component unit of the State of
15 Rhode Island, and as a component unit of the
16 State of Rhode Island, any federal monies that
17 you received were audited by the auditors who do
18 the state audit.

19 You are no longer considered a
20 component unit of the state, so you are required
21 to have your own single audit and that's really
22 a federal compliance audit. And it's an audit
23 for anyone that receives more than half a
24 million dollars of federal funds. So in your
25 case, you're revolving, our loan program is

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1 federal money. And so of the monies that you
2 received, 1.1 million I believe is the dollar
3 value is federal. So we were required to do a
4 compliance audit and that audit has to do with
5 issues other than financial.

6 We go into things like property and
7 equipment. We go into special tasks. We look
8 at Davis-Bacon there are various other aspects
9 of compliance auditing, and I am also happy to
10 tell you that you had no findings with regard to
11 that. So when we looked at compliance to the
12 specific program. There were no findings, as

13 well as no findings when we looked at your
14 internal controls over your entity, itself, and
15 over compliance with state laws and regulations.

16 MR. ANDRADE: Mr. Chairman, I move
17 approval of Resolution 2014:23; The
18 Comprehensive Annual Financial Report.

19 CHAIRMAN MESOLELLA: We have a
20 motion by Chairman Andrade to approve Resolution
21 2014:23. Seconded by Commissioner DiChiro,
22 Commissioner Alan Nathan, Commissioner Rotella.
23 Is there any discussion or questions with regard
24 to the annual financial audit? Hearing none.
25 All of those that are in favor will say aye?

30

1 Are there any opposed? There are none opposed,
2 and that motion carries. Thank you.

3 (VOICE VOTE TAKEN)

4 CHAIRMAN MESOLELLA: Further
5 report, Commissioner Andrade.

6 MR. ANDRADE: Mr. Chairman, the
7 next resolution is the authorization to approve
8 and accept the single audit report of fiscal
9 year of 2014. We just heard an explanation of
10 what that was and why it's now required by the
11 Bay Commission, and I move approval of 2014:24.

12 CHAIRMAN MESOLELLA: We have a
13 motion to approve resolution 2014:24. That
14 would be regarding the single audit report.

15 MR. ROTELLA: Second.

16 CHAIRMAN MESOLELLA: We have a
17 motion by Commissioner Rotella, Commissioner
18 Leone, Commissioner Milas. Further discussion
19 on the Single Audit? Hearing none. All of
20 those that are in favor will say aye. Are there
21 any opposed? There are none opposed and that
22 motion carries.

23 (VOTE VOICE TAKEN)

24 CHAIRMAN MESOLELLA: Further
25 report, Commissioner Andrade?

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1 MR. ANDRADE: That concludes the
2 Finance committee Report, Mr. Chairman.

3 CHAIRMAN MESOLELLA: Thank you very
4 much. Long Range Planning Committee reporting.
5 Commissioner Carlino.

6 MR. CARLINO: We had an
7 organizational discussion, and it's a lot of the
8 things that the Executive Director talked about
9 in his report today, which was the capital
10 improvement plan the CSO Phase III
11 affordability.

12 These are projects that we as the
13 Committee will be looking at in the future,
14 stormwater responsibilities, ownership of the
15 lateral services, alternative renewable energy
16 looking at solar, looking at biogas. And as the
17 chairman talked about, succession planning.

18 So those are some of the topics
19 that will be on our committees agenda for
20 discussion in the future.

21 CHAIRMAN MESOLELLA: Okay. Thank
22 you, very much. The next committee reporting
23 would be the Rules and Regulations Committee.
24 The Chairman did chair that committee.
25 Commissioner DiChiro came in just a little bit

32

1 later. But basically, I think most of us
2 witnessed the presentation made by Joanne
3 Maceroni relative to the passage of a piece of
4 legislation, namely the Sheehan Bill which talks
5 about transparency and compliance of
6 quasi-public agencies. The requirement to hire
7 or pay for what will be performance audits some
8 time in the future. That would be under the
9 auspices of the Department of --

10 MR. ROTELLA: Bureau of Audits.

11 CHAIRMAN MESOLELLA: Bureau of
12 Audits. Thank you, Commissioner Rotella. That
13 escaped me for a moment. So I was looking for a
14 little bit of help. But other than that, that
15 was the essence of the committee meeting, and
16 we'll be hearing more about that as we continue
17 to develop our mission statements, along in
18 consideration of the new bill that passed.

19 The next Committee Reporting is
20 Citizens Advisory Committee. Harold, do you
21 have a report today?

22 MR. GADON: Mr. Chairman, since we
23 did not meet in September, I do not have the
24 report. But we intend to meet in October where
25 we hope to receive an update, especially on

33

1 Phase III. Having attended the Stakeholder
2 meetings, I think Tom Brueckner should be
3 complimented for the clarifying information he
4 is presenting and coordinating of those
5 meetings. See you in October.

6 CHAIRMAN MESOLELLA: Thank you,
7 Harold. Moving right along, the Compensation
8 Committee did not meet. The Ad Hoc Internal
9 Ethics Committee did not meet, as well.
10 Executive Committee meeting, there is no report.

11 There's a further report from the Legislative
12 Committee, Legislative Report. I'm sorry.
13 Joanne, do you have a further report for us on
14 the proceedings of the legislature this past
15 year.

16 MS. MACERONI: Yes, Mr. Chairman.
17 I have a final report regarding legislation that
18 we followed, and that did become law between
19 June and now, either with or without governor's
20 signature.

21 The first one is with the passage
22 of the state budget, there will now be Question
23 7 on November's ballot for funds. It is going
24 to be asking the voters of Rhode Island to
25 approve a general obligation bond in the amount

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1 \$20 million dollars for the Rhode Island Clean
2 Water Agency to leverage that money to finance
3 wastewater infrastructure projects.

4 Also on that bond, the question is
5 are monies for open space, farmland and Roger
6 Williams Park Zoo. So we're hoping that
7 everybody votes yes on the Question 7 when you
8 go to vote in November.

9 The next bill that was passed which

10 was discussed at Rules and Regulations is what
11 we call the Sheehan Bill. Next there was a bill
12 as reported during the year that amended the Net
13 Metering Statute. This bill was passed and
14 signed into law by the governor, and going
15 forward, the NBC can now generate electricity at
16 an off site location and net meter the power
17 generated which will then credit to the NBC's
18 account. Right now the only thing that prior to
19 the passage of this bill, the only thing we
20 could do would be on-site, renewable energy
21 projects. So now it actually goes off site.
22 And given the fact that we have limited land at
23 both of our facilities, this is a good thing for
24 the NBC to look at because it will have a
25 positive effect on our ratepayers.

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1 Next is a bill that created the
2 Renewable Energy Growth Program. Right now the
3 NBC is considering a solar energy system onsite
4 at the closed Bio Solids Landfill in East
5 Providence at the Bucklin Point facility. And
6 with the passage of this bill, this project
7 would now qualify for participation in National
8 Grid's distributed generation contract's
9 program.

10 Next, there was a bill that created
11 the Climate Change Coordinating Counsel.
12 There's been several bills over the past couple
13 of years that had to do with climate control.
14 It's an important issue, and it's coming to the
15 forefront. So this bill creates climate
16 control, climate change, rather, Coordinating
17 Counsel, and it's to insure that the state is
18 doing everything it can to reduce harmful
19 greenhouse gas emissions while advancing the
20 public's understanding of changes in sea level
21 weather events and critical infrastructure
22 vulnerability.

23 Next, there were amendments to the
24 Dig Safe statute. As you know, whenever anyone
25 does construction in the state, they have to

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1 report to Dig Safe, and all the effected
2 utilities have to mark the utilities so we don't
3 have gas leaks, explosions, et cetera. So now
4 they're asking for more information which we had
5 no problem giving, because the more you give,
6 the better the chances are that nothing is going
7 to happen dramatically. Fortunately, our
8 utilities are located well below everything

9 else's, so we don't have to worry too much. But
10 when we do go out and do construction. We want
11 to know what's around outside because of that8=
12 fact.

13 Next, there was an amendment to the
14 Government Oversight and Fiscal Review Act.
15 This act requires us to submit consulting
16 reports to the state. It used to be on an
17 quarterly basis, now it's going to be on an
18 annual basis.

19 These reports were submitted to the
20 Secretary of State's office, now they're going
21 to submitted to the Budget Office. And last but
22 not least, there was an employee social privacy,
23 social media privacy act, which created a new
24 section in the General Laws prohibiting
25 employers from requiring their employees to

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1 divulge their personal social media account
2 information. NBC does not require that so this
3 does not effect us, but it's something we should
4 know about. That is my report, Mr. Chairman.

5 CHAIRMAN MESOLELLA: Thank you,
6 very much, Joanne. Thank you, very much.
7 Informative as always. The next item is the
8 Chairman's Report.

9 I'd just like to mention a couple
10 of things. The first thing I'd like to mention
11 and ask the commissioners, has everyone received
12 the new iPad? And if you haven't, it is
13 available for you, right? We have our I Pads
14 for all of our commissioners so you can turn in
15 your old one and get a new one. So if you
16 haven't done it, do it at your earliest
17 convenience.

18 The second thing I'd like to
19 mention is, of course, something that the
20 Executive Director mentioned, and that is that
21 the Stakeholders meeting process should conclude
22 at the November 13th meeting at which time the
23 final report from MWH will be submitted and at
24 that point, we'll convene at a meeting of the
25 CEO Committee, make a determination as to how

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1 we're going to proceed with regard to the
2 report.

3 A couple of things coming up this
4 year. I want the commission to know some of the
5 things we should and would like to get involved
6 in. The first thing would be to get a
7 discussion going with the chambers, the

8 respective chambers House and Senate with regard
9 to the lateral legislation that has been on the
10 agenda for, oh, my God, it has to be six or
11 seven years now, Joanne, right?

12 MS. MACERONI: It pops up every now
13 and then.

14 CHAIRMAN MESOLELLA: And as we've
15 said in the past, I think it's in our best
16 interest to try to conclude exactly how the
17 Narragansett Bay Commission should interact with
18 other communities within our district with
19 regard to lateral connections. And I think a
20 piece of a Comprehensive Legislation would best
21 address that. It seems like it's the wave of
22 the future and we'll try to be ahead of the
23 curve. The other thing that I think is
24 important to us this coming year -- when is
25 pre-filing, Jo, is it next month?

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1 MS. MACERONI: Yes, October.

2 CHAIRMAN MESOLELLA: October, okay.
3 So legislation prefiling starts in October, and
4 I think it's important to begin the discussion
5 early on the issue that we've been batting
6 around with this commission, as well as certain
7 state legislatures, and that is with regard to

8 seeking a direct appropriation in the state
9 budget for Narragansett Bay Commission
10 activities.
11 Of course the issue is that
12 Narragansett Bay Commission district foots the
13 bill for many of the improvements which we are
14 being realized downstream. And this is an
15 ongoing debate, and to those ends, I believe
16 it's fair and equitable for the state to
17 participate in some of the rate increases that
18 are our ratepayers have been experiencing while
19 the rest of the state benefits from the
20 activities of the Narragansett Bay Commission
21 and its representative district. So I'd like to
22 have a more in depth discussion with the
23 commission with regard to the development of
24 legislation which would provide for a direct
25 appropriation to mitigate rate impacts for our

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1 ratepayers.
2 The last thing I'd like to touch
3 on, and that is something Joanne just mentioned,
4 an extremely important piece of legislation in
5 my mind which has passed this year is the net
6 metering bill which Joanne alluded to earlier,

7 which the bill generally allows the Narragansett
8 Bay Commission, as I understand it, to
9 participate -- well, to establish off site
10 sources of alternate energy, and that's all
11 green energy, right, Jo, it could be wind, it
12 could be solar, it could be -- of the sources of
13 energies that you can net meter. And in that
14 regard, we've been, as you know, tremendously
15 successful with the development of our wind
16 turbines at this site, and I see no reason
17 unless anyone has any objections, to solicit
18 opportunities in both, in the private sector.

19 Anyone who might be interested in
20 submitting a proposal for some net metering
21 opportunity with the Narragansett Bay
22 Commission. I don't know what exists out there,
23 but I think it would behoove us to try to find
24 out what that is, and I would like to ask the
25 staff to draft a request for proposal that can

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1 be offered to the public to see what might come
2 forward. There might be some alternate energy
3 opportunities that we could avail ourselves
4 to as the result of the passage of this
5 legislation. So it would be my intent to ask
6 the staff within the next 60, 90 days to develop

7 a request for proposal, and then we'll review
8 anything that comes in to see if the
9 Narragansett Bay Commission can benefit in any
10 significant way from the passage of this
11 legislation. Having said that, the next meeting
12 of the Narragansett Bay Commission Board will be
13 on -- October 28.

14 MR. MARSHALL: October 28th.

15 CHAIRMAN MESOLELLA: October 28th.

16 And the Chairman has no further report. Are
17 there any questions? Okay.

18 The next order of business is New
19 Business. Is there any new business to come
20 before the Commission today, new business? No
21 new business.

22 Item Number 7, which is Other
23 Business. The Chair would like to inform the
24 Board that it had received the communication
25 under the signature of Mayor Charles Lombardi,

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1 who has asked and requested to appear before the
2 Board today. It's a simple letter. I'd like to
3 read it to the board. It was directed to our
4 Executive Director, Mr. Marshall.

5 "Dear Mr. Marshall, I respectfully

6 request to appear before the Board on September
7 23rd, 2014, for the purpose of discussing the
8 sewer line on Mineral Spring Avenue in North
9 Providence. Thank you in advance for your
10 cooperation. Very truly yours, Charles
11 Lombardi, Mayor."

12 Commissioner Leone, I know we've
13 had the discussion. I assume it's about the
14 particular line in that area?

15 COMMISSIONER LEONE: I believe
16 Cooper Street and Doris Street or Dorman.

17 CHAIRMAN MESOLELLA: Okay, very
18 good. Is Mayor Lombardi present? If not, is
19 there someone intending to speak on behalf of
20 the mayor? Anthony, would that be you?

21 MR. GALLONE: Chief of staff.

22 CHAIRMAN MESOLELLA: I'd like to
23 introduce to the Board, G. Richard Fossa, Chief
24 of Staff.

25 MR. FOSSA: Call me anything you'd

1 like.

2 CHAIRMAN MESOLELLA: I can't do
3 that in public, Richard, G. Richard Fossa, who I
4 believe is Chief of Staff. And Anthony Gallone,
5 who is the Solicitor for the Town of North

6 Providence, whose mom was a long-time
7 commissioner on the Narragansett Bay Commission.
8 That was some years ago. So welcome, and please
9 proceed.

10 MR. FOSSA: Mr. Chairman, it's nice
11 to see you again.

12 CHAIRMAN MESOLELLA: Thank you.

13 MR. FOSSA: I want to thank you for
14 allowing us to come here, strictly
15 informational. As you just stated, I think to
16 Mr. Leone, we have an issue with this line on
17 Mineral Spring Avenue. As you know, I was
18 involved in politics since 1972, which is longer
19 than I'd like to think about it. But in any
20 case, that line runs from Cooper Street up to
21 maybe half a mile east on Mineral Spring Avenue,
22 and it's been a money shredder for the Town of
23 North Providence.

24 The first question is how did we
25 get to own that one section of the line on

1 Mineral Spring Avenue, when I believe
2 Narragansett Bay Commission owns the rest of the
3 line? I'm sure there was a reason for it. We
4 just -- about two days, we haven't had a chance

5 to even look at this, found an agreement that
6 dates back to 1983.

7 Since I could remember, that's been
8 a problem there. The line is very deep there.
9 And one section caves in one year, and then two
10 years later another section caves in. And we're
11 in the process right now of digging up Mineral
12 Spring Avenue. And you know what it is dig up
13 Mineral Spring Avenue.

14 CHAIRMAN MESOLELLA: I do.

15 MR. FOSSA: It's just not like a
16 side street where you dig down six feet and you
17 hit the sewer line. I believe that line goes
18 anywhere from 25 to 20 feet. It varies
19 depending on what location it is.

20 The other question is if that's a
21 line that's being used by whoever those
22 businesses and residents there, for us it's just
23 ownership of that line with no revenue coming in
24 at all? So all it is is a money shredder for
25 the Town of North Providence. We don't

1 understand. We don't even have any revenue for
2 maintenance of the line. So it's a lose, lose
3 situation, I guess what the issue is. I'm going
4 to have an attorney look at it, but if someone

5 could say why the Town of North Providence has
6 ownership of maybe half a mile of line, we don't
7 know why we own it.

8 CHAIRMAN MESOLELLA: Well, all
9 right. So, I assume you're addressing the
10 question to me?

11 MR. FOSSA: No, anyone on the
12 commission.

13 CHAIRMAN MESOLELLA: Well, first of
14 all, let me say --

15 MR. FOSSA: It's a great deal for
16 the Narraganset Bay Commission, but we're not
17 doing good on the town side.

18 CHAIRMAN MESOLELLA: Well, first of
19 all, let me just express my gratitude for your
20 attitude today in not being confrontational.

21 MR. FOSSA: Oh, we've had -- no,
22 we're not confrontational. So, as we speak, Mr.
23 Chairman, excuse me. The mayor probably will
24 walk in because he was at another meeting. He
25 called and said he'd be on his way.

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1 CHAIRMAN MESOLELLA: All right.
2 So, two things. Number one, it's very difficult
3 for, I think, any of us to speak to the reason

4 why, since it was done by the framers. We'll
5 call them the framers, right. That could be --
6 talk about the constitution.

7 I don't know what they meant, but
8 that's the way it is. So we don't know why it
9 is, but it would appear that it, it would appear
10 that it was intentional, so I don't know why
11 that is. That's the first thing. The second
12 thing is it's not just North Providence, because
13 that line continues through North Providence to
14 generally the Pawtucket line --

15 MR. FOSSA: Right.

16 CHAIRMAN MESOLELLA: But that
17 continues on, by the way, from that Pawtucket
18 line on through the City of Pawtucket. So it's
19 a multi-jurisdictional issue. It is not a
20 singular district issue, it's a
21 multi-jurisdictional issue. So as to the reason
22 why, I don't think anyone one of us could even
23 contemplate an answer to that question. But it
24 is a multi-jurisdictional issue, and it's
25 something that I think the Board needs to

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1 consider. We have already explained to
2 Commissioner Leone in significant detail because
3 of his efforts in this regard, that we would

4 have a discussion about it, and put it through
5 the proper process to see what, if anything, can
6 be accomplished. I think you'll attest to that
7 Commissioner Leone.

8 We've had discussions with the
9 Executive Director about this matter as well,
10 and what process we would undergo to address
11 this particular issue. What makes it difficult,
12 and there are other commissioners who have
13 something to say about the issue is a broader
14 issue of acquiring specific particular lines in
15 the various jurisdictions and what the
16 implications are. Commissioner MacQueen has
17 expressed his concerns about that, as well.

18 So I think our approach would be to
19 examine, you know, what process we can undergo.
20 I know Commissioner Rotella had some suggestions
21 and so did Commissioner MacQueen.

22 MR. ROTELLA: My thing was this is
23 now under the long-range planning ownership of
24 laterals, right? So it has to go to that
25 committee, really, for some determination as to

1 where it is, and the fact that we can't take the
2 North Providence without taking the Pawtucket

3 one or vice versa.

4 So if we're going to move forward,
5 we actually should know A, what the plan is, B,
6 what we're facing. I mean, is this something to
7 be replaced in full. I mean, what you're saying
8 is that you have issues every year.

9 MR. FOSSA: It seems almost daily,
10 but it isn't. The problem with this is it's not
11 like a line breaking in a side street, you send
12 someone in --

13 MR. ROTELLA: I realize the nature
14 of this.

15 MR. FOSSA: The other thing is
16 blocking up Mineral Spring Avenue creates all
17 kinds of problems for the state, by the way. I
18 guess I'll request as simple as this, Mr.
19 Chairman. We have an issue there where we own
20 the land.

21 We don't get any revenue. I mean,
22 this sewer use charge, you know, that goes to
23 Narragansett Bay Commission. We don't want --
24 should there be -- is there a possibility that
25 the Town of North Providence gets some help or

1 some revenue from that use of that line,
2 strictly for maintenance? It doesn't have to be

3 deposited with the Town of North Providence, it
4 can be deposited anywhere, strictly for the
5 maintenance of that line.

6 So, like I said, this last estimate
7 of the work we're going to be doing shortly,
8 we're involved with DEM besides that, because we
9 do have some business there. One was a medical
10 business, a medical office. And the doctor
11 called up, he said, Dick, I'm running a medical
12 office here. You can't walk into building, it
13 smelled so bad.

14 So they do have a legitimate
15 complaint, but we've paid off claims for damage
16 to properties and now we're paying for the
17 repair of the line. And it just seems like
18 maybe the line is antiquated, I don't know, and
19 it's just going to keep collapsing. But like
20 this last estimate for the work we're doing is
21 approximately 70,000. And it never ends up at
22 70,000. Once they dig, it's always going to be
23 like another 30,000, and they find another
24 problem, and that's what happened the last time.
25 So, I guess the purpose of us being here today

1 is if we could get some help from the

2 Narragansett Bay Commission whatever way we can.
3 And I don't know how that could be accomplished,
4 but we're making the request anyway.

5 CHAIRMAN MESOLELLA: Mr. Rotella,
6 do you have a motion?

7 MR. ROTELLA: Well, I make a motion
8 that it goes from planning of four resolutions
9 as to some idea as to come up with a plan to
10 address this as it relates to the Narragansett
11 Bay Commission either -- I don't want to say
12 what a possible conclusion may be, but whatever
13 they are, if it's -- whatever it may be, I think
14 that's a proper place for it. Eventually from
15 there, that committee will report to the full
16 board and the full board will make a
17 determination on a final, what's going to
18 happen.

19 CHAIRMAN MESOLELLA: Ray, anything
20 to add?

21 MR. MARSHALL: No, I think that's
22 the right approach. You might be interested in
23 knowing that some of the other communities,
24 Lincoln, Johnston, they have an additional user
25 fee on top of our fee. They bill it completely

1 separately, although we have shared our billing

2 files so they know who to bill. And then I
3 think in Johnston, I think it's like \$75 a year,
4 that they use to address issues of that nature.

5 MR. FOSSA: Some kind of
6 compensation. Like I said, a separate account.

7 MR. MARSHALL: I want to be clear,
8 this is something that the Town of Johnston
9 decided they wanted, and they send out their own
10 bills and collect their own money and have their
11 own funds there, no co-mingling with
12 Narragansett Bay Commission.

13 MR. FOSSA: Right, okay. I
14 understand.

15 CHAIRMAN MESOLELLA: So I would
16 just have to say that pursuant to this
17 discussion, it raises a myriad of other issues
18 besides the physical issue of the repair and the
19 cost. I mean, there are other legal issues that
20 we'll have to discuss, and the ramifications,
21 and the precedent setting ramifications mostly.

22 So for the purposes of today's
23 discussion, I believe Commissioner Rotella made
24 a motion to submit this matter that it goes to
25 the Long Range Planning Committee for its

1 investigation and recommendation. And to that
2 end, are you on the Long Range Planning
3 Committee.

4 MR. LEONE: Yes.

5 CHAIRMAN MESOLELLA: And you are on
6 the Long Range Planning Committee. Your
7 representative on the Narragansett Bay
8 Commission is represented on that committee.
9 They submit that to investigate the issue, the
10 ramifications physically and legally, and come
11 back with a recommendation. And then we'll
12 report back to you with those.

13 MR. FOSSA: Mr. Chairman, the
14 bottom line is there any recommendation you can
15 make or help we can get will be deeply
16 appreciated. We don't have a solution to the
17 problem, so maybe jointly we could come up with
18 something that would will work for everyone.

19 CHAIRMAN MESOLELLA: All right. So
20 we have a motion -- oh, there he is. Mayor
21 Lombardi has just arrived and has joined us. So
22 we have a motion. We have a second. Discussion
23 on the motion?

24 MR. MONTANARI: Whenever there's a
25 problem, you people are --

1 CHAIRMAN MESOLELLA: The town owns
2 it. They want us to take it over. Well, I
3 assume that would be ultimately. They would
4 either like us to take it over, I assume, they
5 would be looking for us to take it over, assume
6 responsibility for its maintenance and operation
7 and/or some form of compensation. I assume
8 that's what he's interested in.

9 MR. LEONE: If that's one of the
10 recommendations for the solution, that'd be
11 fine.

12 CHAIRMAN MESOLELLA: Yeah, so
13 anyway, so --

14 MR. FOSSA: There's no benefit to
15 us with the line.

16 CHAIRMAN MESOLELLA: Well, so for
17 purposes of today's discussion, it's referred to
18 long-range planning. Commissioner Carlino?

19 MR. CARLINO: And I know the staff
20 is going to do the search regarding this line,
21 and so forth, but it will be helpful for our
22 committee also, like you stated earlier. What
23 do we do in other communities, and maybe we can
24 get some ideas whether or not we can or cannot
25 help.

1 CHAIRMAN MESOLELLA: Well, I think
2 it has to be part of that discussion. So that's
3 why I'm saying it's very difficult to answer
4 your question because of the ramifications.

5 MR. FOSSA: We haven't answered
6 them in 40 years, Mr. Chairman.

7 CHAIRMAN MESOLELLA: So what's the
8 rush.

9 MR. FOSSA: Let me ask you a
10 question. If you can give us some kind of an
11 idea where we'll get some information on it,
12 just some kind of movement?

13 CHAIRMAN MESOLELLA: Well, I think
14 that, well, you were here through the meeting, I
15 believe you were here earlier with the
16 discussion of other matters that were going to
17 be pending before the Long Range Planning
18 Committee, and I don't know what you're
19 thinking, Chairman, about a meeting. If you're
20 planning to meet in October or you're planning
21 to meet in November?

22 MR. FOSSA: Well, I guess how long
23 it take to get all that information to us. I
24 would say that when the Executive Director, when
25 you do have that information that we're asking

1 for, that we would schedule a meeting, post it
2 and meet as soon as we can. We don't have to
3 wait until November, but we need that
4 information.

5 CHAIRMAN MESOLELLA: So I just
6 discussed the matter with our Executive
7 Director, and he's talking about possibly having
8 a subcommittee meeting. I don't know if we'll
9 reach a conclusion, but we'll have a
10 subcommittee meeting by October 28th. We'll try
11 to, we'll start to furnish information to the
12 subcommittee prior to that, so we can have at
13 least in a position, have a discussion at the
14 October 28th meeting, or prior, if you want to
15 have something prior to the actual board
16 meeting.

17 MR. CARLINO: Yeah, which we talked
18 about earlier. And we need to do that. I'd be
19 willing to do that, but as long as we post it 48
20 hours.

21 MR. FOSSA: Mr. Chairman, if
22 there's any information you need from the town,
23 just forward it to us, and we'll get it to you
24 as soon --

25 CHAIRMAN MESOLELLA: Yeah, what I'd

1 like from you is the reason it was left out of
2 the original acquisition. Like I said, I don't
3 think you were aware that it's not just North
4 Providence.

5 MR. FOSSA: I guess from Centerdale
6 to the end of the Pawtucket lines are about
7 three miles, and we own that little piece.

8 CHAIRMAN MESOLELLA: And again,
9 it's not just North Providence, the line
10 continues on to Lincoln through Pawtucket, so I
11 don't know the reason, but at the time it was
12 obviously some logic. What it was, we don't
13 know.

14 MR. FOSSA: Mr. Chairman, I didn't
15 come here with any high expectations where you
16 would tell me how it was done, because we've
17 been there forever and we don't. But I
18 appreciate the time that you give us here today,
19 and hopefully we'll come up with some kind of a
20 solution.

21 CHAIRMAN MESOLELLA: Commissioner
22 Milas?

23 MS. MILAS: Wouldn't that report
24 also have to come to the Finance Committee? I
25 would think.

1 CHAIRMAN MESOLELLA: Notice I'm
2 looking at counsel here.

3 MR. DEANGELIS: It's part of the
4 investigation. They look at the lines and the
5 repair of the lines involves the expenditure of
6 funds.

7 CHAIRMAN MESOLELLA: Well, listen,
8 as always, we're going to follow all the
9 procedures that are required of us legally and
10 appropriately, so whatever we're advised to do.
11 Commissioner Andrade?

12 MR. ANDRADE: Mr. Chairman, just a
13 suggestion that members of other communities are
14 effected even if they don't serve on that
15 committee, they're invited to the meeting so
16 they're aware of any proposals.

17 CHAIRMAN MESOLELLA: All of our
18 commissioners are invited to all of our
19 meetings. And even though they don't serve on
20 the subcommittee, they're always allowed to
21 participate. So, all right. So we have a
22 motion, we have a second.

23 MR. DEANGELIS: We need a second.

24 CHAIRMAN MESOLELLA: We need a
25 second. Commissioner Milas, Commissioner

1 DiChiro, and, of course, Commissioner Leone.
 2 All in favor will say aye. I guess I should ask
 3 if there's -- sorry, further discussion? Mayor
 4 Lombardi.

5 MAYOR LOMBARDI: Mr. Chairman, I
 6 want to thank you for your time, and hopefully
 7 we can work this out. And it's becoming a real
 8 nuisance and burden to the town. And hopefully
 9 you understand the reason why we're here today.

10 CHAIRMAN MESOLELLA: I do, I do.

11 MAYOR LOMBARDI: I want to thank
 12 you for your time.

13 CHAIRMAN MESOLELLA: You're very
 14 welcome. Okay, having heard that, all in favor
 15 will say aye. Are there any opposed? There are
 16 none opposed, and that motion carries.

17 (VOICE VOTE TAKEN)

18 CHAIRMAN MESOLELLA: Other
 19 business?

20 MR. MARSHALL: Well, we do have a
 21 presentation by Paul Nordstrom. If anyone -- is
 22 there anyone interested. Paul is going to speak
 23 on some part of the continuing education process
 24 that you all asked for. He was going to talk

25 about wastewater treatment and the biological

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1 nutrient removal. Do you feel you have time to
2 listen to it today, or would you like us to
3 reschedule that for another time?

4 MR. DICHIRO: How long is the
5 meeting?

6 MR. MARSHALL: It's probably going
7 to be twenty minutes, or so.

8 CHAIRMAN MESOLELLA: So we have
9 lunch. We can grab a bite and watch the
10 presentation. All right. So why don't we do
11 that. So why don't we do that. Why don't we
12 grab some lunch, and then when everybody gets
13 settled, we'll -- you need the screen, right,
14 we'll bring down the screen and proceed with the
15 presentation.

16 All right. If I can have your
17 attention for just one moment. I guess there's
18 been a recommendation that we adjourn. This way
19 here so we can officially adjourn, and then
20 everybody who wants to have lunch and stay for
21 the presentation can stay.

22 So Commissioner Rotella moves that
23 we adjourn, seconded by Commission Handy. All
24 in favor to adjourn will say aye. Any opposed?

25 None opposed. Motion carries. We are

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1 adjourned. Grab some lunch.

2 (HEARING ADJOURNED AT 12:15 P.M.)

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1 C-E-R-T-I-F-I-C-A-T-E

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3 I, PAULA J. CAMPAGNA, CSR, a Notary
4 Public, do hereby certify that the foregoing is
5 a true, accurate, and complete transcript of my
6 notes taken at the above-entitled hearing.

5

6 IN WITNESS WHEREOF, I hereunto set my
7 hand this 10th day of October, 2014.

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20 PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
21 COURT REPORTER

22 MY COMMISSION EXPIRES: April 25, 2018

23

IN RE: NBC Monthly Board Meeting
of the Commission

24 DATE: September 23, 2014

25

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

In Re: Monthly Board Meeting of the Commission

DATE: June 24, 2014

TIME: 11:00 a.m.

PLACE: Narragansett Bay Commission

Corporate Office Building

One Service Road

Providence, RI 02905

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Secretary–Executive Director
Angelo S. Rotella, Vice Chairman
Robert Andrade, Treasurer
James S. Bennett
Dr. Richard H. Burrows
Bruce Campbell
Mario Carlino
Joseph P. DeAngelis, Esquire
Michelle DeRoche
Michael DiChiro
Jonathan K. Farnum
Seth Handy
Paul E. Lemont
Joseph Kimball
Joan P. Milas
Alessandro Montanari

ALSO PRESENT:

Sherri Arnold, NBC
Rich Bernier, NBC
Kerry Britt, NBC
Tom Brueckner, NBC
Leah Foster, NBC
Harold Gadon, CAC
Karen Giebink, NBC
Carmine Goneconte, NBC
Jennifer Harrington, Esquire, NBC
Laurie Horridge, NBC
Joanne Maceroni, NBC
Shaylyn McCauley, NBC
John Motta, NBC

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1 ALSO PRESENT, cont.

2 Paul Nordstrom, NBC
Joe Pratt, Louis Berger Group

3 Jamie Samons, NBC
Deborah Samson, NBC

4 Mark Thomas, NBC
Richard H. Williams, NBC

5 Thomas Uva, NBC

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1 (BOARD OF COMMISSIONERS MEETING COMMENCED AT 11:04 A.M.)

2 CHAIRMAN MESOLELLA: Good morning, everyone.

3 Recognizing a quorum, we'll call to order the meeting of
4 the Board of Commissioners Narragansett Bay Commission
5 for Tuesday, June 24, 2014 at 11:04.

6 Before we begin with the official meeting, I would
7 like to take this opportunity to welcome and introduce
8 our two new commissioners, Michelle DeRoche.

9 COMMISSIONER DeROCHE: Thank you very much.

10 CHAIRMAN MESOLELLA: We're happy to have
11 you, and Jim Bennett. Of course, I have to say a few
12 things about Michelle. Michelle, you were my page, were
13 you not?

14 COMMISSIONER DeROCHE: For a very small
15 brief time, about three months.

16 CHAIRMAN MESOLELLA: Did I do something to,
17 was it something I said?

18 COMMISSIONER DeROCHE: No.

19 CHAIRMAN MESOLELLA: All right. Okay.

20 Also, I think it's appropriate to announce that

21 Commissioners Carlino, Kimball, Nathan and Worrell have
22 finally officially been reappointed and confirmed. So,
23 congratulations, and that's great. It took us a while
24 to get that done, but I'm thrilled that it's done.
25 Thank you. Yes, I introduced Commissioner Bennett, of

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1 course.

2 COMMISSIONER BENNETT: Chairman, I'm hoping
3 that you don't have anything to say about me.

4 CHAIRMAN MESOLELLA: Well, here's the thing.
5 My mother always told me, if you don't have anything
6 good to say about anybody...that's not true. Jim has
7 been a dear friend and a great help, actually, to the
8 commission since he's been with the City of Providence,
9 and we appreciate your reference; and I think you're
10 going to enjoy serving here on the Narragansett Bay
11 Commission.

12 First order of business is the Approval the Previous
13 Minutes of May 28, 2014. Have all of our members had an
14 opportunity to review the previous minutes, and if so,
15 are there any comments, questions or corrections on the
16 previous minutes? Mr. Kimball.

17 COMMISSIONER KIMBALL: Mr. Chairman, if
18 memory serves me correctly, I believe I was in

19 attendance at that meeting, but I don't see my name on
20 the list.

21 CHAIRMAN MESOLELLA: Okay, that's the second
22 correction we've had. Heather, will you note that
23 correction, that Commissioner Kimball was present at the
24 previous meeting of May 28th, and note that correction.
25 Commissioner Carlino, isn't that also true in your case?

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1 COMMISSIONER CARLINO: I'm present on this
2 one. The sub-committee, actually, I was incorrect. I
3 was not there, but we squared that away. I was
4 corrected.

5 CHAIRMAN MESOLELLA: Having made those
6 corrections --

7 COMMISSIONER MONTANARI: Move approval.

8 COMMISSIONER MILAS: Second.

9 CHAIRMAN MESOLELLA: -- Commissioner
10 Montanari moves that we approve the previous minutes,
11 and seconded by Commissioner Milas. Discussion on the
12 previous minutes.

13 THE COMMISSION: (No response)

14 CHAIRMAN MESOLELLA: Hearing none, all of
15 those in favor of approval of the previous minutes will
16 say aye.

17 THE COMMISSION: Aye.
18 CHAIRMAN MESOLELLA: Are there any opposed?
19 THE COMMISSION: No (response)
20 CHAIRMAN MESOLELLA: There are none opposed,
21 and the motion carries.
22 (MOTION PASSED UNANIMOUSLY)
23 CHAIRMAN MESOLELLA: Next order of business
24 is Number 3, which is Acknowledgment of Awards. Mr.
25 Secretary.

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1 RAYMOND MARSHALL: Yes. The first three
2 awards were presented by the Narragansett Water
3 Pollution Control Association. That's the local
4 statewide organization that all wastewater agencies
5 belong to, and we received three awards at that, or our
6 members did.
7 The first one we want to acknowledge is the Most
8 Efficient Large Secondary Treatment Facility, which was
9 won by Field's Point, and I believe Rich Williams is
10 going to come up and receive that award. Rich is the
11 head of our maintenance group. Rich, come on up.
12 (APPLAUSE)
13 CHAIRMAN MESOLELLA: Thank you, Rich.
14 Congratulations.

15 MR. WILLIAMS: Thank you very much.

16 RAYMOND MARSHALL: The next award that was
17 presented by the organization is called the James
18 Marvelle Award for Service to the Narragansett Water
19 Pollution Control Association, and that was presented to
20 Mike Spring. Mike's also from our plant.

21 (APPLAUSE)

22 CHAIRMAN MESOLELLA: That's a very nice one.
23 Hey, Mike, thank you.

24 RAYMOND MARSHALL: Thank you for
25 representing us well. The third award from that

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1 organization is the Robert Markelewicz Award for
2 Excellence and Maintenance, and the winner of that is
3 Joe Crosby, but Joe is not able to be here today. Joe
4 is one of the mechanics at Field's Point.

5 The next award is presented by the Providence
6 Business News, and this is an award that requires a
7 fairly extensive application as well as a survey that
8 has to be done by the employees.

9 The employees go online, and they anonymously weigh
10 in on what they really think is going to work here as
11 opposed to what we all tell you is going to work here.
12 You have to score so many points on that survey in order

13 to be selected for this award.

14 The Best Place to Work Award for 2014, and I'd like
15 to receive this award, I'd like Laurie Horridge to come
16 up from our Executive Group to receive the award.

17 (APPLAUSE)

18 CHAIRMAN MESOLELLA: The next order of
19 businesses, Item Number 4, is the Executive Director's
20 Report. Mr. Secretary, do you have a report for us this
21 morning?

22 RAYMOND MARSHALL: Yes, I do.

23 CHAIRMAN MESOLELLA: Proceed.

24 RAYMOND MARSHALL: The seasonal permit for
25 our two pretreatment plants for nitrogen removal is now

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1 in effect. It runs May through October. Field's Point
2 is meeting permit, doing very well. For May, they
3 averaged 3.27 parts per million of nitrogen. Very
4 impressive, and that's in spite of the fact that we've
5 having some trouble with the aeration blowers. That's
6 the mechanical equipment that pumps air into the process
7 to make the bugs work, and we've been working with the
8 manufacturer on that. We're going to do a study on how
9 we can make that system run more efficiently, and they,
10 meaning the manufacturer, has been involved actively in

11 trying to get the matters resolved, but they seem to be
12 ongoing; and we need to come to some resolution on this.
13 So, we'll work on it over the summer, and we'll give you
14 an update in September.

15 At Bucklin Point, construction is ending, thankfully.
16 The contractor really did a good job. They finished a
17 couple of weeks ahead of time. They're essentially done
18 now, but the permit doesn't actually go into effect
19 until July 15th.

20 And in spite of that, the staff over there have
21 managed so far in June to achieve a level of 4.8 parts
22 per million. The limit is 5, so they're doing really
23 well on this cumbersome conditions, but that will all be
24 resolved in the next week or so as the contractor moves
25 off site.

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1 The wind turbine performance in May, the winds were a
2 little lighter, so we're down to only 44 percent of the
3 power that we needed at Field's Point was generated by
4 the turbines. We're still averaging for the year 2014
5 57 percent. We just have to remember that the windier
6 months are at the beginning of the year, January through
7 March, and then the winds pick up again in the fall, so
8 they tend to quiet down in the summertime. So, all of

9 last year we averaged 43 percent of the power.

10 Our biosolids vendor Synagro has moved from reusing

11 50 percent of our biosolids, which they're required to

12 do by contract, now they're reusing 100 percent of it,

13 and they're now taking it to Woonsocket where they're

14 generating electricity with the material that they fall

15 off of our site, and that's along with other material,

16 other biosolids that they take from other facilities.

17 The Phase III CSO stakeholders group met last

18 Thursday. A couple of commissioners attended,

19 Commissioner Kimball, Commissioner Burroughs, so they

20 know a little bit about what the details of that are.

21 This is the fourth of six meetings we've just completed.

22 The next one is September 4th from 9 a.m. to 12 noon.

23 They're interesting from the point of view that you

24 can see the divergence of opinions on what we should do

25 next, how we should do it, how much money we should

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10

1 spend, and that's part of the whole process of what we

2 want to get out on the table to make sure that everyone,

3 that we have a broad range of support before we move

4 into Phase III of that program.

5 And speaking of the CSO Program, Phase II, we're

6 making progress on all contracts. The contractors are

7 doing well. The goal is to have substantial completion
8 of all the work by the end of the year. There will
9 still be some cleanup and paving work to do probably
10 next spring, but we should have everything operating by
11 the end of December.

12 And the lab building, the site across the street, the
13 foundation work is now beginning. That's also moving
14 along well. As you know, we had the groundbreaking last
15 month, and so far the contractor is doing a very good
16 job for us.

17 As far as our budgets go, FY '14 was successfully
18 finished under budget. We were about 2 1/2 percent
19 under budget through May, and we should be able to cross
20 the finish line at about that level; and the FY '15
21 budget will come before you for presentation,
22 consideration and your vote a little later today when
23 the Finance Committee reports. Karen and her staff will
24 be giving you a report on that.

25 The Public Utilities Commission was here for two days

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1 in early June. They spent one day on combined sewer
2 overflows and the second day on the wastewater treatment
3 facilities.
4 We had some classroom work that was presented by the

5 staff, and then we took them on a field trips to the
6 tunnel pump station as well as both of our wastewater
7 treatment facilities. They seem very impressed, and
8 they made remarks to the effect that they had no idea it
9 was this complex, it was this expansive, and hopefully,
10 it will help us in our rate case as we move forward over
11 the next couple of months.

12 The unions have completed their voting on the new
13 collective bargaining agreement, and they ratified all
14 the tentative agreements. We're now working on the
15 final language and wording on a couple of union issues
16 that are non-economic in nature, and we probably will
17 have a full signed agreement sometime in early to
18 mid-July.

19 We had to spend a fair amount of time, as you would
20 imagine, explaining how we're going to move from a
21 traditional health care delivery system to the
22 high-deductible system, but to the credit of the
23 employees, they were very engaged, very open minded and
24 asked a lot of great questions; and we're comfortable
25 enough to vote in favor of the new CBA, which includes

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1 that particular change.

2 And as a follow up to that, I've been going around to

3 meet with all staff on all shifts at all of our
4 facilities. I can tell you that morale is very good,
5 and there was a lot of positive feedback, just in
6 general by the way they feel they've been treated by the
7 board. They've been treated very fairly, and they
8 wanted me to extend their appreciation to the fact that
9 you all actually value what it is they do each and every
10 day. Sometimes they get the feeling that nobody knows
11 they're out there or cares, but you've shown them that
12 that's not the case.

13 I met with the two new commissioners, and I gave them
14 a little bit of a briefing on how the board operates;
15 and so, hopefully, they'll enjoy their tenure here on
16 the board. I'll make sure that we keep them busy, the
17 Chairman will see to that.

18 All of the commissioners should know that we are
19 planning to update or upgrade all of your I-pads at the
20 September board meeting, and anything you have on them,
21 IT will be available to transfer to the new units. So,
22 over the summer those will arrive with the new budget,
23 and then they'll configure them and have them all ready
24 for you; and we'll keep you posted.

25 Karen will send you e-mails and there might even be

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1 an opportunity to come in prior to the board meeting, if
2 we're able to get the deliveries on time so that you
3 won't have to scramble around on that particular day.
4 Just a head up on that.

5 We took the DEM director and the Director of
6 Administration into the tunnel last month, the one that
7 begins over by the Farmer's Market over by the Cuffee
8 School, and they walked the length of the tunnel down to
9 the Foundry complex.

10 They were very impressed and seemed to appreciate the
11 opportunity to actually get out of the office and see
12 something a little different. They were impressed with
13 the complexity and the scope of the project.

14 We've also been meeting with DEM and Resource
15 Recovery working out the details of the scheduled
16 connection to our system, which is planned for November
17 1st. There's a few items that we're trying to make sure
18 that we all agree on before that actually happens. We
19 have another one scheduled for September.

20 Senator Whitehouse was at Field's Point yesterday.
21 He was here as part of an educational program that the
22 Blackstone Valley Prep School in Cumberland run, and
23 that they have some 5th grade students that came in; and
24 the topic was Climate Change and Global Warming, so that
25 was set up at the request of Senator Whitehouse. The

1 kids were really bright engaged kids and very
2 well-behaved. After a little bit of discussion in the
3 classroom, they had the opportunity to walk around and
4 have a tour of the plant and see what actually happens
5 here.

6 The last couple of things, the legislative season is
7 over, and we have a couple of bills that will impact us,
8 and Joanne will give you a briefing on that a little
9 later in the meeting; and anything that is extensive in
10 nature, we might have to have a presentation for you in
11 September, especially on quasi-public transparencies,
12 legislation that was passed.

13 Finally, the stormwater regional study group
14 completed its DIMS studies, Does it Make Sense? The
15 conclusion is that a regional authority is the way to go
16 with stormwater. They're going to have now a follow-up
17 study which will begin in August and run through
18 September of 2015, which is going to try to better
19 define what that regional group or that regional effort
20 should look like, and that is my report, Mr. Chairman.

21 CHAIRMAN MESOLELLA: Thank you. Do any of
22 our members have any questions regarding the Secretary's
23 Report?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: No questions. All

1 right. Moving right along, Committee Reports and Action
2 Items Resulting. Commission MacQueen is not here today,
3 so the Chair chaired the CEO Committee meeting.

4 There were two issues for action. Item A, which is
5 Review and Approval of Resolution 2014:16, which is
6 Award of Contract 120.00RS. It's for Professional
7 Services for our Biogas Generation System. The
8 resolution is included in your package.

9 The resolution resolves that they'll be a contract
10 entered into would be Brown and Caldwell, the amount not
11 to exceed \$322,000 for engineering services for our
12 biogas project.

13 As you can see by the notations, the biogas project
14 is intended to cost approximately \$4.9 million and
15 provides other benefits. Mr. Secretary, do you want to
16 go into the details?

17 RAYMOND MARSHALL: Sure. Very briefly, we
18 have a process over at Bucklin Point called anaerobic
19 digestion. It breaks down the amount of sludge that we
20 have over there to reduce the quantity that needs to be
21 disposed of. While you're doing that, you generate a
22 gas, a methane gas which is combustible, and a portion
23 of that gas you use to reheat the system; and it speeds

24 up the process to make it more efficient, but almost
25 every anaerobic digestion process generates more gas

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1 than you need to use to keep it self-sustaining, and we
2 flair that off right now. So, if you went down there,
3 you have to see it during the day, but at night it looks
4 like the Olympic Torch, and that is a big greenhouse
5 gas.

6 So, in the name of being as green as we can, we're
7 going to take that excess gas, we're going to generate
8 electricity, and we're going to reduce our greenhouse
9 gas emissions as well. We should be able to generate
10 about 30 percent of the power we need at Bucklin Point.
11 We spend somewhere around a million dollars a year in
12 electricity there.

13 This project has been in study and in development now
14 for several years. Plans and specs are finally done,
15 and it should be bid late this summer; and we'll bring
16 the bid results to you sometime in the fall, maybe
17 September, if not then, then October in order to get
18 this project under construction. So, we ask your
19 approval of 2014:16.

20 CHAIRMAN MESOLELLA: Do we have a motion?

21 COMMISSIONER MILAS: Move passage.

22 CHAIRMAN MESOLELLA: Commissioner Milas
23 moves passage of Resolution 2014:16.
24 COMMISSIONER FARNUM: Second.
25 VICE CHAIRMAN ROTELLA: Second.

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1 COMMISSIONER MONTANARI: Second.
2 CHAIRMAN MESOLELLA: Seconded by
3 Commissioner Farnum, Rotella and Montanari. Further
4 discussion on Resolution 2014:16?
5 THE COMMISSION: (No response)
6 CHAIRMAN MESOLELLA: Hearing none, all of
7 those that are in favor will say aye.
8 THE COMMISSION: Aye.
9 CHAIRMAN MESOLELLA: Are there any opposed?
10 THE COMMISSION: (No response)
11 CHAIRMAN MESOLELLA: There are none opposed,
12 and the motion carries.
13 (MOTION PASSED UNANIMOUSLY)
14 CHAIRMAN MESOLELLA: The next item is Item
15 B, which is Review and Approval of Resolution 2014:17,
16 which is Award of Contract 127.00RS-Agreement for
17 Professional and Technical Consulting Services for our
18 Field's Point Electrical Substation No. 1. Mr.
19 Secretary.

20 RAYMOND MARSHALL: Yes, Mr. Chairman. This
21 project is to upgrade and replace one of the major
22 transformers at Field's Point. It's been in service for
23 quite a while, and it's old and needs replacement.
24 There's some corrosion that has occurred that goes with
25 being in the marine environment that it is.

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1 It's estimated to cost, the actual construction,
2 \$800,000. We expect to bid it some time this summer,
3 and the bid results will come before you this fall. The
4 engineering firm, SED Associates, has performed well in
5 the design, and we're looking to retain them to provide
6 technical support during construction, show drawing,
7 reviews and some limited inspection services. The price
8 for that is estimated to be \$31,000, and that's all
9 contained in Resolution 2014:17, and we ask your
10 approval.

11 CHAIRMAN MESOLELLA: Do we have a motion?

12 COMMISSIONER HANDY: Move approval.

13 CHAIRMAN MESOLELLA: Commissioner Handy
14 moves we approve Resolution 2014:17.

15 COMMISSIONER CARLINO: Second.

16 CHAIRMAN MESOLELLA: Seconded by
17 Commissioner Carlino. Further discussion on the matter.

18 Further discussion on Resolution 2014:17?

19 THE COMMISSION: (No response)

20 CHAIRMAN MESOLELLA: Hearing none, all of
21 those that are in favor will say aye.

22 THE COMMISSION: Aye.

23 CHAIRMAN MESOLELLA: Are there any opposed?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: There are none opposed,

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19

1 and the motion carries.

2 (MOTION PASSED UNANIMOUSLY)

3 CHAIRMAN MESOLELLA: That concludes the
4 report of the CEO Committee. The next committee
5 reporting is Long Range Planning Committee. I don't
6 believe there was a meeting today. The next committee
7 reporting is the Finance Committee. Commissioner
8 Andrade, do you have a report for us?

9 COMMISSIONER ANDRADE: Yes, I do, Mr.
10 Chairman.

11 CHAIRMAN MESOLELLA: Proceed.

12 COMMISSIONER ANDRADE: Thank you. The
13 committee met this morning to review the Operating
14 Budget in some detail. Most of the revisions that have
15 taken place since the last meeting, the last review was

16 at last month's meeting.

17 At this point, I would ask Karen to come forward.

18 She's going to go through the budget in some detail as

19 we present it to you for approval. Please feel free to

20 stop her, and ask any questions you may have as we go

21 through the budget.

22 RAYMOND MARSHALL: Are you going to need the

23 overhead at all?

24 MS. GIEBINK: No.

25 RAYMOND MARSHALL: Does everyone have a hard

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1 copy of the budget?

2 MS. GIEBINK: What I'm going to do is

3 actually go through the hard copy with you.

4 I would like to, first you all, acknowledge Sherri

5 Arnold, Gail Degan and Shaylyn McCauley for their help

6 on the budget as well as Leah Foster. Great job this

7 year.

8 The first tab is the Budget Message, and that's the

9 message from the Executive Director, and it highlights,

10 the first page, Page 1 actually highlights the

11 differences on a year-to-year basis between the Fiscal

12 Year 2014 budget versus Fiscal Year 2015 budget; and

13 overall, we're looking at a 1.5 percent increase over

14 the prior year, and I'll go into more detail on the
15 specific line items as we go further into the budget.
16 The Executive Director's message then continues on
17 the next few pages. On Page 3 there's an interesting
18 graphs that shows the permit requirements versus goals
19 for BOD and TSS. That's one of our core business
20 functions.
21 The nitrogen seasonal permit versus the seasonal
22 average, as shown in the chart below. You can see that
23 we'll be facing increasingly stringent requirements with
24 respect to nitrogen removal and the resources required
25 to do so are reflected in this year's budget. On Page 4

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1 highlights the CIP, a few of the major projects.
2 On Page 8 of the report you can see that this budget
3 does reflect an increase in the number of FTEs, a net
4 increase of 3 positions, and then that continues with a
5 summary of the Fiscal Year 2014 requirements, which
6 start on Page 9 and continue through Page 12.
7 The next tab, that's information about the
8 Narragansett Bay Commission. It gives you background
9 information discussing the commission, the organization.
10 On Pages 14 and 15 you can see the organization chart.
11 That gives you kind of a good overview in terms of how

12 the NBC is structured and what some of the major
13 functions of the different divisions and sections within
14 those divisions are.

15 On Page 16, there's a discussion of the regulatory
16 climate and some of our constraints with respect to
17 state and federal issues.

18 And on Page 17, there's discussion of the Field's
19 Point facilities. It's just an overview of the
20 treatment facilities and the collection system, and on
21 the bottom of that page, there's a chart that shows the
22 CSO Phase I facilities, the flow collections since
23 they've come on line back in 2009. I believe that they
24 captured over 5.6 billion gallons.

25 Additional discussion on the facilities is on Pages

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22

1 18 and 19. There's a discussion of the Rhode Island
2 demographics. These are GFOA, our requirements are that
3 we need to discuss all things within our Operating
4 Budget. It highlights the Rhode Island economy on
5 employment rate meeting household income.

6 On Page 22, there is a map that shows NBC service
7 area, and approximately 40 percent of NBC's accounts are
8 within the City of Providence. NBC's largest customers
9 are shown on the bottom of Page 23. Our largest

10 customers in terms of the total annual billing in
11 Fiscal Year 2013 was Providence Housing Authority
12 followed by Brown University and Rhode Island Hospital.
13 So, you can see that we have a nice stable set of
14 customers supporting NBC, and we don't have a
15 particularly high concentration in terms of our revenue
16 sources from one source.

17 On Page 24, there is a graph that shows the number of
18 accounts by customer class. You can see that there's
19 been a growth in the number of residential accounts as
20 well as non-residential accounts.

21 With respect to commercial users, there has been a
22 decline in the number of industrial users, and we've
23 talked about that in the past. That's shown in the
24 decline from 700 to 250.

25 Page 25 shows the projected population growth by city

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1 and town as well as age group and gender. Page 26
2 discusses the Strategic Plan, and really, the strategic
3 plan is what guides the development of the budget, and
4 our objective of making sure that the resources are
5 allocated to the functions that we need in order to meet
6 the strategic goals.
7 We've also included on Page 27 a few graphs that

8 show how the action for achievement, which are detailed
9 in the back, tie into the overall strategic objectives.
10 Page 29 through 32 show the goal actions for target
11 measures by key code.
12 Getting to the budget on Page 33, which is behind the
13 next tab, there is an overview of the budget, and as I
14 mentioned, the Fiscal Year 2015 budget is \$100,119,146.
15 It represents a 1.5 percent increase over the prior
16 year.
17 With respect to revenues, user fees are budgeted 1.4
18 percent higher than last year. Pretreatment fees, 9.1
19 percent higher, connection permit fees, 50 percent
20 higher at \$150,000.
21 Non-operating revenue, we are budgeting for
22 investment income of approximately \$5,000, which is a
23 \$20,000 less than last year's because interest rates are
24 just so low.
25 Late charges are budgeted 16.4 percent higher.

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1 Transfer from operating capital is budgeted 213,000
2 lower than last year, and the revenue fund balance, we
3 are budgeting this year of \$200,000.
4 With respect to expenses, the major changes are,
5 personnel costs are 1.7 percent higher, operating

6 supplies and expenses are 12.4 percent higher,
7 professional services, 9.1 percent higher, and I'll go
8 through this in some detail a little bit later.

9 The debt service is 4.3 percent higher. Programmed
10 new debt is 76 percent lower than last year, and that's
11 because we're moving through the construction of most of
12 our Phase II facilities as well as BNR facilities, so
13 with the construction activity, I think we should drop
14 off the next few years and so should our need to borrow.

15 Debt service coverage is 12.4 million, and the
16 operating capital is at 3.7 million.

17 Page 34 shows the sources and uses of revenue in a
18 graph format, and a ten-year historical comparison of
19 revenue and expenses are shown on Page 35.

20 We've also included on Pages 36 and 37 the key
21 assumptions. As I mentioned, the strategic plan guides
22 the development of priorities and program objectives and
23 measures.

24 Some of the short-term guidelines are that the budget
25 includes a 2.25 percent cost of living adjustment thaw

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1 was recently negotiated with the two unions as well
2 contracted step increases and comparable merit increases
3 for the non-union employees.

4 The contribution rate to the State Retirement System
5 on behalf of participating union employees remains
6 unchanged from last year. The contribution rate to the
7 State Retirement Health Benefit has actually decreased
8 from 7.8 percent to 6.75 percent.

9 The budget also reflects an implementation of a
10 high-deductible health plan as well as the tandem
11 funding of a health savings account and/or health
12 reimbursement arrangement by NBC.

13 Dental insurance premiums increased by 8.6 percent,
14 and vision insurance premiums remained unchanged from
15 the prior year.

16 COMMISSIONER FARNUM: Ms. Giebink, could you
17 comment on any idea why health insurance went down?

18 MS. GIEBINK: Because we, as far as a
19 collective bargaining process, NBC's transitioned from a
20 traditional health plan to a high-deductible health plan
21 because the premiums are significantly lower.

22 We also budgeted this year an increase in compensated
23 absences of approximately \$235,000, which was not
24 something we budgeted in the past, but every year we get
25 hit with that expense.

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1 The budget includes four new full-time equivalents,

2 and we did increase the budgeted turnover by one
3 position, to a total of 3 FTEs, and some of the other
4 adjustments really are reflections of updates and
5 quantity as well as pricing for some of our larger line
6 items, like biosolids and chemicals as well as
7 utilities.

8 On Page 38 there's a detailed discussion of the
9 revenue profile, and as I mentioned, user fees are
10 projecting a 1.4 percent increase, and they make up
11 approximately 93 percent of the total revenues; and this
12 is based on a 5.5 percent rate increase effective
13 September 23, 2014.

14 We have a rate increase pending, but almost half of
15 the rate increase is actually going to be for an
16 adjustment to the rate base because we have seen a
17 decline in consumption as well as larger non-residential
18 meters, so that would result in 50 percent.

19 Fifty-six percent of the rate increase is for
20 operations and maintenance expense, and 44 percent is to
21 adjust the rate base. That's why it doesn't translate
22 into a straight 5.5 percent increase in user fee
23 revenues, and I think that I have gone through some of
24 the other significant revenue changes already, unless
25 there are any changes on that.

1 The top of Page 39 has a little rate history chart
2 which shows the rate increases since July 1, 2011.
3 We've had at least one increase every year.
4 On Page 40, there is a table that shows the flat fee
5 rate base. That just shows the decline in the
6 non-residential meters by meter size. You can see that
7 as the flat fees have increased, the larger users have,
8 those that are able to switch out of the larger meters
9 size have done so, they have downsized their meters, and
10 that definitely impacts our revenues. I think that year
11 we'll be under by approximately \$600,000 with respect to
12 the flat fees.

13 The change in consumption rate base is shown in the
14 table down below. We are projecting our Fiscal '15
15 revenues based upon that actual Fiscal Year '13
16 consumption levels, and right now we are projecting that
17 we will bill approximately \$13.6 million HCF, so we
18 think those numbers should be good.

19 There's a survey on the bottom of Page 41 that shows
20 NBC's current user chart is compared to the rest of the
21 State of Rhode Island. We are about in the middle of
22 the pack.

23 With respect to expenses on Page 43, there's a
24 discussion of the expense profile. You can see that our
25 largest expense category is debt services, which is

1 almost half the budget that's principal and interest,
2 and then the next largest expense category is personnel.

3 The category that has the largest projected increase
4 on a year-to-year basis is operating supplies and
5 expenses at 12.4 percent.

6 And we have some charts on Page 44 that look at the
7 expenses by element historically. On Page 45 there's a
8 discussion of the personnel costs, and there's a
9 description of the four new positions that were added.
10 There's two at Field's Point, one at Bucklin Point and
11 one at the laboratory.

12 And the table on the bottom of the pages shows that
13 we're projecting an increase in turnover one position,
14 so there's a net increase of three full-time positions
15 in this year's budget.

16 On Page 46, there is a table at the bottom that shows
17 the relative family coverage cost for, it's a weighted
18 average for health, dental and vision and this goes to
19 Commissioner Farnum's question, if you look at the
20 health net of co-pay, the premium has actually declined
21 25 percent to a weighted average of \$13,156. So, that's
22 resulted in a real savings to the NBC.

23 On Page 47 the single largest driver of the increase
24 in the operating budget is related to the higher

25 biosolids production that we've seen at Field's Point

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1 and the preliminary budget. In fact, we've increased
2 from the preliminary budget. We had originally
3 allocated 5.1 million. We're now budgeting 5.6 million
4 for biosolids disposal at a total of 13,000 dry tons, so
5 hopefully, it will level off.

6 Electricity is shown at the bottom of the page.
7 We're looking at level expense for the prior year, and
8 that includes the additional electricity budgeted for
9 BNR. You have a graph that shows all of this
10 information. Chemical, we are also budgeting a slight
11 decrease in the amount budgeted for Field's Point based
12 upon actual usage as well updated estimated usage as
13 well as updated pricing.

14 Professional services, we're budgeting for \$181,000
15 higher than last year, and that's primarily because of
16 the PUC's regulatory assessment and the change in which
17 they calculate their assessments. Operating capital
18 outlays section on Page 50 --

19 CHAIRMAN MESOLELLA: Excuse me.
20 Commissioner Milas.

21 COMMISSIONER MILAS: I just have a question.
22 So, when you're purchasing all of these chemicals and

23 all of that, is that purchased, like, long term, like,
24 you do a 5-year contract so that the price of the
25 chemicals is locked in, or is that a competitive thing

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1 that there's ten companies that make those same
2 chemicals and you bid them out every year for the
3 cheapest?
4 MS. GIEBINK: We typically bid those out
5 each year. I'm not sure if that's the function of our
6 desire to bid them out every year or the fact that
7 chemical companies in general won't commit to longer
8 than a one-year term.

9 COMMISSIONER MILAS: Thank you.

10 MS. GIEBINK: On Page 51, shows the annual
11 debt service in millions, and we're budgeting
12 approximately \$43 million this year, which includes a
13 new debt issuance through the Rhode Island Clean Water
14 Finance Agency, I believe the budget is based on \$25
15 million from Rhode Island Clean Water Agency, but I
16 believe they will have additional funding available for
17 NBC. We will borrow the max that we can borrow through
18 them for this upcoming fiscal year.

19 COMMISSIONER BURROUGHS: How do we compare
20 with other municipal utilities in terms of debt service

21 if we look at NWRA?

22 MS. GIEBINK: Well, my understanding is that
23 most of the wastewater utilities have similar capital
24 needs and similar structure.

25 COMMISSIONER BURROUGHS: The 50 percent of

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1 operating to our debt service, would be something we
2 expect to see in Cincinnati, San Francisco.

3 MS. GIEBINK: I can't speak for those
4 utilities. I can, with taking a look at them, but it
5 would not be surprising to me based on discussions that
6 we've had with credit ratings agencies as sort of
7 something that they would expect.

8 COMMISSIONER BURROUGHS: Thank you.

9 MS. GIEBINK: The budget philosophy is shown
10 behind the next tab. You can see that we love charts
11 and graphs, so we've got more charts and graphs; and
12 there is a flow chart that talk about the relationship
13 between budget process and the long-range planning
14 process.

15 On Page 54, the calendar's included, something that's
16 new this year. That was recommended by the GFOA and
17 will include our measures for compliance in the
18 financial policy section, so you can see that those are

19 included and those are also included in the back of the
20 budget by the cost center.

21 On Page 62, there is a flow chart that has the flow
22 of funds in accordance with the trust indenture. We now
23 have 20 supplemental trust indentures. The funds are
24 listed on Page 63. Something new also in this year's
25 budget is the chart on Page 64, which is the O&M

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1 certified trust transfer, and this is the amount that is
2 calculated in accordance with the trust indenture that
3 need to be transferred from the revenue funds to the
4 operations and maintenance account on a monthly basis.

5 The long-term debt overview is behind the next tab,
6 and this integrates the CIP into the overall long-term
7 planning process. You can see that the sources of funds
8 are shown on Page 68 and the uses are shown on Page 69,
9 and we try to maximize our lowest cost borrowing, which
10 is through Rhode Island Clean Water Finance Agency; so
11 we show that on the annual basis, and any unmet capital
12 needs are funded through what we call the open market
13 revenue bonds, and you can see that will be picking up
14 in year fiscal 2018 through 2020 with the CSO Phase III
15 facilities.

16 Outstanding debt, we're projecting as of June 30,

17 2015 approximately 62 percent will be related to the
18 Clean Water Finance Agency, as we're paying off a lot of
19 the debt that we issued sometime ago.

20 And on Page 71, there's a detail of interest and
21 principal payments, and Page 72 has a nice chart. At
22 the bottom it shows the debt service through maturity.
23 You can see it dropping off in 2035.

24 On Page 73 we have the chart debt service versus
25 total revenue, which Commissioner Burroughs was

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1 referring to, in terms of debt service making up a
2 significant portion of our overall annual revenue
3 requirements.

4 The impact of the CIP on the operating budget is
5 shown on the table on Page 74, and we roll all of those
6 requirements into our planning model and our rate impact
7 analysis model. On Page 75 we're projecting rates to
8 increase through fiscal year 2020 as our capital needs
9 continue. At this point, we're planning on funding
10 Phase III.

11 COMMISSIONER BURROUGHS: So, that Phase III
12 is built into all of that?

13 MS. GIEBINK: Correct. My understanding is
14 that both the timing and the amount of that project

15 might change significantly, but we're basing this on the
16 information that we have available now. The interesting
17 thing about that particular chart, you can see that the
18 debt service has made up a really significant portion of
19 all of our rate increases, but also the rate base
20 adjustment, which is that greenish portion, has also
21 contributed significantly to the need to raise rates.
22 This next section is the capital improvement program
23 which I think a lot of you have probably seen already.
24 It details all of the individual capital projects and
25 cash flows and a lot of good information.

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1 The next tab includes the division summaries, and
2 I'll take you through one so you can see how that works.
3 On Page 203, you will see the division summary for
4 planning, policy and regulation, so it would highlight
5 the different cost centers within that division and
6 tells you what percent they make up of that particular
7 budget.
8 On Page 204, it gives you the historical FTEs, and it
9 also has a part that shows the performance data by type
10 of measure.
11 On Page 205 is the three-year picture of their budget
12 and the cost by element for that division, and then if

13 you look on Page 221, environmental monitoring and data
14 analysis is monitoring cost centers within that
15 division, so it gives you a listing of their mission and
16 overview as well as the major accomplishments that
17 they've achieved during the prior fiscal year.
18 And on the next page, 222, which shows, again,
19 historical for that particular cost center and their
20 staffing, and then that's followed by their performance
21 data, which is on Page 223. So, that would give you the
22 core business goal, the action for achievement by key
23 code, the target measure and unit of measure, so each
24 cost center goes through this process every year, and we
25 know they're lower.

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1 The resolution for the fiscal year 2015 operating
2 budget is shown behind the next tab, and attached to
3 that is a detailed list of all the budgeted positions.
4 On Page 231, there's the budgeted benefits
5 comparison, so that will show you for the last 5 years
6 the benefits, and the weighted average basis for health,
7 dental and vision as well as other benefits on a
8 percentage basis, and on Page 232, there is a historical
9 position summary. Page 233 has the Fiscal Year 2015
10 operating capital outlays outlining detail. That is

11 followed by 5-year operating capital outlay by cost
12 center.
13 There's fund organization matrix and the detailed CIP
14 schedule, and last tab is the appendix. It has the
15 acronyms and the glossary, and the very back of the book
16 has what we call the mouse print, which has the detail
17 by cost center by line system, and that is the budget.

18 COMMISSIONER ANDRADE: Thank you, Karen.
19 Questions?

20 THE COMMISSION: (No response)

21 COMMISSIONER ANDRADE: Excellent job.
22 Compliments to you and your staff again this year for a
23 great job putting this together. With that, Mr.
24 Chairman, I'd like to move approval of Resolution
25 2014:18 for the Fiscal Year 2015 Operating Budget.

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1 CHAIRMAN MESOLELLA: We have a motion for
2 approval of Resolution 2014:18, Narragansett Bay
3 Commission Fiscal Year 2015 Operating Budget. Is there
4 a second?

5 COMMISSIONER MILAS: Second.

6 COMMISSIONER CARLINO: Second.

7 CHAIRMAN MESOLELLA: Second Commissioner
8 Milas, second Commissioner Carlino. Discussion.

9 Commissioner Kimball, you always have a comment on the
10 budget.

11 COMMISSIONER KIMBALL: Excellent job as
12 always. This is just a massive undertaking that the
13 staff comes through every year for us.

14 CHAIRMAN MESOLELLA: Further discussion on
15 Resolution 2014:18.

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: Hearing none, all of
18 those that in favor will say aye.

19 THE COMMISSION: Aye.

20 CHAIRMAN MESOLELLA: Are there any opposed?

21 THE COMMISSION: (No response)

22 CHAIRMAN MESOLELLA: There are none opposed,
23 and the motion carries.

24 (MOTION PASSED UNANIMOUSLY)

25 CHAIRMAN MESOLELLA: Further report,

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1 Commissioner Andrade.

2 COMMISSIONER ANDRADE: Yes, Mr. Chairman.

3 Just one more item that came before the Finance

4 Committee, and that is Resolution 2014:19,

5 Recommendation for Use of Environmental Enforcement

6 Funds. This is something we've done previously, and I

7 would ask the secretary to just tell us about it real
8 quick.

9 RAYMOND MARSHALL: This is the Leonard
10 Walker Memorial Scholarship Program. It's exactly what
11 the Environmental Enforcement Funds are supposed to be
12 used for, and that's to promote both the environment as
13 well as public education within our service district.
14 The scholarship fund, the Leonard Walker Memorial
15 Scholarship Fund, established at the Met School in
16 Providence, and it's in honor of the memory of the
17 Leonard Walker, one of our former commissioners. He had
18 a keen interest in protecting Narragansett Bay and was a
19 strong proponent of educational opportunities for
20 students in our urban center.

21 You have supported this in prior years. We ask for
22 your approval of \$2,500 to continue this worthwhile
23 program, and that's Resolution 2014:19.

24 COMMISSIONER ANDRADE: I'd like to make a
25 motion to approve of 2014:19, Mr. Chairman.

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1 CHAIRMAN MESOLELLA: We have a motion to
2 approve 2014:19.

3 COMMISSIONER MONTANARI: Second.

4 COMMISSIONER MILAS: Second.

5 COMMISSIONER CARLINO: Second.

6 CHAIRMAN MESOLELLA: Seconded by

7 Commissioner Montanari, Commissioner Milas, Commissioner

8 Carlino. Discussion on the motion.

9 THE COMMISSION: (No response)

10 CHAIRMAN MESOLELLA: Hearing none, all of

11 those that are in favor will say aye.

12 THE COMMISSION: Aye.

13 CHAIRMAN MESOLELLA: Are there any opposed?

14 THE COMMISSION: (No response)

15 CHAIRMAN MESOLELLA: There are none opposed,

16 and the motion carries.

17 (MOTION PASSED UNANIMOUSLY)

18 CHAIRMAN MESOLELLA: No further report?

19 COMMISSIONER ANDRADE: No further report.

20 CHAIRMAN MESOLELLA: Moving right along, the

21 next committee reporting would be the Personnel

22 Committee. I do not believe there was a report today,

23 no meeting. Rules and Regs also did not meeting. The

24 next committee reporting is the Citizens Advisory

25 Committee. Harold.

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1 MR. GADON: Just a brief report, Mr.

2 Chairman. We did not meet in June, but we will resume

3 our meetings again in September. We do support and
4 congratulate the newly-appointed commissioners, and
5 welcome the two new commissions and welcome them to our
6 meetings at any time; and we wish you all a great
7 summer. Thank you.

8 CHAIRMAN MESOLELLA: Thank you very much.

9 There was no meeting on the Ad Hoc Compensation
10 Committee nor the Internal Ethics Committee. No
11 Executive Committee meeting.

12 The next committee reporting would be the Legislative
13 Report. Joanne, I'm sure you have an exciting report
14 about the happenings of the General Assembly.

15 MS. MACERONI: Thank you, Mr. Chairman. I
16 am happy to report that none of the bills that we
17 opposed passed.

18 CHAIRMAN MESOLELLA: Good work, Jo. Good
19 work.

20 MS. MACERONI: I won't take credit for all
21 of them.

22 CHAIRMAN MESOLELLA: Well, which ones will
23 you take credit for?

24 MS. MACERONI: The first bill to report is,
25 as I reported in my April report, Article 5 of the

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1 Governor's Budget had proposed a bond referendum for
2 Clean Water Finance, 20 million for Clean Water finance.
3 That did remain in the budget that the General Assembly
4 approved and the Governor signed last week.

5 In that article, Question 4, included in the 20
6 million, the total for Question 4 is 53 million, and it
7 included Clean Water funding for Roger Williams Park,
8 Roger Williams Park Zoo and recreational grants.

9 Jamie and I are going to be meeting with all of the
10 interested parties over the next couple of months to
11 strategize on how to promote Article 4 for passage when
12 the vote is brought before the voters in November. So,
13 we're hoping to be successful there.

14 The next bill, as Ray mentioned, is the Quasi Public
15 Transparency Bill, which as you know, we've been working
16 with the sponsor over the last couple of years to
17 address all of our concerns.

18 The bill that passed is one that has addressed all
19 our concerns, so we did support it; and we will be
20 reviewing -- the Narragansett Bay Commission, basically,
21 does most of the things now that the bill requires, but
22 we'll be going through the legislation to see if we need
23 to fine tune some things or formally adopt some
24 policies, so that we'll advise you in September.

25 The next bill on the list extends the Distributed

1 Generation Program beyond the 4-year pilot program.
2 This would allow, the bill would allow the project that
3 we're proposing for Bucklin Point, the solar project
4 that we're proposing for Bucklin Point, it would allow
5 us to participate in the National Grid Distributed
6 Generation Contracts Program.

7 This would give the NBC the alternative of either
8 using the power on site, thereby reducing the electric
9 bill or selling it back to National Grid, whichever
10 would be more beneficial to our ratepayers.

11 The next bill, the next set of bills create the
12 Climate Change Coordinating Council. This Council is
13 going to assess, integrate and try to coordinate climate
14 change throughout the state and all its agencies.

15 The next to the last bill made amendments to the Dig
16 Safe statute. This is the, Dig Safe is whereby anyone
17 who is going to be doing excavating has to file with Dig
18 Safe exactly where they're going to be excavating so
19 that that all surrounding utilities would be made aware
20 of it.

21 All this bill does is increase the information that
22 the excavating facility has to provide Dig Safe, which
23 again, would make the process a lot safer. We
24 wholeheartedly supported that.

25 And last, but not least, is a bill that amended the

1 net metering statute. This bill, the amendment that the
2 bill made would now allow all public entities, including
3 Narragansett Bay Commission, Providence Water Supply
4 Board, the State, et cetera, to actually generate
5 electricity at an off-site location to offset their own
6 electrical consumption. We supported that bill, and
7 that bill did pass in the wee hours of the morning.

8 Since the General Assembly adjourned, they recessed
9 on Saturday. There are still bills that I feel I have
10 to go through to see if there are any last amendments
11 that may affect us. You may be getting an amendment to
12 the report, but so far, this is what I see passed that
13 would affect us.

14 CHAIRMAN MESOLELLA: Thank you. Any of our
15 members have any questions with regard to the
16 Legislative Report?

17 THE COMMISSION: (No response)

18 MS. MACERONI: Thank you.

19 CHAIRMAN MESOLELLA: Thank you. Moving
20 right along, the Chairman's Report. We're moving close
21 to the time we have to go across the street for the
22 dedication, to wit, I hope all of you will join me as we
23 dedicate the new Operations Building to our own

24 commissioner, our past commissioner, our dear friend,
25 Mike Salvadore.

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1 A couple of things. The first thing is, in addition
2 to the two, our two new commissioners, we have some
3 commissioners who are without committee assignments.
4 Over the next couple of months, the commission, we will
5 not be meeting. We're probably going to reorganize some
6 of the committees, and make some committee assignments.
7 So, we'll have that done for you when you come back in
8 September. You'll be notified prior to that, so you'll
9 be reappointed, probably reappointed to a new committee.
10 Interesting, on the Executive Director's Report,
11 we're sending another 30 tons of dry sludge to Synagro
12 in Woonsocket. They're going to be generating
13 electricity, and about how many years ago, about 25, 30
14 years ago, I was the environmental public enemy Number 1
15 for promoting such a drastic thought of incinerating
16 biosolids to generate electricity, probably our second
17 most sustainable source of energy besides the sun.
18 Other than that, I'm anxious to get across the
19 street. Again, there will be a ceremony. So, our next
20 board meeting will be in September.
21 RAYMOND MARSHALL: September 23rd.

22 CHAIRMAN MESOLELLA: September 23rd. So,
23 before we do adjourn today, I just want to wish everyone
24 a great summer, a safe and happy summer, and look
25 forward to everyone's return in September.

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1 Having said that, is there any new business to come
2 before the commission?

3 THE COMMISSION: (No response)

4 CHAIRMAN MESOLELLA: Any new business at
5 all? Other business of any nature?

6 THE COMMISSION: (No response)

7 CHAIRMAN MESOLELLA: Okay, in such case,
8 Commissioner Rotella.

9 COMMISSIONER ROTELLA: Motion to adjourn.

10 CHAIRMAN MESOLELLA: Any other, before we
11 adjourn, anyone on any matters?

12 THE COMMISSION: (No response)

13 CHAIRMAN MESOLELLA: We have a motion to
14 adjourn.

15 COMMISSIONER KIMBALL: Second.

16 CHAIRMAN MESOLELLA: Seconded by
17 Commissioner Kimball. All in favor of adjournment will
18 say aye.

19 THE COMMISSION: Aye.

20 CHAIRMAN MESOLELLA: Any opposed?
21 THE COMMISSION: There are none opposed and
22 the motion carries.
23 (MOTION PASSED UNANIMOUSLY)
24 CHAIRMAN MESOLELLA: Please join me across
25 the street for the dedication.

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1 (BOARD OF COMMISSIONERS MEETING CLOSED AT 12:03 P.M.)

2 C E R T I F I C A T E

3

4

5 I, Heather Marie Finger, do hereby certify
that the foregoing is a true, accurate, and complete
6 transcript of my notes taken at the above-entitled
hearing.

7

8 IN WITNESS WHEREOF, I hereunto set my hand
this 11th day of July 2014.

9

10

11

12

13

HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
14 MY COMMISSION EXPIRES 4/02/16

15

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23 DATE: June 24, 2014

24 IN RE: Board of Commissioners Meeting

25 HEARING OF: Narragansett Bay Commission

ALLIED COURT REPORTERS, INC. (401) 946-5500

1 STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

2 NARRAGANSETT BAY COMMISSION

3
4
5 IN RE: NBC MONTHLY BOARD MEETING
6 OF THE COMMISSION
7
8

9 DATE: May 28, 2014

TIME: 11:00 A.M.

10 PLACE: Narragansett Bay Commission

Corporate Office Building

11 One Service Road

Providence, RI 02905
12
13
14

COMMISSIONERS:

15 Vincent Mesolella, Chairman

16 Angelo Rotella, Vice Chairman

Raymond Marshall, Executive Director & Secretary

17 Dr. Richard Burroughs

Bruce Campbell

18 Mario Carlino

Michael DiChiro

19 Seth Handy

Paul E. Lemont

20 John MacQueen

Joan Milas

21 Al Montanari

Richard Worrell

22 Joseph Andrade

Robert Andrade

23 Ronald Leone

Mario Carlino

24 Joseph DeAngelis, Legal Counsel

1 OTHER ATTENDEES:

- 2 Jenna Poland, S.D. Barnes School
Sophia Ribezzo, S.D. Barnes School
- 3 Milana Melvin
Dnate DiGregorio
- 4 Adriana Sousa
Cassondra Perrotta
- 5 Maija Spence
Flo Ribezzo
- 6 Debra Tuckett Ramm
Sandra Perrotta
- 7 Melissa DiGregorio
Cheryl & Anthony Carnevale
- 8 Anne Andrade
Deborah Samson, NBC
- 9 Jamie Samons, NBC
Joe Pratt, Louis Berger Group
- 10 Walter Palm, NBC
Paul Nordstrom, NBC
- 11 Vincent Ragosta, Counsel, NBC
Tom Uva, NBC
- 12 Laurie Horridge, NBC
Jennifer Harrington, NBC
- 13 Joanne Maceroni, NBC
Art Sheridan, NBC
- 14 Diane Buerger, NBC
Terry Cote, NBC
- 15 Tom Brueckner, NBC
Joseph D'Amico, Capital City Insurance
- 16 Mark Thomas, NBC
Karen Giebink, NBC
- 17 Sherri Arnold, NBC
Gail Degnan, NBC
- 18 Shaylyn McCauley, NBC
Harold Gadon, NBC
- 19 Jacqueline Giroux, NBC
Cheryl A. Pescarino, NBC
- 20 Leah Foster, NBC
Stephen Lallo, NBC
- 21 Kerry Britt, NBC
Karen Musumeci, NBC

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1 (BOARD OF COMMISSIONERS MEETING COMMENCED AT
2 11:03 A.M.)

3 CHAIRMAN MESOLELLA: Can I ask that
4 all of our commissioners to take their appointed
5 seats so we can begin the meeting. Good
6 morning, everyone. We will call the Wednesday,
7 May 28, 2014 Board of Commissioners meeting to o
8 order at 11:03.

9 First order of business is the
10 approval of previous minutes of April 29, 2014.
11 Have all of our members had an opportunity to
12 review the previous minutes, and if so are there
13 any comments, questions or corrections with
14 regard to the previous minutes, on the previous
15 minutes? Comments, questions? In such case,
16 Commissioner Rotella.

17 COMMISSIONER ROTELLA: Motion to
18 accept the minutes.

19 CHAIRMAN MESOLELLA: We have a
20 motion to approve the previous minutes.

21 COMMISSIONER CARLINO: Second.

22 COMMISSIONER MONTANARI: Second.

23 CHAIRMAN MESOLELLA: Seconded by

24 Commissioner Carlino, Commissioner Montanari.

25 All of those that are in favor of approval will

4

1 say aye.

2 BOARD MEMBERS: Aye.

3 CHAIRMAN MESOLELLA: Are there any
4 opposed?

5 (SILENCE)

6 CHAIRMAN MESOLELLA: There are none
7 opposed, and that motion carries.

8 Okay, Item Number 3, WOON Watershed
9 Student Presentation. Jamie, where are you.

10 MS. SAMONS: I am here, but I'm not
11 the lady of the hour, that is Cynthia.

12 CHAIRMAN MESOLELLA: Okay, Cynthia.
13 Cynthia, you have a presentation for us today.
14 Come up, guys, come on up. Are we going to drop
15 the screen?

16 MS. MORISSETTE: Yes, we're going
17 to drop the screen.

18 MR. MARSHALL: This is a program
19 that Cynthia runs every year.

20 CHAIRMAN MESOLELLA: Why don't you
21 guys step over here a little bit so you can see
22 the program, and then we'll call you up to take

23 photographs.
24 MS. MORISSETTE: While we wait for
25 the projector, I'm just going to introduce

5

1 myself, because I don't think everyone on the
2 board knows me. I'm Cynthia Morissette, I'm the
3 Environmental Education Coordinator here at
4 Narragansett Bay Commission, and the students
5 that are here today are from Sarah Dyer Barnes
6 School in Johnston, Rhode Island. The program
7 that we do with them is a full-year long
8 program, it's completely free of charge, all
9 hands-on activities. We start in September, we
10 end with our big conference which was last
11 Friday, May, and they do all different types of
12 activities from doing water quality testing in
13 their local rivers to see what the health of the
14 bay is, and then also doing some in class
15 lessons once a month that we work with them on.

16 So let me introduce of all of them.
17 This is Cassandra, Adrianna, Maia, Dante, Jenna,
18 Sophia, and Milana. I can't believe I got all
19 right.

20 (APPLAUSE)

21 MS. MORISSETTE: They're fourth
22 grade students. The program is for 2nd through

23 5th grade, and these are 4th grade students.
24 And the other thing I should mention is we try
25 to make sure that we have one school per service

6

1 area. So we try to service all the areas that
2 we have in our service district, so that at
3 least one school is represented, and they are
4 from Johnston. This is Ms. Ramm, their teacher,
5 and I have been actually working together since
6 the program started back in 2002, so it's been
7 about 12 years. And do you want to say
8 anything, or do you want them to just start?

9 MR. RAMM: I really want the
10 students to speak for themselves, because they
11 certainly learned so from this program, it's
12 definitely brought in so much more science than
13 we could ever have in a regular ed classroom, so
14 I hope that they can certainly speak for the
15 program.

16 CHAIRMAN MESOLELLA: Do you want to
17 bring them up?

18 MS. MORISSETTE: Yes.

19 CHAIRMAN MESOLELLA: Are we going
20 to be seeing a presentation, or just this one
21 slide?

22 MS. MORISSETTE: Those individual
23 slides will be bigger.
24 CHAIRMAN MESOLELLA: Okay, who's
25 speaking first, come right over here.

7

1 MS. MORISSETTE: Who's doing the
2 first slide, Jenna.

3 MS. JENNA POLLAN: Dissolved oxygen
4 test results. Dissolved oxygen tests the
5 amounts of oxygen in the water. Dissolved
6 oxygen: Fall results, 2 parts per million,
7 winter results, 2 parts per million.

8 MR. SOPHIA RIBEZZO: Nitrate and
9 Phosphate Results. Nitrate: This test tells us
10 if there are any nutrients from fertilizer,
11 food, or human/animal waste in the water. The
12 fall results for nitrate were 0 parts per
13 million, the winter results were 5 parts per
14 million.

15 MS. MAJA SPENCE: Phosphate: This
16 test tells us if there are any nutrients from
17 items such as cleaning products in the water.
18 The fall results for phosphate were 1 part per
19 million, the winter results for phosphate were
20 .5 five parts per million.

21 MR. DANTE DIGREGORIO: Turbidity

22 and Fecal Coliform Bacteria Test Results:
23 Turbidity: This is a test of water clarity.
24 Fall results, 0 are jtu, the winter results are
25 also 0 jtu. Fecal Coliform Bacteria: This

8

1 tests for the bacteria in the water found from
2 animal and human waste. The fall results are
3 positive, winter results are also positive.

4 MS. ADRIANA SOUSA: PH Test
5 Results. PH: This is a test for the acids and
6 bases in the water. The fall were 6.5, and the
7 winter results were 7. Analysis of the results
8 of our test indicate that the overall health of
9 the water is fair. Certain animals who could
10 tolerate low levels of pollution could survive
11 in this watershed.

12 MS. MILAN MELVIN:
13 Macro-Invertebrates Found Pollution Tolerant
14 Levels. Group 1: None. Group 2: Crayfish and
15 scuds. Group 3: Waterstriders, aquatic
16 earthworms, narrow-winged damselfly, leech, and
17 skimmer, dragonfly, non-case making caddisfly
18 larvae. Based on our findings, we find that the
19 water is of a poor quality.

20 MS. MILAN MELVIN: Reflections of

21 our NBC work. The think I like best was finding
22 macro-invertebrates at Esmond Park. This helped
23 us see the quality of water. It's definitely
24 going to make me not pollute our watershed. I
25 liked how we learned about the amphibians and

9

1 how they help us to learn the quality of water
2 where they are living. The water quality tests
3 helped us to learn what was healthy and not
4 healthy in a watershed. We can help others
5 learn how to keep our watersheds healthy too.
6 The Water Treatment Facility works hard to put
7 healthy water in our bay.

8 MS. CASSANDRA PERROTTA: Thank you
9 for this amazing experience. Check out our
10 class web-site for NBC activities.

11 (APPLAUSE)

12 CHAIRMAN MESOLELLA: Follow me,
13 come right up over here. Cynthia, come on.
14 Ladies, can you get this, can you get it? Do
15 you want to step in the center. Jamie, all set,
16 one more?

17 (PICTURES BEING TAKEN)

18 MS. SAMONS: Okay, we're good.

19 MR. MORISSETTE: One thing I just
20 wanted to mention is, they actually had two

21 testing sites this year, so we take two field
22 trips; one's in the fall and then again in the
23 springtime. So their fall is what they told you
24 about their water quality testing data, and then
25 in the springtime we go and we do

10

1 macro-invertebrate study, so they get to see not
2 only the tests that we do here at NBC to test to
3 see how clean the water is, but also what
4 macro-invertebrates might live there based on
5 the health of the water. And they actually had
6 two different testing sites. One of their
7 testing sites there were some improvements going
8 on, so they tested at Esmond Park and then also
9 Greystone Mill Pond near Johnston, so they
10 actually did a fantastic job.

11 MR. MARSHALL: Those are our future
12 NBC employees.

13 CHAIRMAN MESOLELLA: Item Number 4
14 is Acknowledgment of awards. Commissioner
15 Rotella.

16 COMMISSIONER ROTELLA: I have the
17 privilege of reading a Resolution of
18 Appreciation:

19 Whereas Leo Thompson was appointed

20 by the Governor of the State of Rhode Island to
21 the Board of the Narragansett Bay Commission on
22 January 12, 2006, whereas, he has shown great
23 support for the Narragansett Bay Commission in
24 its mission to play a leadership role in the
25 protection and enhancement of Narragansett Bay

11

1 and its tributaries by providing safe and
2 reliable wastewater collection and treatment
3 services to its customers at a reasonable cost,
4 and whereas, he served on the Narragansett Bay
5 Commissions's Long Range Planning, Ad Hoc
6 Internal Ethics, and Construction, Engineering
7 and Operations Committees and has advocated for
8 clean water through a variety of initiatives.

9 Now therefore be it resolved that
10 the Narragansett Bay Commission shall extend its
11 sincere appreciation to Leo Thompson for his
12 service on behalf of the State of Rhode Island
13 and the ratepayers of the Narragansett Bay
14 Commission.

15 Presented on this day, May 28,
16 2014.

17 (APPLAUSE)

18 COMMISSIONER THOMPSON: There's
19 nothing that I can say that would top that act.

20 I just wanted to thank my fellow board members
21 for all the support and friendship they've given
22 me, as well as all the employees at Narragansett
23 Bay Commission for the great job they've done.
24 It makes it so much easier for this board. And
25 with that, I thank you all again.

12

1 (APPLAUSE)
2 CHAIRMAN MESOLELLA: I just want to
3 share one story that I had with Leo. This was
4 -- I didn't realize already, it was 2006. So
5 Leo gets appointed by Governor Carcieri, and he
6 calls me, and he said, you know, I've just been
7 appointed to the the Bay Commission, you're the
8 chair. I'd like to have a meeting with you. I
9 said, that would be fine. When is convenient
10 for you? He said, well, how about 3:00 today?
11 I said, well, okay, if it's 3:00 today, it's
12 3:00, if that's what you want, 3:00 today. So
13 we agreed to meet at the Marriott Hotel on Orms
14 Street. And as usually, he was very punctual,
15 3:00 he's there, and I completely forget about
16 the meeting, very important meeting. I
17 completely forget about the meeting. So about
18 3:30 the phone rings. Ah, this is Leo Thomson.

19 I'm here at the Marriott. I'm wondering are you
20 intending to show up. Yes, of course, I'll be
21 right there. And my office is only right around
22 the corner. So I said I'll be there in just
23 five minutes. I said, you know, what a way to
24 start a relationship. I completely forget about
25 the meeting, you're a half hour late. And I

13

1 think I'm going to get a roost, and I said, oh,
2 man. So I put on my sorry face, walk in very
3 keep sheepishly, and he's sitting there, having
4 a cup of coffee. I sit down, introduce each
5 other, and we start to talk about the Bay
6 Commission, about Save the Bay, and some of the
7 public relations aspects of Narraganset Bay
8 Commission. The cell phone rings -- his. It's
9 your wife. Who else. And he's going, yes, yes,
10 yes, loaf of bread, one pound of salami, she
11 wants capicola, you want the provolone. And I
12 said, Leo Thompson, provolone, salami, capicola,
13 like he was brought up in Sicily. I said, I'm
14 sorry, I have to ask, sound like you've been
15 around this for a while. Well, I'm from Silver
16 Lake. And it's been a great relationship ever
17 since. And I want to thank you, Leo, for your
18 time and efforts on this board. I really

19 appreciate all you have done.

20 MR. THOMPSON: I thank you for the
21 privilege of working on this board.

22 CHAIRMAN MESOLELLA: Thank you,
23 thank you, thank you, very much.

24 (APPLAUSE)

25 (PICTURES BEING TAKEN)

14

1 (APPLAUSE)

2 CHAIRMAN MESOLELLA: Thank you,
3 very much. Okay. All right, next award is the
4 GFOA Budget Award. Okay, Ray.

5 MR. MARSHALL: Okay, the Government
6 Finance Office Association has an award program
7 for budget documents that organizations put
8 together. And for like 12 or 13 years running
9 we now have won that award, and you heard, for
10 those of you who were here a little earlier,
11 heard the preliminary budget presentation, the
12 full budget presentation will come in June that
13 we'll need your approval on, but I'd like Karen
14 Giebink, Sherri Arnold, Shaylyn McCauley and
15 Gail Degnan to come up and acknowledge this
16 award.

17 (APPLAUSE)

18 MR. MARSHALL: You probably heard
19 this morning on the budget is the culmination of
20 a lot of hard work which begins at the end of
21 August and continues right through June, when it
22 comes to you for approval. So it's a long, long
23 process and requires a lot of very attentive
24 work by the staff you just recognized. The next
25 award also from the Government Finance Office

15

1 Association is the Excellent Financial
2 Reporting. And this award is a reflection of
3 all the great audits that we get every year,
4 where we have no management letters and the
5 auditors always praise our systems and our
6 controls and the way we present all our
7 financials to the outside world. And
8 responsible for that, and I'd like them to come
9 up here, Leah Foster, Cheryl Pescarino, Robin
10 Simoes, Jackie Giroux and Patty Pinelli.

11 (APPLAUSE)

12 CHAIRMAN MESOLELLA: All right, how
13 about that. Thank you for all your hard work,
14 thank you, very much. Is that it?

15 MR. MARSHALL: That's it. Now,
16 it's the chair. We need their approval on
17 Resolution 2014:15, the Clean Water Finance

18 Agency Agreement.

19 MR. CHAIRMAN: Yeah, that's in my
20 report. Okay. The next item is Item Number 5,
21 which is the Chairman's Report which is Review
22 and Approval of Resolution 2014:15. It's a
23 Recommendation of Agreement between the Rhode
24 Island Clean Water Finance Agency and the
25 Narragansett Bay Commission. Joe, you may

16

1 recall that --

2 MR. MARSHALL: It was back, I
3 think, at the December meeting.

4 CHAIRMAN MESOLELLA: At the
5 December meeting I alerted the Board to the fact
6 that we were in discussion with the Rhode Island
7 Clean Water Finance Agency over several issues
8 regarding the appropriate amount of dollars that
9 would be appropriated for many grants to the
10 Narragansett Bay Commission. We asserted that
11 there were statutory requirement that were not
12 being abided by, as well as the fact that it has
13 cost Narragansett Bay Commission several
14 millions of dollars by not having received
15 funding for projects that we would otherwise
16 would had been qualified for. So as a result of

17 that, and after many months of negotiations and
18 discussions with counsel Joe D'Angelis and Karen
19 Giebink and Lori Horridge, and myself, and the
20 Executive Director, we did reach an agreement
21 which we believe is fair and equitable, the
22 particulars of which the Executive Director
23 would like to share.

24 MR. MARSHALL: I would like Lori to
25 go over it because she's the one who labored so

17

1 hard over it.

2 MS. HORRIDGE: In short, with the
3 help of Joe and Karen and Vin taking a lead, we
4 have essentially secured rate Ray, actually,
5 this is Ray's idea -- we secured 50 percent for
6 the next eight years, 50 percent of all the
7 Clean Water SRS funding will come to NBC, and it
8 hadn't been that way for years prior.

9 We have agreed to disagree as to
10 whether or not the existing statute that we say
11 mandates that we get 50 percent, and they say
12 does not mandate that, we've agreed to disagree
13 about that, but for the next eight-year period
14 which will hopefully get us to the end of Phase
15 III, or not. I don't know where we'll really be
16 at that point, but at least for the next eight

17 years we've secured that 50 percent loan
18 capacity from Clean Water. In addition, one of
19 the other issues was future refunding. They've
20 agreed to a shared savings program where we'll
21 receive 25 percent of any refunding benefits
22 that they get. I mean, there's a lot of
23 administrative housekeeping things that they've
24 agreed to, as well, a lot of more transparency.
25 We want to see a lot more information that Karen

18

1 and her group needs to be able to go forward and
2 figure out how we budget ourselves, and we've
3 gotten a lot of those things in the agreement.
4 The agreement has not been signed by them or us
5 at this point, but it will be signed after this
6 meeting, after the Board approves it, hopefully,
7 and they will be looking for the approval from
8 their board on that agreement on June 16.

9 CHAIRMAN MESOLELLA: So one last
10 thing, and just so you know what it means in
11 dollars and cents for Narragansett Bay
12 Commission. Karen's here, right. I see her in
13 the back. Karen, what do you expect that this
14 would be saving the Narragansett Bay Commission
15 in interest cost savings?

16 MS. GIEBINK: I don't have it off
17 the top of my head.
18 MR. HORRIDGE: If I can, for
19 example, we were originally supposed to get our
20 last loan with them, we're supposed to get \$25
21 million, and already, we've received \$45
22 million. So, in other words, we almost doubled
23 what we had coming to us. And that actually is
24 before the agreement is even signed, but in good
25 faith since that was our agreement, they already

19

1 honored that, so that gives you an idea of the
2 type of money that we're talking about.

3 MR. HANDY: How does the interest
4 rate compare to the interest rate on the open
5 market?

6 MS. HORRIDGE: That Karen can
7 answer.

8 MS. GIEBINK: That's one-third off
9 the market rate.

10 CHAIRMAN MESOLELLA: It's one-third
11 off the market rate, but I think it's pretty
12 safe to say we're going to save several millions
13 of dollars in interest cost savings throughout
14 the course of the Phase III program. It's very,
15 very significant. So having said that, do any

16 of our commissioners have any questions with
17 regard to Resolution 2014-15?

18 (NO RESPONSE)

19 CHAIRMAN MESOLELLA: Okay, the
20 Chair makes a motion that we approve that
21 resolution, and a second, seconded by
22 Commissioner Milas, Commissioner Leone,
23 Commissioner Worrell and Commissioner Kimball,
24 and Commissioner Rotella. Further discussion?
25 Is there any further discussion on this matter?

20

1 Ray, anything you care to add?

2 MR. MARSHALL: No, Mr. Chairman.

3 CHAIRMAN MESOLELLA: In such case,
4 all of those that are in favor will say aye.

5 BOARD MEMBERS: Aye.

6 CHAIRMAN MESOLELLA: Are there any
7 opposed?

8 (SILENCE)

9 CHAIRMAN MESOLELLA: There are none
10 opposed, and the motion carries.

11 Moving right along to -- well,
12 there's no further committee report except,
13 hopefully, the next photograph we take as a
14 Board will be when this building across the

15 street is complete. For those of you who don't
16 know, this has been about, I don't know, where's
17 Tom Uva. He's been tracking me on this, about a
18 15-year program.

19 MR. UVA: At least 15 years.

20 CHAIRMAN MESOLELLA: Yeah, I think
21 discussions began when Buddy Cianci was mayor
22 about acquiring the former dog pound, and the
23 drive right in front of our Administration
24 Building. And you were around, Angelo, and this
25 discussion's been ongoing for 15 years. I'm

21

1 proud and pleased that finally we got the show
2 on the ground. What's the completion date, Ray?

3 MR. MARSHALL: The fall of 2015.

4 CHAIRMAN MESOLELLA: So we'll look
5 forward to the, there's a ribbon cutting, and
6 that's something I'm going to be very proud of,
7 so we're looking forward to that day. Other
8 than that, that completes the Chairman's Report.
9 We can move on to other business.

10 Item Number 6 is Committee Reports
11 and Action Items Resulting. The first committee
12 reporting would then be the
13 Construction/Engineering and Operations
14 Committee. Commissioner Macqueen, you have a

15 report for us today?

16 MR. MACQUEEN: Yes, we have three,
17 Mr. Chairman. The first one was review and
18 approval of Resolution 2014:08; Approval of
19 Fiscal Year 2016-2020 Capital Improvement
20 Program. Ray?

21 MR. MARSHALL: The Capital
22 Improvement plan that we develop every year
23 comes to you at this time for approval. At the
24 CEO Committee we did not have the presentation
25 made. We figured we would do it once before the

22

1 full Board. So Karen, who are you having do
2 that?

3 MS. GIEBINK: Shaylyn McCauley and
4 Sherri Arnold.

5 MR. MARSHALL: Can you two come up
6 and sit here. I imagine you want to drop the
7 screen, or not? No. Everyone should have a
8 copy of the CIP. Okay, ready?

9 MS. MCCAULEY: Yeah. Good morning,
10 we'd like to present NBC's Capital Improvement
11 Program, known as the CIP, for fiscal year 2016,
12 through 2020, which I referred to as the window.
13 On Page 1, it lists the project total that falls

14 within the window equaling \$401.3 million. Page
15 3, the CIP identifies the program's capital
16 investment, primarily comply with current and
17 future regulatory requirements. The project's
18 schedules and costs in the CIP has been
19 developed by NBC's Engineering and Construction
20 staff. This year's CIP identifies a total of 71
21 projects that are either in progress, to be
22 initiated or to be completed during the window.

23 And you can see in the table below
24 FY 15 costs are estimated to be \$66.2 million.
25 The window is estimated at \$401.3, for a total

23

1 of \$467.5 million. The following page explains
2 the development of the CIP. The CIP drives
3 NBC's long-term financing requirements.
4 Projects included in the CIP are analyzed to
5 assess major program changes, capital funding
6 needs, the connection to NBC's strategic plan,
7 and are given a priority ranking of either A, B
8 or C. A rankings are the most critical, and
9 either mandated or currently under construction.
10 These represent 89 percent of the projects in
11 the window, and total \$315.3 million, 4 percent
12 or \$17.8 million of the projects identified had
13 a B ranking, which includes projects that are

14 imperative to NCB's ongoing operations.
15 Finally, projects given a C ranking
16 are important, but not critical to ongoing
17 operations and represent approximately 6 percent
18 or \$25.3 million. Page 5, this goes over
19 program assumptions and projects by strategic
20 objective. The cost estimates in the CIP are
21 based on a number of assumptions. Costs and
22 cash flows are based on engineering estimates,
23 and maybe modified upon receipt of bids. NBC
24 does not include the expenses for the
25 acquisition or replacement of long-term asset or

24

1 debt service. These are explained and
2 identifies NBC's annual operating budget. The
3 chart on the bottom of the page illustrates the
4 percentage of capital projects by strategic
5 objective. Of the 71 projects, 27 percent are
6 related to the RIPDES Permit and the Consent
7 Agreement with DEM, for example, the CSO
8 facilities, while 26 percent are to minimize
9 NBC's impact to the environment in a cost
10 effective manner, like the solar energy at
11 Bucklin Point. The graph on the following page,
12 this shows capital expenditures by project

13 phase. Large construction projects are broken
14 down into three phases; planning, design and
15 construction. Construction handles facility
16 improvements and the actual construction of
17 infrastructure, and these represent 89.9 percent
18 or \$360.5 million. Design makes up 9.3 percent
19 of costs or \$37.4 million, and these include the
20 development of the plans, specification, and the
21 acquisition of easements and permits. Page 7,
22 you'll see a chart of NBC's eight functional
23 areas. Of the \$403 million in the expenditures
24 during the window, \$334.4 or 83 percent are
25 related to the design and construction of CSO

25

1 Phase III facilities. Twenty-eight point one
2 million or 7 percent is for treatment facility
3 improvements, and \$13.6 million or 4 percent is
4 for the completion of the CSO Phase II
5 facilities. And the table on page 8, this
6 compares the functional area costs between this
7 year's CIP and the last. The most significant
8 change is due to the shift in the window. The
9 largest increase is 64.4 percent for the CSO
10 Phase III facilities. And the most significant
11 decrease is 78 percent due to the completion and
12 near completion of various years CSO Phase II

13 contract. Overall there's a 25.2 percent
14 increase in program expenditures for the current
15 CIP. And for planning purposes, expenditures
16 are classified into cost categories. The pie
17 graph shows that construction, it reflects
18 contractor and outside management costs, and
19 this makes up \$265 million or 66 percent, and
20 any professional services includes costs for
21 architectural engineering related to planning or
22 design represent \$68.1 million or 17 percent.
23 Page 9, there are five significant capital
24 improvement projects in this year' CIP. The
25 Phase II Facilities, the nitrogen removal at

26

1 Field's Point and Bucklin Point and reevaluation
2 design of Phase III, along with the regulatory
3 compliance building. Costs for these five
4 projects would total \$356.5 million or 89
5 percent represented in the table and graph on
6 that page. Page 10 through 13 goes into more
7 detail about significant projects. Page 10
8 talks about the CSO Phase II facilities.
9 Construction is approximately 82 percent
10 complete and estimated \$196.2 million. The
11 construction cost for the window are

12 approximately \$13.6 million or 3 percent of
13 total costs. Page 11, this goes over Projects
14 308, Phase III facilities, and in January of
15 2014 NBC initiated the design with our
16 reevaluation program. This will determine the
17 level of improvement and water quality for the
18 first two phases and investigate the most
19 cost-effective approach going forward. It
20 represents approximately \$34.4 million in the
21 window while predesign estimates for
22 construction costs represent approximately three
23 hundred million or 75 percent. The total
24 predesign estimate for Phase III is \$604.7
25 million. And next we have the nitrogen removal

27

1 at Field's Point and Bucklin Point.
2 Construction at Field's Point has been declared
3 substantially complete while testing conducted
4 during the year. The facilities were
5 transferred to NBC for operation effective May
6 31st of 2013, and the construction cost estimate
7 for Bucklin Point is \$43 million, and
8 approximately 91 percent complete. The plans
9 are required to meet RIDEM permit limit of five
10 milligrams per liter in July of 2014. Page 12,
11 the renewable energy project in the CIP are both

12 happening at Bucklin Point; first being the
13 solar energy projects. NBC's currently
14 investigating the feasibility of installing
15 solar energy cells. Solar energy is clean, it's
16 reliable and economical. If it's well
17 maintained, the panels could produce energy for
18 more than 25 years.

19 The proposed solar energy system
20 would cover approximately 8.8 acreage at Bucklin
21 point, and estimated to generate approximately
22 15.9 percent of electrical needs. Secondly, is
23 the Bucklin Point biogas reuse. At Bucklin
24 Point NBC will use a reciprocating engine to
25 generate both electricity and heat energy using

28

1 biogas for within the treatment facility.
2 Estimated construction is approximately \$5.6
3 million, and the bottom half of page 13, we
4 begin going over the CIP program changes
5 starting with completed projects. Nine projects
6 were completed in
7 FY 14, totalling \$25.8 million. Of the nine 28
8 percent were related to design phases of various
9 projects. The largest completed design was the
10 nitrogen removal at Bucklin Point at \$3.4

11 million or 13 percent. The remaining 72 percent
12 was construction related with the largest
13 completed contract being the Field Point wind
14 turbine at \$14.8 million or 57 percent. Page 14
15 talks about the new 13 capital projects in this
16 year's CIP at a cost of \$13.8 million. A few
17 examples are project 128, solar energy project
18 at Bucklin Point, and project 129 which is the
19 planning design and construction modifications
20 to vacated lab building, sections the old
21 Operations Building for the new Regulatory
22 Compliance Building construction start. And
23 then page 15 covers the funding. NBC is
24 authorized to issue debt to finance its CIP and
25 maximizes borrowing needs from the Rhode Island

29

1 Clean Water Finance agency.
2 Page 16 this lists the project
3 locations by their functional area, and there's
4 a legend key that ties into the map on page 17,
5 and this highlights the 23 different project
6 locations throughout the service area. Pages 18
7 through 20 go over the impact of the CIP on the
8 operating budget. Although the CIP's primary
9 impact on the operating budget is debt service,
10 seven projects will directly impact operating

11 costs once in use. Page 19, the first graph
12 shows the percentage of CIP's impact by element
13 of operating expense for fiscal year 2015. The
14 majority or 60 percent is related to utilities
15 for the Nitrogen Removal Facilities and
16 Increased Chemical cost represent 36 percent of
17 the expense mainly from the Fields Point
18 Nitrogen Removal. In the second graph, this is
19 of the CIP impacts on operating budget during
20 the window. The majority of costs relate to the
21 Fields Point nitrogen removal, but are offset by
22 the Renewable Energy Project. And the final
23 chart on page 20 for fiscal year 2020, CIP
24 impacts that project. Costs for the completed
25 facility is \$967,000 or 2.4 percent of the

30

1 operating budget. And now if you please, well
2 turn the page to the next tab. This goes over
3 the two-page summary. It's a total of the
4 capital project costs for all the projects
5 identified in the CIP, and also lists their
6 project's priority. And the tabs that follow,
7 these are all the CIP detail sheets broken into
8 their functional categories. And for an example
9 of the detailed sheet, if you please turn to the

10 Interceptor Cleaning and Repair tab, and go to
11 page 74. Well, when you're there, this is the
12 detail sheet for project 30459C, Improvements to
13 Interceptors for Fiscal years 2016-2020. The
14 top of the page lists the project manager, the
15 contractor, if any, the location, project
16 priority, as well as the project duration and
17 costs. The mid page is the summary of the
18 projects along with a photo, and the bottom
19 breaks down costs by phase and fiscal year, as
20 well as any operating impacts the project may
21 have. And lastly, on pages 75 and 76, this is
22 the overall design and construction schedule for
23 the CIP colored coded by phases. And this
24 concludes the CIP presentation for fiscal year
25 2015. Any questions?

31

1 MR. MARSHALL: One thing I'd like
2 to point out is that this is a planning
3 document, so any project you see in this
4 document that Shay has just touched upon, all
5 these projects will come back to you for
6 additional approvals at planning or design or
7 construction as appropriate. So we're asking
8 for your approval of this document, but it is
9 only a planning document. We're not asking you

10 for a specific approval of each and every
11 project of each and every phase. Those will all
12 come back to you over the next several years.

13 CHAIRMAN MESOLELLA: Commissioner
14 Carlino?

15 MR. CARLINO: On page 3, the cost,
16 is that all in today's dollars, or is it
17 inflated like when you go out to fiscal year
18 '16, '17 and '18, is it inflated by an inflation
19 factor, or is that all in today's dollars?

20 MS. ARNOLD: These costs are
21 provided by the engineers, so I guess depending
22 on the specific projects, it would depend on the
23 ENRI Index. On page --

24 MR. MARSHALL: Tom, do you have any
25 --

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1 MR. BRUECKNER: Generally, those
2 are today's dollars, but there is some. We use
3 the costs from previously projects to do the
4 estimates, and then we estimate a little bit
5 extra for going forward, but we don't use the
6 ENRI. It's strictly an estimate before we get
7 into the preplanning phase.

8 MR. CARLINO: Okay, it is done as

9 today. And just one last question just on the
10 priority. Is there a method that you use for
11 priority. And when I say a method, like at
12 National Grid we spend a billion dollars a year.
13 We have what is called a risk score methodology
14 where we look at the impact if we didn't do the
15 project, and the likelihood of something
16 occurring if we didn't do the project. So
17 there's a method that we use. Do we have one or
18 is it more based on what the needs we have or
19 past history?

20 MR. BRUECKNER: As Shay mentioned
21 the three priorities A and B and C, so most of
22 them will be the A, they're mandated projects
23 required by EPA or DEM --- for it is something
24 that is critical to the operation of the plant
25 that has to be done.

33

1 CHAIRMAN MESOLELLA: Commissioner
2 Handy.

3 MR. HANDY: I'm just interested if
4 as a result of our work on the Phase III
5 planning, we change the scope of that project.
6 Do we have to go back and amend this plan? I
7 mean, how binding is this in terms of changes to
8 projects go, or even new projects that come up?

9 MR. MARSHALL: That's an excellent
10 point and a point I was going to make. Thank
11 you for bringing it up. If you look at the very
12 first page where there's a \$401 million dollar
13 line item there, the bottom line. Phase III is
14 penciled in if you look along the column, about
15 half way down, \$334 million dollars. That's
16 based upon what is approved today, not only the
17 facilities, but also the timeline. So as Phase
18 III reassessment unfolds, this could change
19 dramatically. If you take that \$334 million
20 out, by the way, the CIP drops down to \$67
21 million dollars. That's not to say that Phase
22 III will ever be zero, but it could be much
23 smaller in the first several years. This could
24 look dramatically different next year.

25 MR. HANDY: So is this a moving

34

1 document where you come back every year to
2 approve amendments?

3 MR. MARSHALL: Yes.

4 CHAIRMAN MESOLELLA: So as Ray said
5 earlier, it really is a planning document, how
6 we precede things to be moving over the next
7 five years. And next year at about this time,

8 we'll have another document that will talk about
9 what we've done, what part, what portion we've
10 implemented this document. What priorities have
11 changed so it's as you would suggest a moving
12 target.

13 MR. HANDY: So it's a lot more firm
14 for this year than it is --

15 MS. ARNOLD: In Finance we put
16 these numbers into the long-term financing model
17 to be able to forecast what future debt service
18 may be and those impacts, so every year this
19 planning document gets updated.

20 CHAIRMAN MESOLELLA: Commissioner
21 Worrell.

22 MR. WORRELL: On the assumption
23 that we make changes with the Phase III, which
24 hopefully we're going to be making changes, how
25 responsive is the bonding process, how much lead

35

1 time to we need for changing our bonding
2 requirements? Does that factor in, or is that
3 just a none, don't worry about it?

4 MR. MARSHALL: No, I think it
5 factors in, but, you know, I mean the bonding
6 really, it becomes a much bigger issue when
7 we're talking about the construction portion of

8 these projects as opposed to planning and design
9 which are much smaller. So I think we've always
10 found that we've had enough lead time in order
11 to put in place the proper financing through a
12 Clean Water Finance or through the open market.

13 MR. WORRELL: So it's not an issue
14 then?

15 MR. MARSHALL: No.

16 CHAIRMAN MESOLELLA: Commission
17 Burroughs.

18 MR. BURROUGHS: As you know, I'm
19 suffering from sticker shock over Phase III and
20 trying to figure out procedurally how we as a
21 board will come to the deliberations that might
22 result in the change of what is here. And as I
23 understand it, now there's a lot of work being
24 done by the staff, by a stakeholders group,
25 which I'm pleased to have listened in on. What

36

1 do you anticipate when the Board will be able to
2 make its comments on Phase III?

3 CHAIRMAN MESOLELLA: Can you repeat
4 that, commissioner?

5 MR. BURROUGHS: So we've got in the
6 CIP an indication that the design stage, if I

7 heard correctly, started in January of 2013.
8 That we're spending around \$39 million dollars
9 in design over the next five years if we proceed
10 with the tunnel; is that correct?

11 CHAIRMAN MESOLELLA: Yes.

12 MR. BURROUGHS: So now I'm trying
13 to figure out when we will have enough
14 information from the staff and the stakeholders
15 process so that if members of the board want to
16 weigh in, how do we do that?

17 CHAIRMAN MESOLELLA: Okay, well, I
18 have my answer, I don't know if the executive
19 director wants one. Okay, there's a couple of
20 things because that's a pretty broad question.
21 The first thing is we're going through the
22 stakeholder process, as you know. The other
23 thing is we're having through MWH is now doing a
24 reevaluation of the conceptual plan and that
25 report is due --

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1 MR. MARSHALL: At the end of the
2 year.

3 CHAIRMAN MESOLELLA: At the end of
4 the year. So I think what we might do is take
5 under consideration everything that comes out of
6 the stakeholder process, take a look at any

7 comments with regard to the reevaluation of the
8 conceptual plan. And in addition to that, I
9 suppose I should go into the saga and leave it
10 for other business, but I notice several of the
11 commissioners might leave early, so I wanted to
12 get through the full action items. But the
13 Executive Director, myself, and Laurie Horridge
14 have had a meeting with the Department of
15 Environmental Management regarding the
16 implications of the stormwater program. And
17 we've been trying to figure out where we fit
18 into this process of stormwater and we know it's
19 going to be a very costly program. But you may
20 recall that MWH made a presentation to the board
21 when they were acquainting themselves with the
22 board and our process, and they mention this
23 program they're involved called integrated
24 planning. And to the extent that we could
25 involve the integrating process into some storm

1 water considerations within our own Phase III
2 program, we should do that. And as a result of
3 that, we met with DEM when we introduced DEM
4 into this integrated planning process to see how
5 we might mitigate some to stormwater issues

6 which are present today, and I think what we
7 concluded from that was possibly we revisiting
8 the scope of services provided by MWH and have
9 them take into consideration first and foremost
10 green solutions, the stormwater problem and
11 other future stormwater problems additionally
12 within our district, right?

13 MR. MARSHALL: Yes.

14 CHAIRMAN MESOLELLA: And then
15 perhaps with discussions with DEM taking a much
16 broader view of the stormwater program
17 statewide. So that's a roundabout way of
18 saying, I don't know what this is going to cost,
19 but we will revisit it, and the board will have
20 an opportunity at some point to weigh in on
21 these recommendations.

22 MR. MARSHALL: I would say later in
23 this calendar year, after you come back from
24 summer break, October, November, December, that
25 time period, we'll probably have MWH back in, so

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1 we'll bring you up to date where they are in the
2 process, they'll let you know what the
3 stakeholders are saying, and then they'll start
4 to develop a couple of recommendations for Phase
5 III. The board will need to weigh in on that.

6 Of course, once we agree on a plan on how we
7 want to move forward with Phase III because of
8 integrated planning, affordability, whatever the
9 issue is, then we would submit that to DEM and
10 they would have to review it and approve the
11 change in Phase III, which could be the same
12 facility, it's just push them out 15 years. It
13 could be completely different, but all we spent
14 money on for Phase III, by the way, is the
15 reevaluation. That's all we spent money on so
16 far.

17 MR. BURROUGHS: So in the design
18 phase, we're actually doing planning work, or
19 not committed by that the way the CIP is
20 written.

21 MR. MARSHALL: There is no design
22 money shown in this CIP because it is intended
23 to span the fiscal year all the way out to
24 20/20. So at that point '16, '17, '18 is when
25 all this design would occur, and then we'd be

1 flipping over to construction assuming nothing
2 changes, which I think we will see some changes,
3 which we'll revise this document and it would
4 look much different a year or two from now.

5 MR. BURROUGHS: So I guess the fork
6 in the road we're at now is whether we do the
7 planning for Phase III as a separate entity, or
8 whether we do the planning for Phase III as a
9 part of the integrated planning process, is that
10 fair?

11 CHAIRMAN MESOLELLA: Well, if I
12 understand your question, I think that's fair.
13 And what came out of this meeting was that while
14 we're planning Phase III, while we're looking at
15 evaluating it. And we should also take into
16 consideration what the impacts are on the
17 stormwater where no consideration had been given
18 because DEM was basically leading the parade on
19 that, and I was a little concerned about getting
20 involved because of the cost implications. But
21 to the extent that we can resolve, we're hoping,
22 we don't know that, to the extent that we can
23 resolve within the confines of our own district
24 some of the stormwater issues in a
25 environmentally green -- that's the buzz word, I

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1 guess, in a green fashion, that we should do
2 that. It may mitigate some impacts to us in the
3 long-term, so, yeah, I think that's pretty safe
4 to say.

5 MR. WORRELL: Thank you. Speaking
6 about the green solutions and the integrated
7 planning, Tom, who at the last meeting gave a
8 presentation where he talked about what a
9 wonderful job we've done with Phases 1 and
10 halfway through Phase II, but pointed out that
11 we still had a very serious bacterial load
12 coming into the bay as a result of stormwater,
13 which we didn't pay much attention to anyway
14 when we were designing Phase I and Phase II, but
15 given the needs to design for stormwater that we
16 now are aware of going forward, it seems to me
17 that we should really be paying attention to
18 this stormwater issue and the integrative
19 planning issue, and hopefully DEM is going to be
20 in the same mind. As you pointed out Mr.
21 Chairman, that it's going to be the most costly
22 thing we've ever laid our eyes on, but it's very
23 real.

24 CHAIRMAN MESOLELLA: It is real.
25 And you know, when we went to DEM, we gave the

1 presentation and presented this integrated
2 planning process. During the course of the
3 meeting, it becomes clear that there are many

4 agendas at the table, and even within the
5 department there are several different agendas.
6 Who's concerned about flooding, who's concerned
7 about bacterial loading into the bay. What
8 issue are we going to be addressing? Are we
9 addressing flooding, are we addressing nonpoint
10 source? It is a very, very broad category of
11 issues that we need to deal with, so hopefully
12 we'll get started on it, we stepped out, we
13 stepped out front. And by the way, 10, 12 years
14 ago, Narragansett Bay Commission, this board,
15 lead the way by commissioning the first nonpoint
16 source pollution study long before it was
17 fashionable to be talking about, you know,
18 what's happening with the stormwater and the
19 bacteria loading. We were way ahead of the
20 curb, and who did that study for us?

21 MR. MARSHALL: I actually don't
22 remember.

23 CHAIRMAN MESOLELLA: It was 12 or
24 15 years ago we stepped out front of this issue.
25 Commissioner Handy.

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1 MR. HANDY: So as we talk about
2 cost associated with Phase III and the
3 stormwater issue, we're also, as I recall,

4 bumping up against rate issues, right? Our
5 rates are capped and we're having issues. So
6 some of this implementation of the capital
7 improvement program will depend on some rate
8 relief; isn't that correct?

9 MR. MARSHALL: Yes.

10 MR. HANDY: So that's another
11 overhanging issue?

12 CHAIRMAN MESOLELLA: It's always
13 the issue.

14 MR. HANDY: Is that something that
15 we are pursue the NBC in current proceeding, or
16 is that something that we need to pursued in the
17 future?

18 MR. MARSHALL: That will have to be
19 pursued in the future. We would have to first
20 convince DEM and EPA that we have hit the
21 affordability limits as they're currently
22 defined 2 percent of median household income.

23 MR. HANDY: So that needs to be
24 part of this conversation, as well?

25 CHAIRMAN MESOLELLA: Absolutely has

1 to be part of this. While I've been very
2 gingerly approaching this issue with DEM because

3 I don't think, and I don't mean this in any
4 derogatory way, I don't think that they have any
5 idea how much this is going to cost. I mean,
6 they were talking three or four dollars per
7 user?

8 MR. MARSHALL: Yes, per user, per
9 month.

10 CHAIRMAN MESOLELLA: We don't think
11 that will cover even administrative cost, never
12 mind any physical alteration.

13 MR. HANDY: Even without those, we
14 have a capital improvement program that we're
15 looking at right now that's going to require
16 rate relief without the stormwater.

17 CHAIRMAN MESOLELLA: Absolutely, so
18 hopefully within this capital improvement
19 program and I guess what I'm getting at is
20 hopefully within this capital improvement
21 program we're going to address at least some of
22 the stormwater issues through new design and
23 green technology. That's what I'm hoping.

24 MR. HANDY: Hopefully, that can
25 help us reduce some of the capital cost that

1 we're looking at.

2 CHAIRMAN MESOLELLA: Right. So,

3 where was I?

4 MR. MARSHALL: We would like
5 approval of Resolution 2014:08.

6 CHAIRMAN MESOLELLA: That's
7 correct, that's correct. So we heard our
8 explanation on the capital improvement planning
9 program FY 2016 through 2020. Do any of our
10 commissioners have any questions with regards to
11 the Capital Improvement Program? I guess not.
12 All of those -- we have a motion to approve by
13 Commissioner Rotella, we have a second by
14 Commissioner Carlino, Commissioner Worrell?
15 Further discussion?

16 (SILENCE)

17 CHAIRMAN MESOLELLA: Hearing none.
18 All of those that are in favor will say aye.

19 BOARD MEMBERS: Aye.

20 CHAIRMAN MESOLELLA: Are there any
21 opposed?

22 (SILENCE).

23 CHAIRMAN MESOLELLA: There are none
24 opposed and the motion carries.

25 MR. MARSHALL: I think Commissioner

1 MacQueen now will do the next two items for CEO

2 Committee.

3 COMMISSIONER MACQUEEN: Thank you.

4 MR. MARSHALL: This is a contract
5 that we put out to bid back in April. We
6 received the bids on May 7. There were two of
7 them. The purpose of this contract is to clean
8 out a very large interceptor that is 78 inches
9 in diameter. It is just downstream of the
10 Providence River siphon, so we had authorized
11 the firm to inspect the siphon, as well as the
12 downstream interceptor. We expected a normal
13 amount of flushing and cleaning and TVing, but
14 what they found when they went to go look at
15 this 78 inch interceptor which connects to the
16 siphon, is that it is really a chockfull of grit
17 and rags, and other debris, and can't even be
18 inspected because it's so laden with that
19 material. So the only way to get in there is to
20 have a specialty company to come in and clean
21 that pipe out. This is above and beyond what we
22 normally see in our interceptors. Of the two
23 firms, National Water Main does a lot of the
24 work for us, but it's more light duty type work.
25 And this, we thought would require a large

1 national firm who's had a lot of experience, and

2 that is actually who was the low bidder, Pipe &
3 Plant Solution, Incorporated. They're out of
4 San Francisco, California. Their bid was
5 \$349,490. We have evaluated their bid. We
6 think it's a fair bid, and it's under the
7 engineer's estimate of \$500,000. We've checked
8 their resumé, we've called their prior clients,
9 and all the recommendations are positive. And
10 so, with that, we ask your approval of
11 resolution 2014:13, Authority to award this
12 contract to Pipe & Plant Solutions, Incorporated
13 for an amount to not exceed \$349,490 subject to
14 approval of their NBC and EEO plans with the
15 Department of Administration.

16 CHAIRMAN MESOLELLA: Okay, that
17 concludes the Executive Director's explanation
18 of Resolution 2014:13. Are there any questions?
19 Are there any questions, comments?

20 (SILENCE)

21 CHAIRMAN MESOLELLA: Hearing none.
22 All of those that are in approval of Resolution
23 2014:13 will say aye.

24 BOARD MEMBERS: Aye.

25 MR. DICHIRO: BLANK: I make a

1 motion, Mr. Chairman, for approval of 2014:13.

2 CHAIRMAN MESOLELLA: We have a
3 motion.

4 MR. ANDRADE: Second.

5 CHAIRMAN MESOLELLA: And a second
6 from Commissioner Andrade. Further discussion?

7 (SILENCE)

8 CHAIRMAN MESOLELLA: Hearing none.
9 All of those that are in favor of Resolution
10 2014:13 will say aye. Are there any opposed?

11 (SILENCE)

12 CHAIRMAN MESOLELLA: There are none
13 opposed and the motion carries. Further report,
14 Commissioner Macqueen.

15 MR. MACQUEEN: Review and Approval
16 of Resolution 2014:14, Authorization to Amend
17 Agreement 09.809-00IS with Optimization. Ray?

18 MR. MARSHALL: Yes, sir. Back in
19 September of '09, we had reached the point where
20 we used to take our two computer control systems
21 which came from different sources, one at
22 Bucklin Point, one at Fields Point, and to
23 integrate them into one cohesive system, so they
24 were similar in look, feel, and operating
25 approaches, so that as we moved into the future

1 with all our planned upgrades, we'd be a more
2 efficient operation. We acquired some new
3 software from this company Wonderware. That's
4 the actual software package. Optimization is the
5 company that was hired through an RFQP process
6 to come in to install the Wonderware system and
7 to take all of the feed, all the information
8 from the plant, into the control system so that
9 the operators sitting at the main control system
10 at either plant can make the changes and
11 adjustments that need to be made. Obviously,
12 this has taken a quite awhile to pull together.
13 As I mentioned, we started in about late 2009.
14 And over the years, the project has expanded and
15 become more complicated, or more complicated
16 than what was originally envisioned. Optimization
17 came in in 2012 and asked for a 306,000 dollar
18 change order, which at that time staff didn't
19 think was warranted, and Optimization continued
20 the work, finished the project to our
21 satisfaction, even though the delivery date has
22 been very late. At this point we're very
23 satisfied with the final product, and they
24 approached us again, Optimization, they approached
25 staff, about an adjustment to their fee. And

1 after several months of negotiation, our staff
2 has concluded that what would be reasonable is
3 to increase their compensation by \$173,140 to
4 finalize this project. In the end, great
5 results. It is late, but we are happy with the
6 way it now functions and allows our operation
7 staff to efficiently control the multimillion
8 dollar treatment processes which went into place
9 at both plants. So we request your approval of
10 Resolution of 2014:14.

11 CHAIRMAN MESOLELLA: Commissioner
12 Macqueen moves approval. Resolution 2014:14,
13 seconded by Commissioner Montanari, Commissioner
14 Worrell -- and Commissioner Worrell, as well.
15 Is there further discussion on this resolution?

16 (SILENCE)

17 CHAIRMAN MESOLELLA: Further
18 discussion?

19 (SILENCE)

20 CHAIRMAN MESOLELLA: Hearing none.

21 All of those that are in favor of passage of
22 Resolution 2014:14 will say aye.

23 BOARD MEMBERS: Aye.

24 CHAIRMAN MESOLELLA: Are there any
25 opposed?

1 (SILENCE)

2 CHAIRMAN MESOLELLA: There are none
3 opposed, and the motion carries. Further
4 business, Commissioner Macqueen?

5 MR. MACQUEEN: No, that's all I
6 have.

7 CHAIRMAN MESOLELLA: Thank you,
8 very much. The next committee reporting is the
9 Personal Committee. Commissioner Campbell, do
10 you have a report for us today?

11 MR. CAMPBELL: Yes. I'd like to
12 recommend that the board enter into executive
13 session pursuant to 42.46.5 A2 to discuss the
14 potential action regarding the proposed
15 Collective Bargaining Agreement and contingent
16 health care matters with NBC's respective
17 unions.

18 CHAIRMAN MESOLELLA: Okay, I'll
19 make the motion to move into executive session,
20 seconded by Commissioner Kimball. Okay. All in
21 favor of going into executive session will say
22 aye.

23 BOARD MEMBERS: Aye.

24 CHAIRMAN MESOLELLA: Any opposed?

25 (SILENCE)

1 CHAIRMAN MESOLELLA: None opposed,
2 the motion carries.

3 (OPEN SESSION COMMENCED AT 12:50 P.M.)

4 CHAIRMAN MESOLELLA: We are now
5 back in open session.

6 Long Range Planning, there is no
7 report, Rules and Regulations, there is not
8 report. Citizens Advisory Group, there is no
9 report today, is there.

10 MS. SAMONS: Harold had to leave,
11 but he did leave his comments.

12 CHAIRMAN MESOLELLA: To be read or
13 just for the record? Comments will be left for
14 the record. Ad Hoc Compensation Committee, no
15 report; Ad Hoc Committee Internal Ethics
16 Committee, no report; Executive Committee did
17 not meet, no report; Legislative Report there is
18 none; New Business to come before the
19 commission, no new business.

20 MS. HARRINGTON: Mr. Chairman, if
21 you please vote to seal the minutes and the vote
22 of the closed session now that you're outside
23 the closed session, that would be great.

24 CHAIRMAN MESOLELLA: That would be
25 on other business, I assume?

1 MS. MCCAULEY: That's perfect.

2 CHAIRMAN MESOLELLA: Under other
3 business, we would now move to provide the
4 minutes of the executive session be sealed.

5 MR. DICHIRO: I move.

6 CHAIRMAN MESOLELLA: So seconded by
7 Commissioner Dichiro and Commissioner Kimball.
8 All in favor of keeping the minutes of the
9 executive session sealed will say aye.

10 BOARD MEMBERS: Aye.

11 CHAIRMAN MESOLELLA: Are there any
12 opposed?

13 (SILENCE)

14 CHAIRMAN MESOLELLA: There are none
15 opposed, the motion carries. Is there any other
16 business?

17 (SILENCE)

18 CHAIRMAN MESOLELLA: We're going to
19 adjourn before 1:00. Commissioner Rotella.

20 MR. ROTELLA: Motion to adjourn,
21 please.

22 CHAIRMAN MESOLELLA: We have a
23 motion to adjourn, seconded by Commissioner
24 DiChiro, Commissioner Leone and Commissioner
25 MacQueen. All in favor of adjournment will say

1 aye.

2 BOARD MEMBERS: Aye.

3 CHAIRMAN MESOLELLA: Any opposed?

4 (SILENCE)

5 CHAIRMAN MESOLELLA: None opposed

6 and the motion carries. And we are adjourned.

7 And for all of you who did not have lunch,

8 please take a moment now and enjoy your lunch.

9 Thank you coming today. It was such a long

10 meeting today. We accomplished a lot today.

11 Thank you, very much.

12 (HEARING CONCLUDED AT 1:00 P.M.)

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1 C-E-R-T-I-F-I-C-A-T-E

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3 I, PAULA J. CAMPAGNA, CSR, a Notary
Public, do hereby certify that the foregoing is
4 a true, accurate, and complete transcript of my
notes taken at the above-entitled hearing.

5

6 IN WITNESS WHEREOF, I hereunto set my
hand this 13th day of June, 2014.

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PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
COURT REPORTER

21

22 MY COMMISSION EXPIRES: April 25, 2018

23

24 IN RE: NBC Monthly Board Meeting of
the Commission

DATE: May 28, 2014

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

In Re: Monthly Board Meeting of the Commission

DATE: April 29, 2014
TIME: 11:00 a.m.
PLACE: Narragansett Bay Commission
Corporate Office Building
One Service Road
Providence, RI 02905

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Secretary–Executive Director
Angelo S. Rotella, Vice Chairman
Robert Andrade, Treasurer
Joseph DeAngelis, Esquire
Richard Burroughs
Mario Carlino
Joseph Kimball
Paul Lemont
John MacQueen
Al Montanari
Alan Nathan
Richard Worrell

ALSO PRESENT:

Dave Aucoin, NBC
Rich Bernier, NBC
Kerry Britt, NBC
Manny Correira, NBC
Brendan Cunha, NBC
Harold Gadon, CAC
Linda George, RI Senate Policy Office
Karen Giebink, NBC
Carmine Goneconte, NBC
Jennifer Harrington, NBC
Laurie Horridge, NBC
Stephen Lallo, NBC
Jean Lynch, CAC
Joanne Maceroni, NBC
Jim McCaughey, NBC
John Motta, NBC
Karen Musumeci, NBC

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1 ALSO PRESENT, cont.

2 Paul Nordstrom, NBC
Joe Pratt, Louis Berger Group
3 Pamela Reitsma, NBC
Jamie Samons, NBC
4 Deborah Samson, NBC
Howard Schachter, CAC
5 Eugene Sorkin, NBC
Mark Thomas, NBC
6 Mary Trombetti, NBC
Peter M Trombetti, NBC
7 Vincent Trombetti, NBC
Thomas Uva, NBC
8 Barry Wenskowicz, NBC

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1 (BOARD OF COMMISSIONERS MEETING COMMENCED AT 11:03 A.M.)

2 CHAIRMAN MESOLELLA: Good morning, everyone.

3 Recognizing a quorum, we will call the Tuesday, April

4 29, 2014 meeting to order at 11:03.

5 The first order of business is the Approval of the

6 Previous Minutes. Have all of our members had an

7 opportunity to review the previous minutes, and if so,

8 are there any comments or corrections?

9 COMMISSIONER LEMONT: Move approval.

10 CHAIRMAN MESOLELLA: We have an approval by

11 Commissioner Lemont.

12 COMMISSIONER MONTANARI: Second.

13 COMMISSIONER MacQUEEN: Second.

14 CHAIRMAN MESOLELLA: Approval by

15 Commissioner Lemont, seconded by Commissioner Montanari

16 and Commissioner MacQueen. Discussion on the previous

17 minutes?

18 THE COMMISSION: (No response)

19 CHAIRMAN MESOLELLA: Hearing none, all of

20 those in favor of approval of the previous minutes will

21 say aye.

22 THE COMMISSION: Aye.

23 CHAIRMAN MESOLELLA: Are there any opposed?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: There are none opposed,

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1 and that motion carries.

2 (MOTION PASSED UNANIMOUSLY)

3 CHAIRMAN MESOLELLA: Next order of business

4 is Item Number 3, which is Election of Officers. For

5 the purpose of Election of Officers, the Chairman will

6 turn much gavel over to the Executive Director and

7 Secretary, Ray Marshall. Mr. Secretary.

8 RAYMOND MARSHALL: Okay, the floor is now

9 open for nominations for positions of Chairman, Vice

10 Chairman and Treasurer. Commissioner MacQueen.

11 COMMISSIONER MacQUEEN: I move to nominate

12 the current slate of Officers, Vincent Meselella,

13 Chairman, Angelo Rotella, Vice Chairman and Bob Andrade,

14 the Treasurer.

15 THE COMMISSION: Second.

16 RAYMOND MARSHALL: Hearing several seconds,

17 are there any additional nominations for those offices?

18 THE COMMISSION: (No response)

19 RAYMOND MARSHALL: Hearing none, I'll
20 declare nominations closed, and cast one vote for the
21 slate at proposed. Congratulations, Mr. Chairman.
22 Thank you.

23 (MOTION PASSED UNANIMOUSLY)

24 CHAIRMAN MESOLELLA: Thank you very much.
25 As always, I like to commit 110 percent to the mission

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1 of Narragansett Bay Commission. I'm very proud of what
2 we've accomplished through the years and look forward to
3 many more accomplishments for the years of 2014, 2015.
4 Thank you very much for your confidence.

5 Having said that, moving right along to Item Number
6 4, which is Old Business, is there any old business to
7 come before the Commission today? Old business of any
8 nature?

9 THE COMMISSION: (No response)

10 CHAIRMAN MESOLELLA: Hearing none, moving
11 right along to the Executive Director's Report. Mr.
12 Secretary, do you have a report for us today?

13 RAYMOND MARSHALL: Yes, I do.

14 CHAIRMAN MESOLELLA: Proceed.

15 RAYMOND MARSHALL: Both plants are operating
16 well, and as you may have heard, the tunnel was out of

17 service for construction purposes for about three weeks,
18 from the middle of March to early April, and it's now
19 back on line, and it will be running at 60 percent
20 capacity until July because of additional work that the
21 contractor must accomplish between now and that period.
22 We did have two storms that required us to use the
23 wet weather facilities instead of the tunnel during that
24 three-week period, but all went well.
25 The new blowers that we've installed to run the

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1 nutrient removal system, we're still having a few
2 problems with those, but we're working with the company
3 to get it resolved; but just so you know, our permit
4 season starts Thursday, May 1st, and runs through the
5 end of October, so we're working hard to make sure all
6 blowers are on line and available right now. We have
7 what we need, but we always like to have the redundancy.
8 The turbines have been really spinning well. In the
9 month of March, we produced 65 percent of the power that
10 we needed at the Field's Point treatment facility, and
11 since the beginning of this calendar year, the turbines
12 are producing or have produced 60 percent of the power
13 that we require to do treatment at Field's Point. There
14 were no dry weather events in March, even though we had

15 a couple of storms.

16 As you know, we're working on Phase 3 of the CSO

17 re-evaluation. We've had two stakeholders meetings, one

18 in March, one in April, and the next one is May 22nd

19 from 9 to 12 in this room, if you care to attend.

20 In that regard, what's coming along for Phase 3, our

21 status of a meeting with DEM and EPA on the water

22 quality standards that we're going to have to meet, and

23 we're discussing the affordability issues with those

24 regulatory agencies; so we'll see how it plays out over

25 the long haul. Progress is being made on Phase 3, which

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1 you heard a presentation on last month.

2 The construction projects are coming to life again.

3 We're going to be doing some paving in North Main

4 Street, and north and south of The Miriam Hospital, the

5 contractors are out there working, hopefully, finishing

6 all of that work-up during this construction season.

7 The two large jobs on Phase 2, Woonasquatucket CSO

8 interceptor and the Seekonk CSO interceptor, worked

9 right through the winter, so they're making really good

10 progress. They're, like, 70 and 80 percent complete at

11 this point in time.

12 Also, staying with construction, the Bucklin Point

13 upgrade, the treatment plant upgrade there is just over
14 90 percent complete, and it's scheduled to be wrapped up
15 by the middle of July, at which time the new permit
16 standards will kick in.

17 The new laboratory building which will occur right
18 outside this window across the street, and we're going
19 to have the groundbreaking next month. We'll keep you
20 posted on that. They have just done some modest site
21 work out there up to this point.

22 In my report you'll see that we're keeping a close
23 track on the FY '14 Operating Budget. We're about 2
24 percent under projections, and we're working feverishly
25 to get our FY '15 budget put together to bring before

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1 the Finance Committee for their review and approval to
2 see if any revisions are needed, and then we'll come to
3 you in June with that before the full board.

4 Our PUC rate case is proceeding steadily. We've had
5 an avalanche of data requests that Finance has been
6 responding to to support the request -- that we have
7 made.

8 Also, I'm happy to report that our winter winds
9 create or generate renewable energy credits, and we sold
10 the energy credits that we generated in the July through

11 December time period of last year for just under
12 \$165,000.
13 So, when you look at the total year, and the
14 beginning of year is usually windier than the second
15 half of the year, by the way, we've realized \$410,600 in
16 renewable energy credits that the wind turbines have
17 generated, and that's in addition to the money that we
18 save in electricity each and every day or almost every
19 windy day, anyway.
20 We had our environmental awards breakfast on April
21 2nd, well attended, about 120 people, that was held at
22 the Kirkbrae. It went very well.
23 The septage receiving station is starting to get busy
24 with the nice weather. We generated almost \$20,000 in
25 income from that during the month of March.

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1 In Executive, we've had a substantial amount of press
2 about the re-evaluation of CSO Phase 3, plus we went in.
3 Rich Bernier, he's in the room, he went in and inspected
4 the tunnel. That's been on line for about 5 years now.
5 We found it to be in good structural condition. So,
6 that also got some play in the press as well as the fact
7 that we had to close the tunnel for about a 3-week
8 period when we did our work on Phase 2, but it was all

9 portrayed in a positive light.

10 We've been, Jamie's been meeting on a regular basis
11 out in Olneyville with the various neighborhood groups.
12 We are doing a lot of work in that area. You may have
13 seen one or two articles in that regard. She also
14 attended the State Science Fair and judged the projects
15 that the kids had put together, many of which are very
16 impressive and can almost be a Master's thesis type of
17 investigation in some cases. The kids are really
18 bright.

19 Joanne's reviewed nearly 200 pieces of legislation
20 that could potentially have an impact on us. She's
21 attended hearings and prepared position papers and also
22 given testimony at the State House. We had
23 Representative Handy in on his climate change bill.
24 It's a build-out. He came in, and it's a bill that we
25 support...the long-range vision that he has for this

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1 bill, that climate changes occurring sea level rise are
2 taking place, and we all need to be ready to deal with
3 that as it comes down the road in the next several
4 decades.

5 We've been in negotiations with our unions for a new
6 collective bargaining agreement. The current agreement

7 expires on June 30th. We've had a half of a dozen
8 meetings so far. We've come to a tentative agreement on
9 a number of items. There's a couple that are still
10 under discussion. We think that we're putting together
11 a good package, one that's good for both the
12 organization as well as the employees.
13 All of those discussions are done with the
14 understanding that whatever is discussed, stays within
15 the room. So, if you're interested, I can share with
16 you the information individually, but I would rather not
17 go into it in an open session at this point.
18 I'm hoping to bring, as I pointed out to Commissioner
19 Campbell who's the head of the Personnel Committee, that
20 next meeting I'll be able to lay the whole thing out for
21 the Personnel Committee. We'll do that in Executive
22 Session so we can have a frank, honest and open
23 discussion about it, and if it's acceptable, then we can
24 bring it before the full board, but the union membership
25 has not voted on it yet. We reached a point last week

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1 where they could actually take something to their
2 membership, so they're going to start a series of
3 meetings the beginning of next week to see if they can,
4 that is, the union, their negotiation team can convince

5 their union members to vote for it, which we think they
6 will because it is a good package, it's a fair package.
7 By the way, when we come before the board and the
8 Personnel Committee, we'll have our advisor or expert on
9 health care who will be here to answer your questions as
10 will our labor attorney who does a great job working on
11 our behalf, and you can ask him or ask any of the
12 questions you might have that I'm not able to answer.
13 They'll probably be quite a few.
14 The PUC is going to be here for two days starting
15 tomorrow. They're here tomorrow morning. They're going
16 to talk about the CSO program. They're going to hear
17 about -- Karen's shaking her head, no?

18 MS. GIEBINK: Apparently, they didn't notice
19 the meeting, so they canceled it.

20 CHAIRMAN MESOLELLA: Say that again, Karen?

21 MS. GIEBINK: The meetings weren't noticed,
22 apparently. They just called to inform us they're
23 canceled.

24 RAYMOND MARSHALL: Okay, so, we won't be
25 meeting with the Public Utilities Commission tomorrow or

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1 Thursday. Is Thursday off as well?

2 MS. GIEBINK: Both days are off.

3 COMMISSIONER CARLINO: Were they all
4 planning to go?

5 RAYMOND MARSHALL: Yes. From what I
6 understand, all three commissioners as well as three or
7 four staff members were all going to go. So, are they
8 going to notice it now? We'll have to pick new dates,
9 right?

10 MS. GIEBINK: Right. We'll have to try to
11 pick new dates that everyone's available.

12 RAYMOND MARSHALL: Okay. What we were going
13 to do is, tomorrow morning we were going to go over the
14 CSO program, and then we were going to take them over to
15 see the tunnel pump station as well as one or two of the
16 construction sites; and then on Thursday, we were going
17 to give them a class in wastewater treatment. Paul
18 Nordstrom was going to do that.

19 We were going to talk about the nitrogen removal
20 process, why it's important, why it's required, and then
21 we were going to take them to each of the treatment
22 plants to see our facilities because right now they are
23 entertaining our request for a rate increase, and
24 they're not really familiar with our facilities, what we
25 do or how complex it is and how expansive it is.

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1 So, they had asked for these meetings, by the way,
2 and so we were able to agree on the dates, which
3 apparently, will now be changed.

4 So, for all the staff members who have worked their
5 tails off for the past week or two trying to get their
6 presentations in order, at least you won't have to do it
7 whenever we reschedule that.

8 So, we have a lien sale on April 17th. We started
9 with 300 accounts. By the sale date, there were only 43
10 left, and we sold all of the liens. We collected a
11 total of \$587,000. Good job to legal on that one.

12 Our environmental education program is in full swing
13 with field trips, and the planning for the end of the
14 year field day on May 23rd down at Goddard Park.

15 Finally, the Chairman and I met with the DEM
16 director, and he'll fill you in later when he delivers
17 the Chairman's Report toward the end of the meeting.
18 That is it.

19 CHAIRMAN MESOLELLA: Okay, are there any
20 questions, comments regarding the Executive Director's
21 Report.

22 (COMMISSIONER WORRELL IS NOW PRESENT)

23 COMMISSIONER WORRELL: Yes, I have one quick
24 one.

25 CHAIRMAN MESOLELLA: Wait a minute, Admiral.

1 Did you sign in? Proceed.

2 COMMISSIONER WORRELL: How did your sale of
3 the tax credits for \$410,000, how did that compare with
4 what you were anticipating?

5 RAYMOND MARSHALL: I think we originally
6 anticipated something around 350, wasn't it, Tom?

7 MR. UVA: Yes, that was our conservative
8 estimate, about 350 a year.

9 CHAIRMAN MESOLELLA: Further questions on
10 the Executive Director's Report?

11 THE COMMISSION: (No response)

12 CHAIRMAN MESOLELLA: Hearing none, moving
13 right along, Item Number 6, which is Acknowledgement of
14 Awards and the Resolution of Appreciation to our dear
15 friend and long-time employee, Peter Trombetti.
16 Commissioner Rotella.

17 COMMISSIONER ROTELLA: I have a Resolution
18 of Congratulations and Gratitude for Peter Trombetti,
19 but before I read this, just to take a moment of
20 personal note, just to show you how crazy Rhode Island
21 is and how things always repeat themselves, Vinny, can
22 you come up here for a second?

23 I'm sure many of you know that Peter was one of our
24 first employees, right, at the Narragansett Bay
25 Commission back in 1982. I opened my company on May 1,

1 1995. This is my first employee, Vin Trombetti is

2 Peter's brother.

3 So, just to show you how life circles around and

4 comes back together, Vinny's been with me for almost 20

5 years now and has become part of the family, like

6 another brother me, and you know how much I love him,

7 but Peter's been the same thing while I was here at the

8 Bay Commission. So, let me read this and give it to

9 Peter. It says,

10 "Whereas Peter Trombetti joined the newly-formed

11 Narragansett Bay Commission on May 1, 1982, bringing

12 with him much wealth-earned experience from the City of

13 Providence, and

14 "Whereas he has consistently shown his dedication to

15 the Field's Point Wastewater Treatment Facility, through

16 his activities as diverse as staffing the plant during

17 the Blizzard of 1978 and championing the celebration of

18 the 100th Anniversary of the Field's Point facility in

19 2001, and

20 "Whereas in 2013, he received the Alfred E. Peloquin

21 Award from the New England Water Environment

22 Association, which recognizes an individual whose

23 personal service has contributed to excellence in plant

- 24 operations either directly at a treatment plant, or
- 25 indirectly through assistance to plant operations

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1 personnel and,

2 "Whereas, it says here, "despite his support for the
3 New York Yankees", I'm going to say, in light of his
4 support for the New York Yankees as a fellow NY Yankees
5 fan, "he is considered by all to be a man of the
6 greatest kindness and integrity, and

7 "Whereas his ongoing efforts have contributed to the
8 Narragansett Bay Commission's Mission to maintain a
9 leadership role in the protection and enhancement of
10 water quality in Narragansett Bay and its tributaries by
11 providing a safe and reliable wastewater collection and
12 treatment services to his customers at a reasonable
13 cost.

14 "Now therefore be it resolved that the entire Board
15 of Commissioners and staff of the Narragansett Bay
16 Commission shall sincerely thank Peter Trombetti for his
17 service and wish him the greatest happiness in his
18 retirement." Presented on April 29, 2014.

19 (APPLAUSE)

20 CHAIRMAN MESOLELLA: Peter, come on up.

21 RAYMOND MARSHALL: So, if I can just have,

22 one more thing, I just wanted to add a personal note
23 here, Peter has been the kind of guy that we all want as
24 employees, and he has been loyal and dedicated and
25 attentive and resourceful, and just leading by example,

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1 he shows the younger guys across the street how you
2 should conduct yourself and the type of opportunity that
3 you have here to work your way through the ranks, and I
4 want to thank you, Peter, for that, also for his
5 friendship.

6 We've always, he's a Yankees fan, of course you just
7 hear that, I'm a Red Sox fan, so we've gone back and
8 forth through the years, so I was trying to think of
9 what little memento could I give to Peter so he wouldn't
10 forget me as he moves up to retirement, and then I
11 figured, what does any good Yankee fan want these days?
12 It's the same thing that the Yankee players want,
13 especially their pitching staff, I got him his own pine
14 tar sick here.

15 MR. TROMBETTI: Just, thank you, everybody.
16 I've always been proud to work for the Narragansett Bay
17 Commission, and just driving down the road and looking
18 at the accomplishments that happened over the past 30
19 years that I've been here, it's just unbelievable,

20 that's all I can say, and thank you very much. Thank
21 you.

22 (APPLAUSE)

23 RAYMOND MARSHALL: The next award is the New
24 England Water Environment Federation Energy Management
25 Award, and we won this as a result of the hard work of

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1 Jim McCaughey, Barry Wenskowicz and Eugene Sorkin, and
2 I'm going to ask them to come up here now.
3 This is, actually, an accumulation of a number of
4 different programs that they have brought into the
5 Narragansett Bay Commission, and there'll be a
6 presentation on all of these awards at some point,
7 probably at the September Board Meeting. Guys, come on
8 up here.

9 So, we want to thank them for their hard work. This
10 has really saved the Commission a lot of money and will
11 continue to do so over the next several years. So,
12 right now we're just going to acknowledge the award, and
13 then you'll get to hear about the program as we move
14 into the future. Barry or Jim, hold this so you can get
15 your picture taken.

16 (APPLAUSE)

17 RAYMOND MARSHALL: The next award, and

18 actually, the last award, has been given to us by the
19 National Association of Clean Water Agencies, and it's
20 the Gold Award for the Field's Point Wastewater
21 Treatment Facility.

22 First of all, let me tell you that for the second
23 year in a row, the Field's Point Wastewater Treatment
24 Point has had zero violations of its permit as it's
25 measured by the National Association of Clean Water

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1 Agencies, and there are potentially 1,716 opportunities
2 to miss that target, and to win this award, you can't
3 have more five misses out of 1,700, which is, like 99.7
4 percent.

5 Field's Point had none in 2013, no violations of
6 those parameters as well as 2012. So, I'd like one of
7 our long-time employees, Manny Corriea. Manny, come on
8 up here.

9 (APPLAUSE)

10 RAYMOND MARSHALL: Manny started with us in
11 June of 1983, and so, this June will be his 31st year,
12 and he'll be retiring two days after he hits his 31st
13 anniversary.

14 (APPLAUSE)

15 RAYMOND MARSHALL: Manny is another guy who

16 has really done a great job mentoring the younger people
17 and leading by example, and also, he tells them just
18 about every day how lucky they are to have a job here,
19 of course which I like to hear. I want to thank him for
20 all his hard work, and all the staff. Carmen's back
21 there as well. Carmen, just give us a wave.

22 (APPLAUSE)

23 RAYMOND MARSHALL: Carmen, of course, is the
24 leader, and he likes to share the accolades and the
25 acknowledgment, so he's the one that's elected Manny to

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1 come over and receive the award. Thank you, guys.

2 CHAIRMAN MESOLELLA: Okay, moving right
3 along, Item Number 7, which is Committee Reports and
4 Action Items Resulting. The first committee reporting
5 would be CEO, and I don't believe we had a meeting for
6 CEO this month. The next committee is the Long Range
7 Planning and Finance Committee. Commissioner Andrade.

8 COMMISSIONER ANDRADE: The committee met
9 this morning and approved two resolutions. The first is
10 Resolution 2014:06, Authorization to Enter into a
11 Contract for Auditing Services for Fiscal Years 2014,
12 2015 and 2016, and I move approval of that resolution,
13 Mr. Chairman.

14 CHAIRMAN MESOLELLA: Okay, we have a motion
15 to approve Resolution 2014:06.
16 COMMISSIONER MONTANARI: Second.
17 COMMISSIONER MacQUEEN: Second.
18 CHAIRMAN MESOLELLA: Seconded by
19 Commissioner Montanari and Commissioner MacQueen. As
20 you know, this is the contract for auditing services
21 that we were unable to attract an auditor for last year.
22 There was a request for proposal, and as you can see
23 by the resolution, Hague Sahady was selected and also
24 this auditing firm was approved by the Department of
25 Administration and the Auditor General.

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1 The pricing was phenomenal at \$24,000. We don't know
2 how they're going to do that, but we're happy to get
3 such good pricing on this matter. So, we have a motion,
4 we have a second. All of those in favor of approval of
5 Resolution 2014:06 will say aye.

6 THE COMMISSION: Aye.

7 CHAIRMAN MESOLELLA: Are there any opposed?

8 THE COMMISSION: (No response)

9 CHAIRMAN MESOLELLA: There are none opposed,
10 and the motion carries.

11 (MOTION PASSED UNANIMOUSLY)

12 CHAIRMAN MESOLELLA: Commissioner Andrade,
13 further report?

14 COMMISSIONER ANDRADE: Mr. Chairman, the
15 next resolution is 2014:07, Recommendation for Use of
16 Environmental Enforcement Funds, and I move approval of
17 that resolution.

18 CHAIRMAN MESOLELLA: We have a motion to
19 approve Resolution 2014:07. Is there a second?

20 COMMISSIONER MacQUEEN: Second.

21 COMMISSIONER MONTANARI: Second.

22 COMMISSIONER LEMONT: Second.

23 CHAIRMAN MESOLELLA: Seconded by
24 Commissioner MacQueen, and I think Commissioner
25 Montanari as well?

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1 COMMISSIONER MONTANARI: Yes.

2 CHAIRMAN MESOLELLA: And Commissioner
3 Lemont. As you can see by the resolution, there was a
4 request for a \$2,400 Environmental Enforcement fund
5 grant. Because we are experiencing a dwindling
6 Environmental Enforcement Fund, \$1,500 was recommended.
7 It's been approved. This \$1,500 will go to support the
8 river boat program. This is a long-standing program
9 that we've been supporting this for, how many years now,

10 Ray?

11 RAYMOND MARSHALL: It's got to be 15 years

12 now.

13 CHAIRMAN MESOLELLA: Fifteen years. It's a

14 great program. Are there any questions or comments with

15 regard to Resolution 2014:07?

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: Hearing none, all of

18 those in favor will say aye.

19 THE COMMISSION: Aye.

20 COMMISSIONER MESOLELLA: Are there any

21 opposed?

22 THE COMMISSION: (No response)

23 CHAIRMAN MESOLELLA: There are none opposed,

24 and that motion carries.

25 (MOTION PASSED UNANIMOUSLY)

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1 CHAIRMAN MESOLELLA: Further report?

2 COMMISSIONER ANDRADE: That completes the

3 report of the committee.

4 CHAIRMAN MESOLELLA: Great. I do not

5 believe that the Personnel Committee met. No meeting.

6 Rules and Regulations did not meet. Okay, Citizens

7 Advisory Group. All right, so, now, Harold, shall I

8 call Howard or should I invite you up?

9 MR. GADON: I yield to Howard Schachter,
10 secretary and past chair and 30 years a member of the
11 CAC to present the report at our last meeting. I give
12 you Howard Schachter.

13 CHAIRMAN MESOLELLA: Howard, happy to see
14 you again, Howard. Welcome back.

15 MR. SCHACHTER: Thank you, Mr. Chairman.
16 This is milestone ending the 30th year and my 82nd
17 birthday. However, our meeting this week was dedicated
18 that night to the 2013 Pretreatment report given by
19 Kerry Britt, who is here. Actually, this is the tale of
20 two careers.

21 Kerry, I knew her when she was in a jumpsuit to
22 sample sewers, and to hear her report is just a
23 masterful thing to be part of, and congratulations.
24 Thank you for the report. I'm sure everybody has seen
25 the report this year, but Kerry, and of course the tale

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1 of two careers, 30 years I'm in the same place, and look
2 where she is.

3 (APPLAUSE)

4 MR. SCHACHTER: The meeting was dedicated to
5 that, and it was a wonderful presentation, and we gained

6 from it and NBC is to be proud. I think every agency in
7 the state should be aware of the kind of growth within
8 the organization to see this happen from sewers to the
9 chair. Well done. Thank you.

10 (APPLAUSE)

11 CHAIRMAN MESOLELLA: Thank you. There was
12 no meeting on Compensation Committee or the Ethics
13 Committee. The next committee reporting would be the
14 Executive Committee.

15 I would like to announce that the Executive Committee
16 voted today to unseal solely the Resolution 2014:03, the
17 corresponding memo, the vote of the Executive Session as
18 entered into by the Committee at the March 4, 2014
19 meeting.

20 The specific issues, which they had pertained to,
21 have been resolved. The minutes will remain sealed.
22 What we're unsealing is the corresponding memo and the
23 vote of the Executive Session. The minutes will remain
24 available for members to review, in the event that they
25 want to review the minutes, but the actual minutes will

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1 remain sealed.
2 So, the Chair would move that we unseal the memo and
3 the resolution and the vote of the Executive Committee.

4 Are we clear on what we're voting on here? There was a
5 meeting of the Executive Committee. There were matters
6 discussed that may pertain to --

7 MS. HARRINGTON: No vote. You already voted
8 in the Executive Committee, so there's no vote.

9 CHAIRMAN MESOLELLA: I'll explain what
10 happened again. There were matters discussed, and there
11 were minutes generated. Those minutes will remain
12 sealed. However, the committee voted today to unseal
13 the vote and the memo, okay? Are we clear? Are there
14 questions?

15 THE COMMISSION: (No response)

16 CHAIRMAN MESOLELLA: So, the Chair moves
17 that we unseal the resolution, the corresponding memo
18 and vote of the, there was a vote in the Executive
19 Committee. So, there's a motion to approve. Do we have
20 a second?

21 COMMISSIONER MONTANARI: Second.

22 CHAIRMAN MESOLELLA: Seconded by
23 Commissioner Montanari.

24 VICE CHAIRMAN ROTELLA: You don't need a
25 vote. You're just informing the board of what happened

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2 COMMISSIONER MONTANARI: I'll take the
3 second back.

4 CHAIRMAN MESOLELLA: We'll take the second
5 back. I would also like to announce that we have
6 reached an agreement with the Cuffee School regarding
7 that matter that we discussed at the full board meeting
8 last month. That matter has been resolved. There has
9 been an agreement. The agreement is available for any
10 of the commissioners to view whenever they choose to do
11 so. That's that matter.

12 The other matter I would like to raise with the
13 members is the matter of the issue of stormwater. At
14 several different meetings Commissioner Burroughs as
15 well as Commissioner Handy, when he was here, was
16 curious to know how we were interfacing with the
17 Department of Environmental Management with regard to
18 the stormwater issues, and we've been reluctant to get
19 into that fray because we have always suggested that the
20 cost affiliated with the resolution to that problem is
21 going to be extraordinary.

22 There are some us who think a resolution to that
23 issue would dwarf even the cost of the CSO program. We
24 watched with great interest the presentation made by MWH
25 last month. They talked, the term they used was --

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1 RAYMOND MARSHALL: Integrated planning.

2 CHAIRMAN MESOLELLA: Integrated planning,

3 I'm sorry. They talked a little bit about integrated

4 planning, so as I watched that presentation, I thought

5 that perhaps it might behoove us to get into the

6 discussion about how stormwater would impact our plans

7 for our Phase 3 implementation.

8 So, I spoke with to executive director about this,

9 that this integrated planning concept appeals to me, and

10 there may be some benefit to having some discussion with

11 the Department of Environmental Management about how we

12 may consider the issues of stormwater management as we

13 prepare for a conceptual plan or revised conceptual plan

14 on Phase 3.

15 So, not knowing exactly what would come out of the

16 meeting, Ray and staff arranged a meeting with the

17 executive director, Janet Coit, of DEM, and deputy

18 director, Terry Gray. So, Ray and I went there to talk

19 about what the impacts of the stormwater mitigation

20 might be on our CSO Phase 3 planning, and I guess it's

21 safe to say that what we've concluded is that we've

22 invited representatives from the firm MWH to meet with

23 the executive director and the deputy director at DEM to

24 talk about how we may interface with their efforts

25 regarding stormwater management in our effort with

1 regard to implementation of Phase 3.

2 I can tell you that they could not have been more
3 enthusiastic. As you can imagine, this is a very
4 complex issue. There are a number of different agendas
5 that surround the issue of stormwater.

6 Cost projections are, they're all over the place. No
7 one really has a handle, no one really understands and
8 knows how to implement it, whether it should be a city,
9 a town, by city and town resolution, whether it should
10 be a regional approach, a statewide approach. There are
11 a number of different agendas.

12 So, what we suggested, and I think they were pretty
13 gratified to see that Narragansett Bay Commission may
14 have an interest into helping to organize that because
15 they have long sought our input and our assistance in
16 pulling this all together because I think they realize
17 that the knowledge and the perseverance of, the
18 continued perseverance of our Commission and staff would
19 be a benefit, a resolution to this problem.

20 So, we're going to have a meeting on May the 14th
21 with, I don't exactly who is going to be there, but the
22 director, deputy director, MWH is going to give them a
23 presentation on how they perceive this integrated
24 planning process. It might benefit both the

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1 Environmental Management and their efforts for
2 stormwater mitigation. Who else might be there?

3 RAYMOND MARSHALL: She said that she was
4 probably going to invite other members of her staff, but
5 she hasn't really identified who those are.

6 CHAIRMAN MESOLELLA: Yes. So, one of the
7 things that we did make clear is that we're very
8 concerned that the cost of this program is going to be
9 associated with the Narragansett Bay Commission, just
10 another fee imposed by the Narragansett Bay Commission.
11 We told them that we want to make it very clear that
12 this is an initiative that is really a Department of
13 Environmental Management initiative to which
14 Narragansett Bay Commission is going to be lending some
15 management expertise.

16 So, nothing has come of it yet, but I did want to
17 inform the board that we have decided that we would take
18 a look at how we might add to the discussion regarding
19 the stormwater. Did I leave anything out?

20 RAYMOND MARSHALL: No.

21 CHAIRMAN MESOLELLA: I think that's it.

22 RAYMOND MARSHALL: That's about where we are

23 at this point, yes.

24 CHAIRMAN MESOLELLA: Yes, Admiral Worrell.

25 COMMISSIONER WORRELL: With Phase 1 and

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1 Phase 2, we've taken a huge bite out of the stormwater
2 issues within our area of concern. You mentioned that
3 the cost would dwarf even that, and presumably, you're
4 talking statewide costs and not costs within our service
5 area. Can you elaborate a little bit about what more we
6 can be doing within our service area that we're not
7 already planning on doing, and why that would cost so
8 much more?

9 CHAIRMAN MESOLELLA: Well, the short answer
10 is, no, I can't, but I'll give you my opinion. Right
11 now there's a debate, not with us, but among the people
12 who are talking about a resolution to the stormwater
13 issue, and there are those who think that DEM should be
14 collecting money and fees, and then distributing it to
15 the individual cities and towns and let them manage
16 their own stormwater program. The cities and towns are
17 coming back and saying, we don't know how to do that.
18 We don't know how to implement such a program.
19 There are others that said, this should be a regional
20 program, if not a statewide program, but that would mean

21 that you'd have to create another entire agency just to
22 deal with the stormwater issue.
23 So, there's a lot of different views out there, and
24 no one, as far as I can understand, and I don't want to
25 speak out of turn; but it's my impression that no one

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1 has been able to pull all of this together and put it
2 together and offer a plan and say, this is the plan and
3 now we can talk about, and this is the structure, this
4 is the plan that everybody should be commenting on.
5 It's the same way we have the stakeholders program.
6 We come up with a plan; we ask for their input, and then
7 me mitigate, not mitigate, but we change it to
8 accommodate the various agendas, but I think that's
9 where Narragansett Bay Commission can play a role in
10 pulling all of these things together, putting them in a
11 neat package and then offer some options for how we deal
12 with stormwater.
13 Under any circumstances, it's going to be incredibly
14 expensive, and how that cost is going to be assessed,
15 it's going to be very difficult to make some
16 determination, but it's going to be very expensive.
17 COMMISSIONER WORRELL: Has anyone made a
18 recommendation that Narragansett Bay Commission's

19 service area should be expanded to include the entire
20 state? Smile, will you?

21 RAYMOND MARSHALL: I can't say that it
22 hasn't been mentioned, but it hasn't really been
23 seriously discussed. The group that's led by DEM, Liz
24 Scott, and Sheila Dormody from the City of Providence,
25 the regional work that they've been doing, which we've

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1 been taking part in, both Tom Uva and I have been
2 attending those meetings, the regional concept is what
3 everyone seems to want, but as the Chairman pointed out,
4 there are a lot of different definitions of what a
5 regional authority is or would do.

6 For example, Warwick and Cranston are big
7 participants in that effort. They're not part of our
8 service district, and so they haven't expressed any
9 interest in this new entity taking over for stormwater,
10 let's say, what we currently service as well as those
11 two municipalities in addition.

12 They're of the opinion that someone needs to assess
13 everyone equally, and then whatever money comes out of
14 each of the individual communities should be sent back
15 to those communities to actually get the work done
16 because they know best what their needs are, is their

17 argument.
18 I don't believe that the City of Providence has that
19 point of view. The City of Providence's point of view
20 is more or less, here it is, take it, fix it, but
21 Warwick, Cranston don't have that opinion. I don't even
22 think Central Falls feels that way. They're sort of
23 send the money back to us so we can go out and fix the
24 problem within our community.
25 So, it really has reached a point where, okay, we

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1 need a regional approach. That's what this first study
2 has shown that's being led by DEM and the City of
3 Providence.
4 Now, the next stop, which they're now getting funded
5 for, they're supposed to identify what that regional
6 authority, or what the regional approach should look
7 like. What should it actually consist of? So, that'll
8 be a very interesting undertaking. What we can do as
9 part of Phase 3 and that we talked to the DEM director
10 about is, because we're going to be looking at Phase 3,
11 Bucklin Point service district, what can be done to
12 mitigate stormwater in general to keep it from actually
13 not going into any type of pipes, green infrastructure,
14 for example, or should we make, what would it cost to

15 make the tunnel bigger? Those types of things because
16 it looks like we're taking a fresh look or a fresh start
17 from the Bucklin Point district.

18 Maybe it's just unaffordable because that is really a
19 big, big issue that we, as an organization, and the
20 ratepayers are confronting, but we can take a look at
21 it. That's more of technical review, what can we do
22 with the stormwater?

23 One of the biggest concerns that we've had to date to
24 participate in that regional group is they're
25 underselling the cost of what the program is going to

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1 be. We're talking 4 to \$5 per month, per user and maybe
2 that's what it'll cost the first day out of the box, but
3 it is certainly going to escalate from there as problems
4 and construction is identified and needed. To say
5 nothing of what's going to happen when everyone reaches
6 the point that the stormwater discharge violates water
7 quality. What are you going to do about it? Now it's
8 really going to get expensive, and that's what they're
9 not talking about enough in our opinion. Tom and I have
10 been hammering away at this.

11 CHAIRMAN MESOLELLA: In that regard, it was
12 at least ten years ago we recognized that this was a

13 looming issue, and we commissioned a report with regard
14 to non-point source pollution. We saw that on the
15 horizon ten years ago, and that, of course, as the
16 Executive Director just said, how is this water quality
17 going to be impacted, which goes to the issue of
18 non-point source.
19 So, we were ahead of the curve. Ten, 12, how long
20 ago was that? So, that's why we thought when we saw the
21 presentation that MWH had made, I don't know how many of
22 you were here, we had a good showing. When they made
23 the presentation, they started talking about integrated
24 planning, it started to make sense for us because we may
25 be able to mitigate some stormwater impact by

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1 integrating it into own planning, and so that's why I
2 think it made some sense.
3 This is still a very complex issue, but with MWH
4 involved having done this integrated planning program in
5 other venues, we're hoping that they can be valuable in
6 kind of bringing this matter to a head. That's, I
7 think, where we are at, right?
8 RAYMOND MARSHALL: Yes.
9 CHAIRMAN MESOLELLA: So, are there any
10 questions about what we're going to do? Commissioner

11 Kimball.

12 COMMISSIONER KIMBALL: I was just wondering,
13 is there any other agencies in state government that has
14 the technical expertise to understand the uses and the
15 impact on water quality and how to deal with it? Is it
16 logical that this is the --

17 CHAIRMAN MESOLELLA: I don't know of any.

18 COMMISSIONER KIMBALL: Even statewide?

19 RAYMOND MARSHALL: I mean, you could argue
20 that DEM should really be the leader in developing the
21 whole stormwater approach. They have taken, certainly,
22 a regulatory approach, and they sent out different
23 administrative orders to communities to do something
24 about their stormwater.

25 COMMISSIONER KIMBALL: Operationally.

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1 RAYMOND MARSHALL: Operationally, there's
2 really no one else that can operate across boundaries at
3 this point or that has the authority to do it. It's a
4 great concept, but you talk about regionalization, then
5 everyone all of a sudden --

6 COMMISSIONER BURROUGHS: I'm very pleased to
7 hear about your initiative and that of the staff. I
8 would definitely caution the price thing, and what I'm

9 also hearing is a connection between the green
10 infrastructure argument and the stormwater management
11 that leaves at least some academic people to think about
12 the role of a water utility and actually changing the
13 landscape and life of the city.
14 So, in a sense, this a turning point, like the one we
15 had maybe a decade ago when we, as an organization,
16 accepted a lot more responsibility for Narragansett Bay.
17 So, now I'm hearing us being nudged to accept a lot more
18 responsibility for the watershed itself, and that is
19 pricey and politically complex, so you've got to keep
20 your head up.

21 CHAIRMAN MESOLELLA: It is, and that's,
22 basically, one of the reasons why we stayed away from it
23 because of the cost impact that might be associated with
24 it. We did it. No, we didn't do it. We're managing
25 for you. So, we're going to be very careful about that,

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1 and we'll keep the board apprised every step of the way.
2 This is only a meeting to say what the possibilities
3 are.
4 I can tell you this, that in my mind, the department
5 is relieved that we're stepping up because in the final
6 analysis, the Narragansett Bay Commission is admired and

7 respected for being able to accomplish some very complex
8 environmental task, and then they look to us for that
9 guidance. So, I guess when having earned all that
10 respect and admiration comes the responsibility as well,
11 so we're going to step up and see what it is that we can
12 do to try to be helpful in this discussion.

13 All right, any other questions regarding this matter?

14 We'll keep you apprised as we go. The meeting is
15 scheduled for May 14th, and we'll report to you at the
16 May meeting of what transpired at the meeting.

17 And that's it. That was the Chairman's Report.

18 There were no other matters to discuss. The next board
19 meeting is on May 28th. That's the groundbreaking,
20 right?

21 RAYMOND MARSHALL: Yes. We're going to have
22 the groundbreaking for the new lab. Right now we're
23 planning before, just before the board meeting.

24 CHAIRMAN MESOLELLA: Are we doing a
25 dedication?

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1 RAYMOND MARSHALL: The dedication for the
2 new administration will be here in June.

3 CHAIRMAN MESOLELLA: So, in May we're going
4 to have a groundbreaking for the new compliance

5 building. If the members could be available for that,
6 we'd love to get all the commissioners in a photograph
7 for the groundbreaking. Do we have a time for that?

8 RAYMOND MARSHALL: Right now we're thinking
9 about 10:30, so we'll have the committee meeting, and
10 then we'll walk across the street, put on a hard hat,
11 grab a shovel, turn over some dirt.

12 CHAIRMAN MESOLELLA: It's not going to be a
13 very big ceremonial thing, but it is going to be a
14 groundbreaking, and we'd like to get everyone in the
15 photograph, if possible. I've been told that I
16 overlooked the Legislative Report. Before we move on to
17 adjournment, or actually, the presentation, Joanne, what
18 do you have for us today?

19 MS. MACERONI: Thank you, Mr. Chairman. As
20 you will note from my report, I added three more pieces
21 of legislation to the numerous bills I reported on in
22 March.

23 The one that, the main bill of interest with these
24 last three bills is H-8010. It amends the net metering
25 statute to allow agents, such as the Narragansett Bay

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1 Commission, to enter into net metering arrangements
2 whereby the electricity could be generated off site and

3 then credited to the account.

4 As the present statute stands, this right was only
5 delegated to new municipalities. Now they've opened it
6 up so that wastewater treatment facilities, public water
7 authorities, the state can also participate in a net
8 metering program offsite.

9 Given the fact that we don't have much land left at
10 either one of our facilities, this may be an alternative
11 we might want to look at into the future. So, I did
12 testify in support of this in the hearing that was held
13 several weeks ago.

14 With regard to the bills from last month's report,
15 many of them have had hearings, we've testified in
16 support of the \$20 million bond referendum. We've
17 testified in support of the quasi public transparency
18 bill and the climate change bill, to name a few, and I
19 did go up and testify against the bill that was just
20 introduced on behalf of the City of Pawtucket that would
21 require the NBC to take over their lateral sewers.

22 The only people that were there to testify,
23 naturally, was the city was in favor of it, myself in
24 opposition to it and a representative from Council 94
25 who testified against it because they're concerned that

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1 the city workers would lose their jobs if this were to
2 happen.

3 So, the committee was very receptive and
4 understanding to our point of view, and I'm hoping that
5 will translate into the fact that the bill will not
6 pass. So, any questions, I would be happy to answer
7 them.

8 CHAIRMAN MESOLELLA: Questions for Jo?

9 THE COMMISSION: (No response)

10 MS. MACERONI: Thank you.

11 CHAIRMAN MESOLELLA: Any new business? Do
12 any members of the commission have any new business to
13 bring up?

14 THE COMMISSION: (No response)

15 CHAIRMAN MESOLELLA: We have a brief
16 presentation. Tom Uva's going to make a brief
17 presentation and Richard Bernier is going to make a
18 brief presentation regarding our construction status on
19 Phase 2, but before we do that, Commissioner Carlino.

20 COMMISSIONER CARLINO: I just have one
21 question, old business. Some of the terms that expired
22 and I thought at the last meeting you had said some of
23 the names were submitted to the Governor's office. Have
24 they been approved?

25 CHAIRMAN MESOLELLA: Jo, Commissioner

1 Carlino inquired about the status of the appointments,
2 so we're working with the Governor's office. I thought
3 they were going down, the names were going down to the
4 Senate right after the vacation?

5 MS. MACERONI: Right after the vacation is
6 what I had been told. I haven't seen anything. They're
7 going back today for the first time. They said there
8 was a recess last week, so we're hoping that we're going
9 to see movement this coming week.

10 CHAIRMAN MESOLELLA: I had called the
11 Governor's office last week, and they said, as soon as
12 the General Assembly reconvenes, they were going to send
13 the names down, so where on top of it. We'll stay on
14 top of it, unless you've heard otherwise.

15 MS. MACERONI: No, that's what I heard.

16 CHAIRMAN MESOLELLA: So, that's where we
17 are. I don't know why they're waiting to send them
18 down, but last week, like I said, they said they were
19 going to send them down. As soon as the General
20 Assembly reconvenes after the break.

21 So, why don't we all grab a sandwich. Listen, I
22 think this is a great idea. I got some hard rolls and
23 some chicken parm, so you can make a chicken parm
24 sandwich, if you want, and the hard rolls are over
25 there. They're already sliced. Are they already

1 sliced, Karen? Where are you? Did they slice the
2 rolls?

3 MS. MUSUMECI: They were supposed to.

4 CHAIRMAN MESOLELLA: We got to get to
5 important things, and so, the hard rolls with the
6 chicken parm, if you want to make a chicken parm
7 sandwich. So, why don't we grab some lunch, and then
8 we'll set up, and we'll get a presentation from Tom Uva
9 and Richard Bernier.

10 (BRIEF RECESS TAKEN)

11 MR. UVA: I'm going to talk to you today
12 about water quality, and I'm going to try to keep this
13 presentation brief. You've all heard about CSOs in the
14 past, our CSO program, and you've heard the definition
15 of a combined sewer overflow; and we gave you that nice
16 engineering presentation about how the pipe fills up,
17 but this is what a combined sewer overflow looks like,
18 and basically, a combined sewer overflow contains
19 anything that you can flush down a toilet, anything that
20 comes from out of a factory, anything that can run off
21 the street, runoff like pollutants, like oil and grease,
22 heavy metals, nutrients, road salt, sand animal waste,
23 litter and plastics.

24 CSOs are your normal sewerage that's diluted with
25 rainwater. Seven-hundred and seventy two U.S. cities

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1 have CSOs, and what's the problem with CSO's? Well,
2 essentially, they're really gross, and they cause
3 aesthetic problems; and you can see the floatable
4 pollution that's on the beaches, that washes up on the
5 beach and debris.

6 DEM regulates us for floatable pollution. Floatable
7 pollution is really litter in most cases that runs off
8 the roads. What we discharge through our CSOs is
9 primarily, sinkables, I like to term it, and those
10 sinkables are pollutants, bacteria and other solid TSS,
11 impaired dissolved oxygen, clarity of the water, and
12 basically, the bacteria closes shellfish areas and
13 beaches.

14 You've all seen this graphic before, and the reason
15 I'm going to show it to you, Phase 1 is in this magenta
16 color, and that's what projects are complete. Within
17 the yellow here is Phase 2 and Phase 3, which the
18 Chairman was talking about, integrated planning, is
19 another tunnel project that would go up along the
20 Blackstone River. So, most of the work that has been
21 done is in this magenta color in the Providence area.

22 I'm not going to get too much into these goals right
23 now because I want to zip through this, but basically,
24 the goals for the entire project, the 20-year project,
25 got a 95 percent reduction in overflows.

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1 But what I want to show you on this is, these are
2 where our combined sewer overflows are located, and the
3 bigger the circle here, the more volume of overflow that
4 comes out. Once again, like in the other graphic, Phase
5 1 CSOs are in the magenta color. Phase 2 are in the
6 green, and you can see this big CSO, 007, that's at
7 Field's Point right at our treatment plant, and the
8 other big one, 002, is up at Bucklin Point plant.
9 And part of Phase 1 was to create improved wet
10 weather facilities up at the treatment plant at Bucklin
11 Point, and originally, the treatment plant would handle
12 46 million gallons a day. It could process up to 60
13 million gallons a day with primary and wet weather.
14 Anything above 60 million gallons a day would overflow
15 into the bay through a CSO.
16 After the construction in Phase 1 at Bucklin Point
17 facility, we increased the wet weather capacity from 60
18 to 116 million gallons a day, so we have much more flow
19 that we're able to process through that facility.

20 Anything above 116 million gallons a day will overflow
21 into the bay untreated.
22 So, what does that mean for Bucklin Point? Well,
23 what you can see here in blue is the north diversion
24 structure flows, and they have gone down dramatically.
25 The number of discharges were 49 prior to the Phase 1

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1 project at Bucklin Point, and 7 annually a year now
2 following that, and we've had a 95 percent reduction in
3 the flow of untreated sewerage through that CSO.
4 The same thing occurred at Field's Point. What we
5 did at Field's Point, though, is we built a tunnel, and
6 the flow from that CSO, 067, now goes into the tunnel;
7 and we reduced that bypass significantly. We went from
8 38 wet weather events at Field's Point down to 7, a 94
9 percent reduction in the wet weather flow, and we've
10 also captured 5.5 billion gallons of CSO flow over the
11 past 5 years. That's an average of about 1.1 billion
12 gallons a year.
13 And the CSO models in the original design show about
14 2.2 billion gallons a year of CSO flow discharge, so
15 we're capturing roughly 50 percent of the volume, 50
16 percent of the bacteria load, and we're removing
17 millions of pounds of pollutants that are captured in

18 the tunnel and processed through the treatment plant.
19 So, how are the rivers doing bacteria-wise?
20 Basically, the circularity here on this graph shows where
21 most of work was done, in the upper Providence River, so
22 all of these CSOs are captured and put into the tunnel.
23 We also sample in monitoring stations upstream of
24 these urban rivers, and upstream of all of our CSOs, so
25 we know what's coming down the rivers, and that data

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1 shows frequent violations of water quality standards.
2 And for our urban rivers, our freshwater rivers, the
3 criteria is not more than 200 million MPN, most probable
4 number, per 100 milliliter, and that's for primary
5 contact and swimming in those urban rivers.
6 And we're see about a 15 to 16 percent reduction in
7 the Moshassuck River. The Woonasquatucket River, we're
8 seeing geometric mean bacteria reductions of about 16 to
9 38 percent, and most of those are in the mouth of those
10 rivers, in the area where the CSO project was done.
11 So, in general, for all of the rivers, we're seeing
12 about a 16 to 18 percent reduction at the mouth of the
13 river, the confluence of the river is where they meet
14 with the Providence River.
15 This graphic will show you pre-Phase 1 on the left

16 and post-Phase 1 on the right. Now, green is meeting
17 water quality standards, and you don't see too many
18 green pre and post. You do see one down here at the
19 Pawtuxet River and the Blackstone River, but the numbers
20 are reduced, pre and post, so we're seeing some
21 improvement, but we're definitely not meeting the water
22 quality standards. Feel free to interrupt me if you
23 have any questions on any of this because I'm really
24 going through it quite quickly.
25 So, no stations are meeting primary contact criteria,

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1 which means swimming standards in the urban rivers. In
2 addition, stations upstream of our CSOs are also not
3 meeting the standards.
4 So, if we look at the rivers that we have CSOs on, in
5 all weather none of them met in any years water quality
6 standards. In wet weather none of them met, and in dry
7 weather, the Blackstone met 70 percent of the time, 70
8 percent of the years evaluated, and the Pawtuxet River
9 met 22 percent of the years evaluated.
10 So, what's the problem? Why are the stations even
11 upstream not meeting swimming standards, bacteria
12 swimming standards? And the answer is stormwater. You
13 heard a lot about that today from the Chairman and the

14 Executive Director. Stormwater is the major problem.
15 These are two outfalls at India Point Park, and these
16 are all outfalls that were revamped as part of the I-95
17 project, and they put in separators, storm separators to
18 actually clean up some of the storwmater, and we're
19 getting bacteria numbers of over 24 million MPN per 100.
20 So, keep in mind the standard is 200.
21 So, what does that mean? That means that the storm
22 lines have a lot of sanitary flow going into them. Part
23 of the job of starting a stormwater utility district is
24 going to be to define the sources of these discharges
25 and getting them out, getting them into sanitary sewers,

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1 so this is clearly not agricultural. This is clearly
2 not just dog waste on the street. This is sanitary
3 connections that have been connected to storm lines over
4 the past 150, 200 years, and this is coming directly
5 from the East Side.
6 So, for saltwater we have different standards. The
7 standard for shellfish is 14 MPN, and the standard for
8 primary contact for swimming is 50 MPN, so it's lower in
9 saltwater. I don't know why. I don't know what the
10 difference is, but I think if you're swim in bacteria,
11 it's not a good thing.

12 So, we monitor 20 different stations and the
13 Providence and Seekonk Rivers to evaluate our CSO
14 program and also to comply with DEM requirements on us
15 for monitoring. We do that weekly, biweekly throughout
16 the year, and the majority of the CSO tunnels, the CSO's
17 tied into the tunnel. We're in this general area in the
18 upper Providence area.

19 So, we looked at, our scientists looked at data for
20 the upper Providence River, the mid Providence River and
21 the lower Providence River pre and post tunnel, and 65
22 percent of the years in the lower Providence River met
23 water quality criteria, pre tunnel, and now after the
24 tunnel about 84 percent of the time we're meeting water
25 quality standards, and that's just north of the

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1 shellfishing area.

2 So, we're seeing good decreases in bacteria in the
3 receiving waters of the Providence River, a 37 percent
4 reduction overall. Up at the Point Street Bridge we're
5 seeing a 45 percent reduction in the Providence River
6 down to the Pawtuxet River area and a 15 percent
7 reduction in the lower Providence River which was pretty
8 well okay a lot of the times, except when it rains.
9 Intensity, storm intensity also plays a big factor.

10 The bigger the storm, the better we perform, the better
11 the reduction. Not much of a reduction when the
12 rainfall is less than 1/10 of an inch. We're seeing a
13 50 percent reduction in bacteria loads when it's between
14 1/10 and 1/2 an inch, but we see almost a 52 percent
15 reduction for storms greater than an inch of rainfall
16 and that's because that first flush of sewerage, we're
17 getting it into the tunnel, we're capturing it and
18 sending it to our treatment plant, so we're getting the
19 real nasty stuff in the tunnel. The biggest improvement
20 of all of the sampling locations is at the Point Street
21 Bridge where we're seeing a 68 percent reduction in
22 bacteria levels.
23 In the Seekonk River we've seen big reductions.
24 We've seen a reduction of about 23 percent when the wet
25 weather facility went on line. We've also seen another

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1 significant reduction at all of those different sampling
2 locations when the tunnel was on line, and this is the
3 difference of all the locations; and keep in mind, the
4 Seekonk River is tidied, so saltwater goes in and
5 saltwater out, so that by cleaning up the area of the
6 Providence River, that water that flushes into the
7 Seekonk has improved the water quality, and when you

8 compare it to water quality standards, which is this
9 line here (indicating), you can see every year we're
10 still nowhere near meeting water quality standards after
11 the money we've already spent on the CSO project.
12 If you look at this graphically, we want to be in the
13 green, less than 50, the dark green, and you can see
14 this is all the samples pre tunnel, all the samples post
15 tunnel. Post tunnel we're seeing more green area. The
16 shellfishing areas have seen dramatic improvement.
17 The Seekonk River is actually in the fair category.
18 It's doing much better. The Providence River is doing
19 much better.
20 So, we've made a lot of water quality improvements,
21 and that's reflected in the shellfishing standards. DEM
22 relaxed the shellfishing standards because of that.
23 They used to close the conditional area A and B after
24 1/2 inch and an inch of rainfall over a 24-hour period.
25 So, now it's 8/10 of an inch and 1 1/2 inches of rain

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1 before conditional areas A and B respectively are
2 closed. As a result, there are about 65 more days of
3 shellfishing in conditional area A, and about 45 more
4 days in conditional area B, so the shellfishermen are
5 really loving and appreciative of this NBC CSO project.

6 What does it mean for beaches in the upper bay? The
7 Department of Health has done two different evaluations.
8 One of them evaluated water quality in Bristol,
9 Barrington, Conimicut Point, and they found a decrease
10 in bacteria and closure events by 44 percent, and
11 closure days would decrease by 82 percent, and the
12 Department of Health attributes that to the NBC CSO
13 project.

14 They also had an urban beach initiative report where
15 they sampled beaches in the Providence River at Sabin
16 Point, Rose Larisa Park and Gaspee Point, and they
17 evaluated these potentially becoming licensed beaches,
18 and these beaches were basically on par with the beaches
19 in South Kingstown and Scarborough with an 85 percent
20 compliance rate for bacteria.

21 So, basically, you could open beaches up in this
22 Providence River area. However, the burden is on the
23 cities and towns to provide lifeguards, parking
24 facilities, restroom facilities and deal with monitoring
25 those beaches, but you could, actually, the water

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1 quality's good enough to open beaches in the upper bay.
2 We're meeting most of the goals that were established
3 for reducing CSO volume, reducing bacteria loads,

4 reducing TSS and reducing BOD, so all of these goals
5 that were established in Phase 1 are being met.
6 One of the goals that is not being met at this time
7 is the acre days of shellfish, and that's something
8 that's not in our control. That's in DEM's control, and
9 they make the shellfishing regulations. They'll
10 evaluate the waters and decide when the new areas should
11 be opened up to shellfishing.
12 Basically, to conclude, the tunnel has captured about
13 1.1 billion gallons a year, exceeding our volume in
14 bacteria loads. We're capturing about 50 percent of the
15 loads, exceeding the design. We reduced bacteria
16 contamination in the upper bay and the urban rivers
17 preventing millions of pounds of pollutants from
18 discharging into our rivers and Narragansett Bay.
19 The Department of Health reports that we could open
20 new beaches and that the beaches in the upper bay are on
21 par with the beaches in southern portions of the state.
22 DEM's relaxed the shellfish closure standards, but
23 stations unaffected by CSOs are not even meeting water
24 quality standards due to stormwater, and essentially,
25 the NBC CSO abatement project will not meet water

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1 quality standards, unless these other sources of

2 pollutions are identified and addressed. I'll open it
3 up to any questions. Yes, professor.

4 COMMISSIONER BURROUGHS: Am I correct in
5 understanding that in Phase 3 the water quality
6 expectations are that people would be able to swim up by
7 the Bucklin Point plant or in the urban river that's
8 adjacent to outfall 220 I mean, is that basically where
9 we've set the --

10 MR. UVA: Well, the Clean Water Act requires
11 fishable, swimmable waters. DEM's regional, EPA's
12 regional authority indicates that not a drop of fluid
13 should couple out of the CSO.

14 COMMISSIONER BURROUGHS: That's Region 1.

15 MR. UVA: That's Region 1. Other regions
16 are more relaxed and allow a 3-month design storm, which
17 means four discharges a year. Our RIDEM approved this
18 project based upon a 3-month design storm, which is
19 overflowing four times a year. It could overflow four
20 times a year in design. EPA Region 1 has not accepted
21 that, so there is a little bit of an issue there which
22 will be resolved, and it was discussed at the last
23 stakeholder's meeting that Tom Brueckner had brought up,
24 and I'm sure it will be discussed in the next
25 stakeholder's meeting.

1 COMMISSIONER BURROUGHS: So, at this point,
2 we're assuming we can go swimming in the urban rivers.

3 MR. UVA: As long as it's not raining four
4 times a year.

5 COMMISSIONER BURROUGHS: How many people do
6 go swimming in the urban rivers?

7 MR. UVA: Well, I've seen people swimming
8 off the Old Red Bridge near Fox Point, and I've seen
9 people jump in and swim all the time and we have the
10 Sailing Skulls out there, little kids taking classes,
11 and they're in the water using the upper bay all the
12 time. Are there any other questions?

13 MR. GADON: Tom, as the Chairman said,
14 stormwater affects all of us, and you and Ray sat in
15 with DEM on the Regional Storm Water Study. Does it say
16 anything about them working with NBC, or do they seem to
17 be negative on that, that they didn't have a chance?

18 MR. UVA: I'm not going speak for the
19 reports, but there has been a great push for the
20 Narragansett Bay Commission to take over stormwater.
21 Let's face it, we're the best at what we do. No one's
22 going to do it better than us, from what I can see, but
23 that being said, and as Ray and the Chairman had said,
24 it's going to be very expensive. Five dollars a month
25 is going to pay for the basics to administer a program,

1 to collect the money -- there's four main things to do,
2 identify the sewerage with the storm pipes, sample the
3 storm pipes, sweep the streets and clean out the catch
4 basins. Those are the four minimum requirements of the
5 MS four stormwater requirement that every city and town
6 is not doing.

7 COMMISSIONER CARLINO: Don't you also have
8 to put in new storm lines where there are none under
9 that act that came out ten years ago?

10 MR. UVA: You may have to. Part of it is to
11 look at flooding and alleviate flooding, and the DEM is
12 trying so sell it as a big program to eliminate flooding
13 in your neighborhood, but it's going to be a lot more
14 expense than that.

15 MR. GADON: As expense as it maybe, I think
16 if NBC is not involved it will become more expensive.

17 MR. UVA: It's for people above my pay grade
18 to discuss. Any other questions?

19 THE COMMISSION: (No response)

20 MR. UVA: Thank you very much.

21 (APPLAUSE)

22 MR. BERNIER: Good afternoon. I had this
23 prepared for the last meeting. As Tom indicated, the
24 slides have been up many times. Phase 2 is in the

25 greenish area. We have a line going up the

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1 Woonasquatucket. We have a line going up the Seekonk,
2 and we have sewer separation.

3 When Phase 2 was designed, it was decided to break
4 these up into a smaller contract as possible, and we
5 ended up with 13 contracts.

6 The first contract was 30309, which was a regulator
7 modification. We modified the existing regulator and
8 built two new regulators, which gave more flow to the
9 existing interceptors. This job was done by Grove
10 Construction and is 100 percent complete.

11 The next project was out on the western edge of the
12 city out by the bike path. This is a Johnston line,
13 Route 6, Sheridan Street, footbridge overpass over Route
14 6. We installed approximately 2,400 feet of interceptor
15 from the Johnston line down to the footbridge.

16 This would alleviate a couple of problems. One was
17 the existing one which followed the river when it was
18 first built, and DOT came in later on and built Route 6
19 over our pipe and made access to our existing pipe very
20 difficult. We relocated now all on the northern side of
21 Route 6, and we've increased the size to help with the
22 capacity problems. This job is 100 percent complete.

23 It was done by DiGregorio.
24 The next job was the installation of two structures
25 underneath the Sheridan Street bridge, the footbridge

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1 overpass. One was a junction structure and one was a
2 regulator structure. This was also done by DiGregorio.
3 It's 100 percent complete.
4 We had a project in Davis Park. We installed about
5 1,800 feet of open cut installation and put in three new
6 regulators and modified an existing regulator. That
7 project is 100 percent complete, and it was completed by
8 Cardi Corp.
9 The big project was 30303 by Shank Heavy Balfour
10 Beatty. We started at Governor Dyer and through
11 micro-tunneling approximately 12,000 feet, went down
12 Kingsley, down Eagle, Harris, down to Delaine, Valley
13 Street, San Souci, Manton Avenue, Aleppo cross country
14 to match up with DiGregorio's work.
15 All the micro-tunneling is in, so all of this yellow
16 is installed. We also went up to connect to Cardi's
17 work. We also installed five diversion structures to
18 pick up various overflows. This one's on Hartford; this
19 one's on Manton, Valley Street, Eagle Street. Cardi's
20 work was also the Gate and Screening structure and a

21 drop shaft, vent shaft and 1,800 foot, 8 foot diameter
22 adit to connect to the existing tunnel.
23 The added has been drilled to blast, the connection
24 has been made, and they are installing the added pipe as
25 we speak. They are about 1/3 of the way complete

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1 installing the added pipe. This project is
2 approximately 80 percent complete.
3 Across the river up through the Seekonk, this is a
4 6,000 foot length of micro-tunneling from Pitman Street,
5 across Country down to Gano, India Street, India Park
6 into an existing drop shaft. It's basically across the
7 street from where Shooters used to be.
8 Micro-tunneling is complete up to this point. We
9 have one 900 foot stretch left to do, but everything
10 else is in; and they have to install two new diversion
11 structures. They're about 70 percent complete.
12 Northeast Renco is the contractor in this project.
13 We had a modification, a regulator modification
14 project on River Road across from York Pond. That was
15 done by an Iannicello, and that is also complete.
16 Sewer separation projects, the first one is 6, which
17 is, this is North Main Street, Smithfield Avenue. It
18 starts at Colonial, ends at Hillside, and they did

19 everything west of North Main Street. This was done by
20 C.B. Utility. All underground piping is in, all of the
21 city streets have been paved, and the only work left is
22 to pave North Main Street. They're approximately 92
23 percent complete, that's CB Utilities.
24 The next contract is C-7, which is about 5,000 feet
25 of drain line. It starts at Colonial and ends at Fourth

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1 Street. Presently they're working in Edgehill and
2 Fourth Street. This is about 40 percent complete. John
3 Rocchio Corp is the contractor.
4 C-8 is from Fifth Street north to Hillside. This is
5 The Miriam Hospital, a very sensitive area to work in.
6 This is DiGregorio. They completed all the pipe, except
7 for a little piece on Seventh, and they're coming down
8 Summit and a little piece on Fifth.
9 Just about all the other pipe is in, and they're
10 personally starting to restore some of the streets they
11 did last fall, about 65 percent complete.
12 A job that is 100 percent complete is the Hope Street
13 project. This is Hope Street, which ran from
14 approximately Rochambeau down to Chase and a little work
15 on Blackstone Boulevard. This is complete by John
16 Rocchio Corp. It's about 10,000 feet of drain line, and

17 once again, that was completed last year.
18 We have a project in Central Falls. We're picking up
19 an outfall. We constructed a diversion structure,
20 underground tanks. These are about 200 feet long, and
21 about 40 feet wide to store their stormwater, a small
22 pump station to pump it back to the interceptor after
23 the storm, and we also have created a wetland so that
24 for those times, theoretically, four times a year where
25 the design capacity exceeded, it will go through, we

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1 built a brand new wetland where we filter out the
2 material before it goes to the existing pond. This is
3 kind of an alternative-type solution approved by DEM.
4 J.H. Lynch is doing this project, and it's about 80
5 percent complete.
6 This is one of the budget of things that I put in my
7 monthly report. I think it's the last sheet of the
8 monthly report. It shows you every month the status of
9 all the contracts and where they stand, the low bid, the
10 contractor date, the change orders, percent increase.
11 So, it's just a snapshot of every month where we stand.
12 To put it in perspective, blue is the individual
13 contracts blue is the engineer's estimate, red is the
14 bid amount, and green is where the contract stands at

15 the moment. So, even though we are well above our low
16 bids, we are still well within the original budget.
17 That's just a graph showing the total cost. Originally,
18 we anticipated 207 million. The low bids come in at 128
19 million, and we're presently 145, these are just
20 contractor costs. That's it. Any questions?

21 COMMISSIONER WORRELL: On the East Side
22 sewer separation, you've got paving to do. Is that
23 paving going to be done just over the areas that were
24 dug up, or are you going to do the whole street? Can
25 you talk about that?

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1 MR. BERNIER: We're doing curb to curb.
2 Areas that we disturbed, we do curb to curb. They're
3 completely restored.

4 COMMISSIONER WORRELL: That's part of the
5 contract-priced bidding?

6 MR. BERNIER: Correct.

7 COMMISSIONER WORRELL: Has that gone
8 smoothly? Are they doing a good job? Are they taking
9 up the whole street, what's left?

10 MR. BERNIER: Yes. What we're doing there
11 were, and obviously, we're just doing what we did, and
12 Hope Street is down in this area. There were gaps. The

13 city is coming in and filling in a lot of those gaps
14 with their paving program. Because if we finished here,
15 we weren't going to spend our ratepayers' money to do
16 roads that we didn't touch, but the city had a \$40
17 million bond issue a few years ago; and they're using
18 that money to do a lot more work throughout the city.

19 COMMISSIONER KIMBALL: Is the project
20 relatively on time?

21 MR. BERNIER: Yes. The original consent
22 agreement is December of this year. We believe that we
23 will have all facilities operating by the end of the
24 year. They may not be fully restored, but once we miss
25 the middle of December, late November, December, we have

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1 to wait until April for the paving plants to open up, so
2 it's still somewhat next year, but the flow should all
3 be going where it's supposed to.

4 COMMISSIONER CARLINO: I know the paving
5 probably, and I'm thinking from a gas perspective, the
6 paving actually costs more than to install the gas line,
7 and I know the sewer would be more expensive, because
8 you are going deeper, but do we try to coordinate some
9 of these areas, and I know it's a timing issue, will you
10 try to coordinate with some of the city's paving program

11 because I know Providence is spending a lot of money,
12 and National Grid tries to get their 5-year plan, and we
13 try to do those replacements or installations ahead of
14 theirs, and then we don't pay for the paving. Do we try
15 to coordinate it the same way?

16 MR. BERNIER: Yes. What happened in this
17 area, when we contracted the gas company to do their
18 relocations, prior to us even getting out there, so the
19 gas was taken care of, we paid our percentage of what
20 was in our way, and once again, they filled in the gaps.
21 I think we ended up sharing 50/50 costs for just this
22 entire area. So, all the gas lines were updated in this
23 area.

24 Water, we're replacing the water as we build. The
25 water company had -- Providence Supply is also doing

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1 some upgrades, doing some work in Summit in that area.
2 They're finished. Now that the paving program is
3 starting again in the city, I met with them every other
4 week to coordinate what we're going verses what they're
5 doing.

6 COMMISSIONER CARLINO: Do you know ahead of
7 time --

8 MR. BERNIER: What street they're in.

9 COMMISSIONER CARLINO: What we're going to
10 do next year, five years from now.

11 COMMISSIONER NATHAN: In Central Falls we
12 have a natural area to circumvent sewerage, ponds that
13 could take some overflow, and we never go back in the
14 sewer system. From a billing standpoint for the Bay
15 Commission as we try to do that type of thing more and
16 more, if possible, our bill to a household is predicated
17 on the freshwater that they get, and we get a percentage
18 of that in our bill. Forget about the construction
19 override part of our bill, but the normal so that even
20 though less water is coming into the sewer system
21 through these ultimate greenways of doing things, do we
22 still get the same amount of billing before it gets
23 predicated on the freshwater coming into the home?

24 MR. BERNIER: Well, the Central Falls
25 project, there's not less flow coming into our system.

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1 There's naturally more flow coming into our system
2 because of the Central Falls project. We're storing up
3 to a 3-month storm and then pumping it back for full
4 treatment.

5 COMMISSIONER NATHAN: So, it's not actually
6 going out.

7 COMMISSIONER BERNIER: Correct. Just like
8 the tunnel. So, in lieu in the tunnel, we could not
9 pick that up through the tunnel, so we built an
10 individual storage facility just for that outfall, and
11 then beyond the 3-month storm will spill out into a
12 wetland which will help treat it.

13 RAYMOND MARSHALL: So, today you've heard
14 the impacts that Phase 1 has had. They are significant,
15 and they're widely acknowledged throughout the
16 environmental community and where we are on Phase 2 by
17 the end of this year. Everything will be operational,
18 as far as we can project at this point, and then they'll
19 just be some clean up to do maybe next spring.

20 By the way, Commissioner Carlino raises a good point.
21 I want to acknowledge how much work Richard's had to put
22 in to try to coordinate all of this. The pretty
23 expression is, trying to herd cats. That's what this is
24 when you're trying to get all the utilities to get in
25 and out so they're not in our way so that everyone can

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1 maximize their time and expenditures, and I want to
2 thank Rich for that.
3 The last time you heard about what we're doing on
4 Phase 3, so the CSO modules that we hope to bring before

5 you just in terms of our updater education piece is now
6 completed. If you have more questions as we move into
7 the future, we'll be happy to address those as well.

8 Mr. Chairman.

9 CHAIRMAN MESOLELLA: Commissioner Carlino.

10 COMMISSIONER CARLINO: Just one last thing
11 regarding the stormwater issue, and I think what the
12 Executive Director said was I think it's DEM that's
13 saying they think it would cost 4 or \$5 per household,
14 and we think it's a lot more if we took that over.

15 Have we done our own study to say, what would it
16 cost? Kind of have it our back pocket for when the time
17 comes that they say, well, what do you think it's going
18 it cost, and maybe take it, use it as another business
19 opportunity.

20 CHAIRMAN MESOLELLA: Yes, well, a couple of
21 things. One, when they gave us the 3 or \$4, \$5 per
22 household number, I think it was Ray's comment, well,
23 that should cover administrative costs. We're drawing
24 our assumptions based on our past experiences, what it
25 cost us to implement these kinds of programs.

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1 The longer answer is that if we can just draw on the
2 expectation of this firm, MWH, we'll be able to look at

3 some of their historical experience with some of these
4 programs, and we're hoping to draw from that, take a
5 look. This is where it is, on the bell curve.

6 We were talking, Dr. Burroughs and I, we were just
7 talking a little while ago, we need to be focused on a
8 demographic, which is similar to our demographic, and
9 I'm sure the cost of stormwater management in Montana is
10 a little less, but we have a lot of impervious surfaces
11 in Providence and throughout our district, but we'll be
12 able to draw on that expertise.

13 But to answer your question, I think our experience
14 with this utility through the years, so that's where I
15 draw any conclusion.

16 MR. GADON: Just on that regional
17 stakeholder, I happen to be on that regional, and DEM is
18 not necessarily saying it's 4 or 5. That's what the
19 other side, the consultants are saying, and I asked them
20 if they could bring in somebody who has actually gone
21 through this, so he thought then he came up with, the
22 nearest one he could come to was somebody in Kentucky
23 that's very similar to the NBC. I've been pushed very
24 hard that NBC get involved.

25 RAYMOND MARSHALL: I have floated the number

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1 20 to \$30 a month, right, Tom, that what would be the
2 all in cost once you really start getting into all of
3 this. They have mentioned the utility in Kentucky, but
4 everything is different. That might be what it's
5 costing them now. Is that a new system? They've been
6 in charge of that for 20 years. Remember, we're taking
7 over, whoever's going to do this, we're going to be
8 taking over a lot of facilities that haven't been
9 touched for a couple of generations. I'd be willing to
10 bet you there are manholes in those storm systems that
11 haven't been opened since the day they were installed.
12 That's just the fact of the matter, and the problems
13 that are going to be uncovered once someone really goes
14 into that, I think it's going to be enormous.

15 CHAIRMAN MESOLELLA: It's going to be
16 enormous, but if anybody can put a collar on it, I think
17 it's the NBC, and if we come to a conclusion that this
18 is an initiative that we're going to take over, it's
19 going to result in an expansion of our FTEs and the
20 equipment and many other things. Commissioner Worrell.

21 COMMISSIONER WORRELL: I had a question.
22 You've got federal highway systems, you got Route 95
23 that goes right through the middle of the state. That
24 generates a lot of stormwater outflow. Is it the role
25 of the Federal Government to explain in these

1 negotiations at all?

2 RAYMOND MARSHALL: No. I mean, the Feds
3 have not really been a part of this study. In fact, the
4 DOT has not been part, but they refuse to be part of
5 this study.

6 COMMISSIONER WORRELL: I don't blame them.

7 MR. UVA: They're exempt under the
8 regulations, under the law.

9 RAYMOND MARSHALL: They won't even come to
10 the table to have a discussion with me on this.

11 COMMISSIONER WORRELL: That's like saying,
12 I'm going to exempt myself from getting rained on.

13 MR. UVA: Well, the legislator exempted the
14 state of state offices, DOT.

15 CHAIRMAN MESOLELLA: And the other thing is,
16 which we have a concern about is that the department
17 generates the regulations, and then they want to pass it
18 off to somebody else to enforce. It's very difficult
19 because I know some of the people that help develop
20 those regulations. I mean, many of those regulations
21 are just plain overzealous, and I expressed to the
22 director that we need to be concerned about the business
23 community as well here. The impact on the business
24 community are very significant, and we need to weigh all
25 of that. It's got to be a very balanced approach.

1 Now, you've heard me say this many times. If you
2 want to undertake these programs, what is the
3 cost/benefit ratio? This is only Vin Mesolella
4 speaking. I think when they developed these
5 regulations, there's not a consideration toward the
6 cost/benefit ratio, and I'm hoping that we can bring
7 that balance if we get involved. That's my perspective.

8 COMMISSIONER WORRELL: I got to think that
9 \$20 dollars is pretty optimistic, too.

10 RAYMOND MARSHALL: I'm an optimistic guy.

11 CHAIRMAN MESOLELLA: It really truly is.
12 So, we really need to revisit the whole entire program,
13 bring some balance of cost/benefit ratios. We have to
14 be concerned about the business community, the
15 ratepayers community, all of those considerations have
16 to be weighed, and I'm hoping that we can pull it all
17 together.

18 MR. GADON: I just want to say that the
19 Chairman's position if they're willing to talk meat and
20 potatoes, are you will to get involved?

21 CHAIRMAN MESOLELLA: Yes. I mean, from my
22 perspective, of course, if this board is going to make
23 to make the ultimate decision, I'm happy to engage in

24 those discussions, but the real impetus is is that I
25 think it can be a benefit to us as we look at Phase 3

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1 and mitigating the cost impact of our own Phase 3
2 initiative. So, this with the impetus behind having the
3 meeting.

4 COMMISSIONER WORRELL: If NBC took over the
5 entire show, which in my way of thinking is the logical
6 because we do have the expertise and history in that,
7 not that we're volunteering right now, but if they did,
8 then it would be an interesting drill financially to
9 socialize just our present regional charges. You could
10 then socialize them throughout the state, which might
11 make a lot of sense, and then we add on from the other
12 users, and our present user base would see, I think, a
13 reduction in their fees whereas the rest of the state
14 would kind of come up to some sort of equilibrium, which
15 is probably where we ought to be.

16 CHAIRMAN MESOLELLA: All right. We only had
17 one other item, which is Number 10, and Commissioner
18 Rotella has left the building. Item Number 10 is
19 adjournment. If there's no other matters to come before
20 the board, I'll entertain a motion, Commissioner
21 Burroughs, to adjourn.

22 COMMISSIONER BURROUGHS: Motion.
23 COMMISSIONER KIMBALL: Second.
24 CHAIRMAN MESOLELLA: Seconded by
25 Commissioner Kimball.

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1 CHAIRMAN MESOLELLA: Any other discussion?
2 THE COMMISSION: (No response)
3 CHAIRMAN MESOLELLA: All in favor of
4 adjournment will say aye.
5 THE COMMISSION: Aye.
6 CHAIRMAN MESOLELLA: Any opposed?
7 THE COMMISSION: (No response)
8 CHAIRMAN MESOLELLA: There are none opposed,
9 the motion carries.
10 (MOTION PASSED UNANIMOUSLY)
11 (BOARD OF COMMISSIONERS MEETING CLOSED AT 12:47 P.M.)
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1 C E R T I F I C A T E

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4 I, Heather Marie Finger, do hereby certify
that the foregoing is a true, accurate, and complete
5 transcript of my notes taken at the above-entitled
hearing.

6

7 IN WITNESS WHEREOF, I hereunto set my hand
this 19th day of May 2014.

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HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
13 COMMISSION EXPIRES 4/02/16

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DATE: April 29, 2014

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IN RE: Board of Commissioners Monthly Meeting

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HEARING OF: Narragansett Bay Commission

25

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

In Re: Monthly Board Meeting of the Commission

DATE: March 25, 2014

TIME: 11:00 a.m.

PLACE: Narragansett Bay Commission

Corporate Office Building

One Service Road

Providence, RI 02905

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Secretary–Executive Director
Robert Andrade, Treasurer
Joseph DeAngelis, Esquire
Richard Burroughs
Mario Carlino
Michael DiChiro
Jonathan K. Farnum
Seth Hardy
Paul Lemont
Ronald Leone
Joseph Kimball
John MacQueen
Alan Nathan

ALSO PRESENT:

Anthony Accardi, MWH
Kerry M. Britt, NBC
Thomas Brueckner, NBC
Melissa Carter, MWH
Christine Comeau, NBC
Christine Cooper, NBC
Linda George, RI Senate
Karen Giebink, NBC
Talia Girard, NBC
Jennifer Harrington, NBC
Stephen Lallo, NBC
Joseph LaPlante, NBC
Larry Laws, MWH
Jean Lynch, CAC
Joanne Maceroni, NBC
John Motta, MBC
Karen Musumeci, NBC

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1 ALSO PRESENT, cont.

2 Joseph Pratt, Louis Berger
Larry Riggs, Pare Corporation

3 Jamie Samons, NBC
Sean Searles, MWH

4 Mark Thomas, NBC
Jeffrey Tortorella, NBC

5 Matt Travers, MWH
Thomas Uva, NBC

6 John Zuba, NBC

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1 (MONTHLY BOARD MEETING COMMENCED AT 11:05 A.M.)

2 CHAIRMAN MESOLELLA: Good morning, everyone.

3 THE COMMISSION: Good morning.

4 CHAIRMAN MESOLELLA: Recognizing a quorum,

5 we will convene with the monthly meeting of March 25,

6 2014 to order at 11:05.

7 The first thing I'd like to say is, in light of the

8 events of last week, I want you to know that these bags

9 should be used for lawful purposes only. All right.

10 That was bad, right? That was bad, but I couldn't help

11 myself. I'm going to hear about that, I'm sure. I know

12 I'm going to hear about that tomorrow or maybe even

13 today.

14 All right. First order of business is the approval

15 of the previous minutes of January, 14th. Have all of

16 our members had an opportunity to review the previous

17 minutes, and if so, are there any comments, questions or

18 corrections on the previous minutes?

19 THE COMMISSION: (No response)

20 CHAIRMAN MESOLELLA: On the previous

21 minutes, do we have a motion to approve the previous
22 minutes?

23 COMMISSIONER CARLINO: So moved.

24 CHAIRMAN MESOLELLA: Commissioner Carlino
25 seconded by Commissioner Kimball, Commissioner Farnum.

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1 COMMISSIONER KIMBALL: Second.

2 COMMISSIONER FARNUM: Second.

3 CHAIRMAN MESOLELLA: All in favor of
4 approval will say aye.

5 THE COMMISSION: Aye.

6 CHAIRMAN MESOLELLA: Are there any opposed?

7 THE COMMISSION: (No response)

8 CHAIRMAN MESOLELLA: There are none opposed,
9 and that motion carries.

10 (MOTION PASSED UNANIMOUSLY)

11 CHAIRMAN MESOLELLA: The next order of
12 business, Item Number 3, is Old Business. Is there any
13 old business to come before the Commission this morning,
14 old business of any nature? Old business.

15 THE COMMISSION: (No response)

16 CHAIRMAN MESOLELLA: Okay, no old business.

17 Next order of business is Item Number 4, the Executive
18 Director's Report. Mr. Secretary, do you have a report

19 for us this morning?

20 RAYMOND MARSHALL: Yes, I do. I want to let
21 you know that the treatment plants ran well through the
22 winter months. We've been achieving some nitrogen
23 removal levels down to 7 parts per million, even though
24 we're not in the permit period, which is May to October,
25 so we've getting ready to ramp up for that where we'll

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1 need to meet the 5 part per million level of removals.

2 We still have a lot of ongoing construction at
3 Bucklin Point. They're trying to complete their work,
4 and they're scheduled for substantial completion by
5 mid-July.

6 We are in discussions with DEM about this matter
7 because the new permit will start. The job will not be
8 complete until mid-July, so we're trying to work out
9 some sort of an agreement. We think we can come close
10 to 5 during those interim months, so I'll keep you
11 posted on that.

12 Plus the winter has provided us some interesting
13 challenges, the storms and snow and cold and wild
14 temperature fluctuations which don't seem to be coming
15 to an end seeing that we have more expected tomorrow.
16 The only two major issues we have at each of the

17 facilities is, at Field's Point the air filtration
18 system on the new blowers is not performing as we
19 expected, so we're working with the manufacturer on
20 that, and then at Bucklin Point, it's just the normal
21 operational difficulties you have when you have major
22 construction going on at a plant, so it's like a big
23 chess game. You keep having pieces around and still
24 meet permits. We are working through that.
25 The wind turbines, on January 15th, National Grid

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1 removed the limitation on how much power we can export.
2 We've had some very good days so far for January and
3 February combined. We generated 50 percent of the power
4 that we needed at the Field's Point Treatment Plant.
5 Last year we generated 42 percent of power.
6 We are in the windy months of year, though, so that
7 average is likely to drop somewhat, but I would say that
8 if you're looking for something to pray for when you're
9 in church, ask for windy weather because it will
10 certainly help our operating budget.
11 Interceptor Maintenance, I've indicated in my report
12 over the last two months that a listing of the calls
13 we've been receiving from homeowners and businesses on
14 sewer backups, now, these backups have been the

15 responsibilities of the cities and towns that they're
16 occurring in, so we've been referring the people to the
17 correct authorities, but at this point, I will let you
18 know that someday those might be our problems, if the
19 lateral sewer bill gets through the General Assembly,
20 and we do the study and everyone agrees that we should
21 take over the public sewers in each of the communities,
22 those problems will then become ours. Just a little
23 foreshadowing, possibly, on what we might be
24 encountering.
25 The study that we'll do, if we're asked to by the

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1 General Assembly, will tabulate all of that information
2 in much greater detail for you, and we'll present it to
3 you at the appropriate time.
4 Engineering's been busy getting ready for the Phase 3
5 re-evaluation project, which has actually started in
6 earnest. You'll hear more about that a little later
7 today.
8 The first stakeholders' meeting was held on March
9 12th, and the next two are scheduled for April 10th and
10 May 22nd, I believe. We sent the Commissioners a list
11 of all those stakeholder dates at this point.
12 Each stakeholder meeting will focus on a specific

13 topic, and it's interesting to see the divergent of
14 opinions on what should and should not be done on this,
15 which is the same process we went through before we
16 started Phase 1.

17 In the construction world, the laboratory site
18 preparation work has begun. We awarded that job a
19 couple of months ago. You authorized that, and we plan
20 to have a groundbreaking as part of the May board
21 meeting on that project, and it will take about a year
22 and a half to construct. We are in dire need of it.
23 The old lab building just gets, we encounter more and
24 more problems as each year goes by, so we'll be
25 resolving that.

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1 Phase 2 of the CSO work which Rich Bernier will
2 report out a little later is going well. We're
3 completing some of the jobs; we're making good progress
4 on others. I won't get into all the details because I
5 don't want to steal Richard's thunder, but overall, the
6 biggest project in the group, the Woonasquatucket CSO
7 interceptor main job, the tunnel portion of it is
8 completed, and they've broken through into the main
9 tunnel now.
10 The main spine tunnel, which is part of Phase 1, is

11 shut down for about 3 weeks while they do some work at
12 the downstream end of this new work, and then they'll
13 seal it up; and then we'll be able to put the tunnel
14 back on line at only 60 percent of its capacity in order
15 to protect the construction activity that's at the far
16 north end of the tunnel. So, you probably read about
17 that in the papers as well.

18 You might have read about our, I would say our, I
19 didn't really go in, Rich and Paul Desrosiers from our
20 staff went in along with several other people to inspect
21 the tunnel, and after a 5-year period, it looks like
22 it's in great shape structurally.

23 The big surprise that they found down there was the
24 number of plastic bottles that have accumulated in the
25 tunnel, and we're looking into how we might remove

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1 those; and we're searching around the country to see
2 what others have done, and it just goes to show you the
3 volume of litter that we encounter.
4 If you're looking for any pictures of the inside of
5 the tunnel, you can go see Rich. I think he has some
6 suitable for framing, in case you're interested, and he
7 can probably tell you what it's like walking around down
8 there in a CSO tunnel that's been on-line for 5 years.

9 Now, the Bucklin Point improvements, even though
10 they're not going to be completed until July, it's about
11 90 percent done. It's all the really time-consuming
12 smaller pieces of the project now that we have to get to
13 tumble into place.

14 A & F reports that our FY'14 budget is still
15 projected to finish under budget, but there are some
16 line items that we're watching. We've spent more money
17 than we expected on overtime because of all the
18 snowstorms and all the snow and ice removal that we've
19 had to handle as well as biosolids production is up
20 because of the higher levels of treatment that we're
21 providing.

22 Offsetting that are the electrical usage is down
23 because the turbines are generating electricity for us,
24 and chemical use is down because of the Operations
25 staff, under Paul Nordstrom's guys, have done a good job

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1 trying to optimize the process both at Field's and
2 Bucklin Point.

3 We have received a higher assessment from the PUC,
4 which is part of the cost of being regulated by them.
5 The cost is \$140,000 more than we originally budgeted,
6 but that is offset by some savings of debt service that

7 we budgeted because the variable rate bonds that we have
8 are running so low. I think most recently they're .03
9 percent or something in that range, so it's actually
10 been a very helpful cost savings.

11 And the FY'15 budget, which will go into effect on
12 July 1st if you approve it, is well into its development
13 stage and will be coming before the Finance Committee in
14 the next couple of months with a preliminary budget for
15 them to work over, and we'll make whatever changes they
16 suggest, and then we'll bring it before the full board
17 at the June board meeting.

18 The PUC is in the process of reviewing our rate
19 request that we filed a few months ago. It's been a
20 very time-consuming process. They've had a lot of
21 requests for information, they're called data requests,
22 and we've been processing all of those trying to get
23 them all the information they need so they can make an
24 informed decision.

25 As part of that process, they have asked for a tour

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1 of our facilities. There are three commissioners, and
2 at least two of them I don't believe have ever seen
3 anything that we own and operate. One of the
4 commissioners used to be with the Attorney General's

5 office, so he knows something about us.

6 They're going to spend a day and a half here at the
7 end of April. April 30th we're going to meet with them,
8 and we're going to go over all the CSO projects and
9 phases and show them some of our CSO facilities, then
10 they're coming back the next day, May 1st, and we're
11 going to talk about biological nutrient removal, and
12 we're going to give them a tour of both the Field's
13 Point and the Bucklin Point treatment plants, so that
14 way they'll be better informed on what it is we do, and
15 can hopefully, make a favorable decision on our rate
16 request.

17 (COMMISSIONER DiCHIRO IS NOW PRESENT)

18 RAYMOND MARSHALL: The non-union retirement
19 plans, which we have a defined benefit plan, and a 401A
20 plan as well as a 457 that employees contribute all
21 their own money to have all brought in under the
22 umbrella Mass Mutual, so the employees will be receiving
23 one consolidated statement for these plans rather than
24 three different statements from different companies.
25 That's a process we've been undergoing for about a year

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1 now, and it's really come together very well.

2 Policy Planning & Regulation, the staff has given a

3 number of technical papers at different conferences in
4 the last couple of months. Including the New England
5 Water Environment Association, we must have had four or
6 five papers that were delivered by our staff. They're
7 really becoming known region-wide as experts in the
8 areas of water quality and wastewater operations, and
9 we've had a lot of real good follow up.

10 Questions from other organizations on how we do
11 things and why we do things the way we do, so just
12 spreading the reputation of the Narragansett Bay
13 Commission far and wide, and that's a good thing.

14 The EMDA, which is the environmental monitoring
15 group, is getting ready for another sampling season.
16 They'll be out there in the receiving waters out on the
17 bay, taking all the samples that they have for the last
18 several years demonstrating in a quantitative way what
19 great impact all the projects that we've been
20 constructing and putting on line is having on the water
21 quality in the Upper Narragansett Bay.

22 Also, in PP&R, the staff is evaluating other energy
23 options for us to consider, us as an organization.
24 They're really scrutinizing the wind turbine data, and
25 also the biogas generation rates, we have a project

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1 which is essentially designed now, and we're getting
2 ready to do some permitting on it so we can put it out
3 to bid; and they're doing all the calculations to work
4 on payback periods and things of that nature as well as
5 evaluating the possibility of a solar energy project at
6 the closed Bucklin Point landfill, the sledge landfill.
7 It has a nice southwest facing orientation.

8 So, we continue to try to find ways to cut our
9 operating costs, but we do want to make sure that it
10 makes sense from a business point of view; and we'll
11 keep you updated on all of those. I think at the May
12 meeting we're going to give you an update on all of our
13 energy projects so you'll have a little more substance
14 to what I've just covered.

15 And before you today, we're going to have a request
16 for environmental enforcement fund funding for our river
17 cleanup activities. PP&R put out an RFP and got 21
18 responses, and we're making recommendations to you on
19 how most all of those should receive some funding from
20 our environmental enforcement funds because it again
21 spreads the name and the good will of the Bay Commission
22 throughout the service district; and that's what the
23 bags that are before are you tied into, and I'll get
24 into that a little later on when that item comes up.

25 In Executive, a lot of time and effort has been spent

1 on legislation that is being introduced in the General
2 Assembly. Joanne reads just dozens and dozens of bills
3 seemingly every day. She pulls out the ones that she
4 thinks are going to have impact on NBC.

5 We sit down as a staff, and we evaluate those. We
6 prepare position papers, and we suggest changes to
7 language on the bills, and we meet with the sponsors in
8 order to try to make sure that there's not any
9 legislation that will be detrimental to how we conduct
10 business here, and if it's going to be supportive of how
11 we do our jobs, then we try to make it in the best
12 possible manner, and that will continue for the next
13 several months. Joanne will have a legislative report a
14 little later, and she'll get into some of the
15 particulars.

16 We have a lien sale scheduled for April 17th, so
17 legal has been very busy. This started with 300
18 accounts owing \$495,000. We're down to 112 accounts,
19 and we've collected \$342,000 to date, and we'll continue
20 to whittle those down and collect more money as we get
21 closer to the date of April 17th.

22 Our watershed education program, which is under Jamie
23 Samons's guidance, is continuing to provide
24 science-based education for students in 9 schools that
25 we visit, and it will all culminate in a major

1 conference event on May 23rd at Goddard Park, I believe,
2 is where we're going to have it again at that location,
3 and we're trying to arrange for maybe some of the
4 students to come in at the May board meeting to give a
5 short presentation to show you all what it is they
6 learned as a result of this very worthwhile program.

7 We have made plans for the environmental and merit
8 award breakfast, which will be April 2nd, which is next
9 Wednesday, at the Kirkbrae Country Club. It will start
10 at 8 a.m. If you'd like to attend, let Jamie know, and
11 we'll make sure that you have a reserved seat.

12 It's where we present the awards for both the EEF
13 funds that hopefully you'll approve today, but as well
14 as a number of our industrial and commercial users who
15 have done an outstanding job in complying with our
16 pretreatment regulations.

17 And also in Executive, I mentioned the stakeholders
18 group. We spent a fair amount of time, Jamie and Tom
19 Brueckner, the Chairman and I, identifying who should be
20 on the stakeholders group. We came up with a very
21 robust and diverse group of stakeholders. We have about
22 41 members. I'm sure they'll not all attend every one
23 of the stakeholder meetings, but there's a very wide

24 variety of opinions; and if you're able to attend one of
25 those, to just sit back and observe, I think you'll find

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1 it interesting, maybe even at times entertaining. So,
2 we'll see how it all plays out over the next several
3 months.
4 The regional stormwater utility feasibility study
5 group that's headed up out of the City of Providence and
6 DEM, which we have been a participant in, both Tom Uva
7 and I have been attending those meetings, they have come
8 out finally with their draft report, and what the report
9 says is that there is a need to further study the
10 concept of having a regional entity handle the
11 stormwater problems in the metropolitan Providence,
12 Pawtucket, Cranston, Warwick area.
13 So, we have been present airing our opinions quite
14 strongly, and now what the next step will be is the
15 group has acquired additional funding, and they're going
16 to try to better identify what this regional entity
17 should look like, what powers they should have, what
18 kind of legislation is needed, what the service district
19 would be and exactly to what level of involvement the
20 regional group would address the stormwater matter in
21 just a financially supportive way or actual boots on the

22 ground, if you will.

23 So, that second study is scheduled to start in August
24 and go through September of 2015, so it's still a ways
25 down the road; and we will continue to participate and

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1 to make that we're an active party in any of the
2 discussions, and I'll be reporting to you or Tom will
3 with probably greater frequency as the real meat and
4 potatoes of this whole issue really starts to unfold in
5 the next year.

6 And finally, I received in the mail yesterday my
7 Ethics Commission form, so many of you probably did as
8 well. I just wanted to let you know, if you haven't
9 opened it up yet, it's due April 25th, which is before
10 the next board meeting. I just wanted to give you a
11 heads up on that.

12 If you have any questions about it, although she
13 cannot help you actually fill it out, Jen Harrington is
14 our resident ethics expert, and you can approach her if
15 you have any questions.

16 It's something you want to make sure that you don't
17 overlook, though, because they will eventually reach out
18 to you and ask you where it is, and it's always good if
19 that doesn't happen. That's it, Mr. Chairman.

20 CHAIRMAN MESOLELLA: Thank you, Mr.

21 Secretary. Jen, are you offering house calls as well?

22 MS. HARRINGTON: I can take your questions

23 and try to point you in the right direction to the

24 people at the Ethics Commission and assist you in any

25 way I can. I may not have all the answers right away,

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1 but I can try to get them. House calls, no.

2 CHAIRMAN MESOLELLA: Thank you for being

3 accommodating. We've all heard the Executive Director's

4 Report. Are there any comments or questions with regard

5 to the Executive Director's Report? Anyone have any

6 issues they want to discuss regarding stormwater?

7 Commissioner Handy.

8 COMMISSIONER HANDY: Yes, I have a question.

9 What are some of the positions we're taking into context

10 with the regional stormwater issues?

11 RAYMOND MARSHALL: I think our overarching

12 message is that everyone should understand being in the

13 communities that are interested, exactly what they're

14 getting themselves into.

15 For example, while they, they meaning the cities and

16 towns would like someone else to do the work. They

17 don't really want someone else telling them what to do,

18 if that makes sense. So, they don't want to lose local
19 control, but they don't believe that they have the local
20 resources to actually meet the requirements that the
21 regulatory agency will impose on them.
22 And I think, I know that to us, the cost of this has
23 been undersold. So, a number that has been used is 4 to
24 \$5 per month per homeowner is what it would take to run
25 a stormwater program, and we don't believe that for a

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1 second. Maybe on the first day, but it's quickly going
2 to ramp up from there, and we just want to make sure,
3 our goal is to make sure that people understand what
4 they're getting themselves into and what it's going to
5 cost; and I think you've heard Vin say that it's
6 probably going to approach what the CSO program is
7 costing the ratepayers.

8 They have to be ready for that reality because the
9 first year or two is the least expensive part of the
10 entire program, then it really starts ramping up from
11 there, and that's the main thing.

12 COMMISSIONER HANDY: I have another
13 question, if you don't mind. I'm interested in the PUC
14 assessment. I don't remember what that's about and why
15 it would be so different from what we anticipated.

16 RAYMOND MARSHALL: Is Karen Giebink in the
17 room? Karen, would you like to address that question?

18 MS. GIEBINK: Sure. The PUC assessment is
19 something that we pay for every year, that the regulated
20 utilities are required to pay for, basically, being
21 regulated by the PUC, and my understanding is that in
22 the past, they had included revenues from a certain
23 utility that were much higher than they actually were,
24 so the proportionate share that that utility was paying
25 was too high, they discovered their mistake, and so they

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1 sent us a revised assessment this year -- we didn't plan
2 appropriately so that they didn't calculate properly.

3 COMMISSIONER HANDY: Thank you.

4 CHAIRMAN MESOLELLA: So, I just want to be
5 clear on the stormwater issue. I don't want to get too
6 deep into it because we have some presentations today.
7 I want to make sure as many commissioners attend the
8 presentations, but you've heard me say in the past that
9 I'm really concerned about the cost affiliated with
10 stormwater mitigation.

11 The thing that's most important to me, personally,
12 and I think the board should be concerned is that it
13 doesn't appear as though these are fees that are being

14 imposed by the Narragansett Bay Commission.
15 So, I know Ray's been tipping around and Tom's been
16 tipping around it, as much as the Department of
17 Environmental Management and others trying to draw us
18 into this discussion, and I think the reality is, they'd
19 love to hand the responsibilities over to Narragansett
20 Bay Commission because I think they know that we're
21 abundantly capable of not only implementing the program,
22 but administering the program.
23 But for me it's important for people to understand
24 that this is not our initiative, and that the cost
25 affiliated with this is not a Narragansett Bay

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1 Commission imposed cost.
2 I think the board agreed with that, the idea that
3 we're trying present with that. If anyone feels
4 differently about it, I'm happy to hear your thoughts on
5 it, but I think that's pretty much, would you say, Ray,
6 that that's been the discussion here at the board level?
7 If anyone has any different opinion about it, please
8 raise the issue, and we're happy to have that
9 discussion. Commissioner Burroughs.
10 COMMISSIONER BURROUGHS: Can the communities
11 raise the issue of the ability of their ratepayers in

12 the community to absorb this cost much in the way we've
13 looked at the CSO?

14 RAYMOND MARSHALL: Yes, they can.

15 COMMISSIONER BURROUGHS: If they choose,
16 right?

17 RAYMOND MARSHALL: One thing you'll hear
18 about a little latter when the team makes a presentation
19 on Phase 3 is affordability and integrated planning, and
20 that's really part of what those efforts can provide for
21 you. You don't have to look at just wastewater. You
22 can look at stormwater and water supply as well, and
23 when you start spreading it across the entire spectrum
24 of water, which some agencies like ours are fully
25 responsible for, that's when you have to make those hard

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1 choices. Where do you want to spend your money?

2 When it's done by different groups, it's not quite
3 that easy, but it is still the same issue. It's the
4 same people paying, whether they're paying three
5 different entities or whether they're paying one entity.

6 COMMISSIONER BURROUGHS: Thank you.

7 CHAIRMAN MESOLELLA: Commissioner Handy.

8 COMMISSIONER HANDY: While I don't disagree
9 with the positions that you stated, I do think it is

10 important for us to be a stakeholder because it's a big
11 issue for us, and I also think it's a political hot
12 potato in the local level and at the state level, and no
13 one really wants to claim it.
14 We may be in a better position than most as long as
15 we're adequately compensated for our efforts to step up
16 and do something, and it is to our benefit because we're
17 treating stormwater whether we like it or not. The
18 better we do at mitigating stormwater impacts.

19 CHAIRMAN MESOLELLA: All right. Are there
20 any other questions with regard to the Executive
21 Director's Report?

22 THE COMMISSION: (No response)

23 CHAIRMAN MESOLELLA: If not, we'll move
24 right along to Item Number 5, which is Acknowledgement
25 of Awards. I'm told that Peter Trombetti who's been a

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1 long-time employee of Narragansett Bay Commission who
2 has retired is not with us today, but will be coming to
3 the April meeting to accept a Certificate of Resolution
4 of Appreciation. The other award is the NEWEA Award.
5 Ray, you want to explain?

6 RAYMOND MARSHALL: Yes. We received an
7 award from NEWEA, as it's called the New England Water

8 Environment Association, for our Asset Management
9 Program. It's something we started in 2004. We were
10 one of the first organizations across the country to
11 implement this program, now everyone has it. There's
12 even talk about, everyone is bringing it inhouse.
13 There's even discussion down in Washington that in
14 order to receive certain loans from, like, SRF, and
15 things of that nature, that they're going to want you to
16 have an asset management program at some point. It's
17 providing great benefits for us. We're doing more
18 predictive maintenance as well as preventative
19 maintenance rather than just preventative and emergency
20 maintenance.
21 We've also been able to identify several systems in
22 both of our treatment plants that were nearing the end
23 of their useful life, and as a result, we were able to
24 incorporate the replacement of those systems into our
25 two treatment plant contracts, the one we just completed

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1 at Field's Point and the one that's ongoing at Bucklin
2 Point.
3 To accept the award is the person who was the lead
4 and in charge on our Asset Management Program, which is
5 Joe LaPlante, and I'd like Joe to come up here and

6 accept the award and to have his picture taken, which is
7 probably the best part of the show, right, having your
8 picture taken?

9 (APPLAUSE)

10 CHAIRMAN MESOLELLA: Thank you, Joe. Thank
11 you very much for all of your efforts in that regard.
12 Item Number 6 is Committee Reports and Action Items
13 Resulting. The first committee reporting this morning
14 is the CEO Committee. Commissioner MacQueen, do you
15 have a report for us this morning?

16 COMMISSIONER MacQUEEN: Yes, I do, Mr.
17 Chairman.

18 CHAIRMAN MESOLELLA: Then proceed.

19 COMMISSIONER MacQUEEN: We have one item for
20 action. Review and Approval of Resolution 2014:04;
21 Authorization to increase the Amount of the Agreement
22 for Engineering and Design Services for Contract
23 12:304.44D Relocation/Repair of the Central Falls Branch
24 of Moshassuck Valley Interceptor.

25 RAYMOND MARSHALL: Yes, sir. This project

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1 was awarded in April of 2012 by the board to the Louis
2 Berger Group. We have a segment of this interceptor
3 that has settled. It's very old, built in the early

4 1900s, if I remember correctly, and we need to replace
5 it and relocate it.

6 The design work that was awarded to Berger did not
7 include any geotechnical design engineering for the
8 support of excavation. It's a terms you've heard us use
9 in relation to CSO Phase 2.

10 Historically, our contracts have not included that
11 component, and we've provided some geotechnical
12 information as in borings and maybe groundwater
13 readings, and then require the general contractor who
14 gets the job to hire an engineer to design that
15 supportive excavation.

16 That has, of course, resulted in some problems for
17 us, some significant problems in Phase 2 of the CSO
18 program. So, as we talk about it, we want to try to
19 change that approach to see if we can find a better way
20 of putting our projects out on the street and making
21 sure there's more certainty brought to the bids that we
22 receive.

23 So, what we want to do in this particular case is we
24 want to add the geotechnical engineering design of the
25 supportive excavation to this contract. This will be

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1 like a trial run on this project before we get into

2 Phase 3, and the amount is \$78,268 is what we want to
3 add to the original award of 255 or authorization,
4 \$255,000, so the total will come to \$333,268. That
5 would include a design for the supportive excavation
6 that a contractor will have to follow exactly just like
7 he does on some of the structural work that we put out.
8 The contractor won't have any leeway and won't be able
9 to cut corners and those types of things and won't be
10 able to interpret the information differently than we
11 intended it to be interpreted.
12 So, we highly recommend that we do this, and we think
13 that it will be a good demonstration project for what we
14 do in the future as we go into Phase 3 of the CSO
15 program, so we ask your approval of 2014:04.

16 CHAIRMAN MESOLELLA: Are there any
17 questions?

18 THE COMMISSION: (No response)

19 COMMISSIONER MacQUEEN: All those in favor?

20 THE COMMISSION: Aye.

21 CHAIRMAN MESOLELLA: So, we have a motion,
22 Mr. Chairman, for approval of Resolution 2014:04.

23 COMMISSIONER DiCHIRO: Second.

24 COMMISSIONER FARNUM: Second.

25 CHAIRMAN MESOLELLA: Seconded by

1 Commissioner DiChiro, Commissioner Farnum. Further
2 discussion on Resolution 2014:04. Further discussion on
3 the resolution.

4 THE COMMISSION: (No response)

5 CHAIRMAN MESOLELLA: Hearing none, all of
6 those that are in favor will say aye.

7 THE COMMISSION: Aye.

8 CHAIRMAN MESOLELLA: Are there any opposed?

9 THE COMMISSION: (No response)

10 CHAIRMAN MESOLELLA: There are none opposed,
11 and that motion carries.

12 (MOTION PASSED UNANIMOUSLY)

13 CHAIRMAN MESOLELLA: Do you have further
14 business, Commissioner MacQueen?

15 COMMISSIONER MacQUEEN: No, I don't.

16 CHAIRMAN MESOLELLA: No further business
17 from the CEO Committee. Joint Long Range Planning and
18 Finance. Commissioner, Andrade, do you have a report
19 for us?

20 COMMISSIONER ANDRADE: Yes, I do, Mr.
21 Chairman.

22 CHAIRMAN MESOLELLA: Please proceed.

23 COMMISSIONER ANDRADE: The committee met and
24 approved, reviewed and approved Resolution 2014:05,
25 Recommendation for Use of Environmental Enforcement

1 Funds, and I would like to make a motion to approve it.

2 CHAIRMAN MESOLELLA: We have a motion to
3 approve Resolution 2014:05.

4 COMMISSIONER MacQUEEN: Second.

5 COMMISSIONER FARNUM: Second.

6 COMMISSIONER KIMBALL: Second.

7 CHAIRMAN MESOLELLA: Seconded by
8 Commissioner MacQueen, Commissioner Farnum, Commissioner
9 Kimball. In your packet is a list of the recipients.
10 Do you want to review those, who they might be?

11 RAYMOND MARSHALL: Sure. I can read them
12 off for you, if you need to. Woonasquatucket River
13 Watershed Council, Blackstone Valley Community Action
14 Program, the City of Providence, and they're varied
15 amounts, the City of Central Falls, Friends of
16 Moshassuck, Environmental Justice League, Save the Bay,
17 Neutaconkanut Hill Conservancy, Miss Rhode Island
18 Scholarship Program, Serve Rhode Island, Keep Blackstone
19 Valley Beautiful, Mercy Ecology at New Dawn Earth
20 Center, Town of Cumberland, Cumberland Land Trust,
21 Johnson & Wales Science Department, City of East
22 Providence, DPW/Refuse/Recycling Section, Edgewood
23 Waterfront Preservation Association, Smithfield
24 Conservation Commission and the East Providence Police

25 Explorers Post, all for amounts varying from \$150 to

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1 \$1,000 for a total of \$11,000, and this comes out of the
2 portion of the Environmental Enforcement fund that is
3 dedicated solely to river cleanups.
4 There's another amount of money that is more
5 open-ended that can be used for other purposes. This is
6 the same approach we took last year in terms of
7 distributing these funds. It worked out very, very
8 well, and a lot of very good press from the community or
9 the communities that were involved, and we have an
10 understanding with all of these groups that our logo
11 will be on all their advisements and publications
12 promoting their events. We'll advertise it on our
13 website.

14 Each grant recipient will receive the bags, like you
15 have before you today, to hand out to their volunteers
16 so they can further spread the word of the Narragansett
17 Bay Commission and our efforts to work toward a better
18 environment in the State of Rhode Island. If you have
19 any questions, I would be happy to answer those.

20 CHAIRMAN MESOLELLA: Any questions with
21 regard to the use of Environmental Enforcement Funds?
22 Anyone?

23 THE COMMISSION: (No response)
24 CHAIRMAN MESOLELLA: Okay. I think we have
25 a motion; we do have a second. All of those that are in

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1 favor will say aye.

2 THE COMMISSION: Aye.

3 CHAIRMAN MESOLELLA: Are there any opposed?

4 THE COMMISSION: (No response)

5 CHAIRMAN MESOLELLA: There are none opposed,
6 and that motion carries.

7 (MOTION PASSED UNANIMOUSLY)

8 CHAIRMAN MESOLELLA: Further report?

9 COMMISSIONER ANDRADE: No further report
10 from the committee.

11 CHAIRMAN MESOLELLA: Thank you very much,

12 Mr. Chairman. The next committee reporting is the
13 Executive Committee. In that regard, I'd like to
14 recommend that the board enter into executive session
15 pursuant to Section 42.46.5 A2, to discuss and
16 potentially act on related and anticipated litigation
17 relative to a few technical issues on the CSO Phase 2
18 project. Do I hear a motion to go into Executive
19 Session?

20 COMMISSIONER DiCHIRO: Motion.

21 COMMISSIONER FARNUM: Second.
22 COMMISSIONER KIMBALL: Second.
23 COMMISSIONER DiCHIRO: Commissioner DiChiro,
24 motion to go into Executive Session, seconded by
25 Commissioner Farnum and Commissioner Kimball. All of

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1 those that are in favor of going into executive session
2 will say aye.

3 THE COMMISSION: Aye.

4 CHAIRMAN MESOLELLA: Are there any opposed?

5 THE COMMISSION: (No response)

6 CHAIRMAN MESOLELLA: There are none opposed,
7 the motion carries.

8 (MOTION PASSED UNANIMOUSLY)

9 CHAIRMAN MESOLELLA: We are now in Executive
10 Session. If I can ask our guests to which they're not
11 related to leave the room.

12 (EXECUTIVE SESSION)

13 (BOARD OF COMMISSIONERS MEETING CONTINUES AT 12:39 P.M.)

14 CHAIRMAN MESOLELLA: We are now in public
15 session. We can invite our guests in. So, we're going
16 to go right to Item Number 8, I guess, Other Business.
17 While we're waiting for our guests, we're going to go
18 into Committee Reports. Personnel Committee did not

19 meet. Rules and Regs did not meet. Citizens Advisory.

20 Is Howard back in the room yet?

21 MS. SAMONS: He had to leave, so he left his

22 comments.

23 CHAIRMAN MESOLELLA: Do you have his

24 comments, you'll make them part of the record?

25 MS. HARRINGTON: Yes, Karen has the

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1 comments.

2 CITIZENS ADVISORY COMMITTEE: "The CAC

3 meeting was held last Tuesday with a quorum present.

4 There was an excellent presentation by Phil Albert on

5 the wind turbines. The main points were that turbines

6 cost approximately 6 million, are generating about 1

7 million a year in revenue and expects a 14-year payback.

8 "Depending on wind conditions, there are days when

9 the turbines generate excess electricity that is

10 exported to National Grid.

11 "With a few of our members having been former

12 stakeholders, they are very interested in what will be

13 happening as Phase III is being reconsidered. April 11,

14 Thursday, there is a stakeholder meeting. Tom Brueckner

15 agreed to attend the CAC meeting. Our next meeting is

16 scheduled for April 23rd."

17 CHAIRMAN MESOLELLA: All right. Ad Hoc
18 Committee on Compensation did not meet. Ad Hoc on
19 Ethics did not meet. Legislative Report. Here she is.
20 Joanne, do you have a Legislative Report for us?

21 MS. MACERONI: Yes. I'll be very brief, Mr.
22 Chairman.

23 CHAIRMAN MESOLELLA: Thank you for that.

24 MS. MACERONI: As you will note from the
25 report that's on line, I'm monitoring newer pieces of

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1 legislation. I just want to bring a couple to your
2 attention.
3 The first being, Article 5 in the budget where the
4 Governor has proposed \$20 million for Rhode Island Clean
5 Water Finance Agency which is going to leverage low
6 interest loans for wastewater infrastructure projects.
7 Obviously, we are in favor of that. We spoke in support
8 on the House Finance and Senate Finance.
9 The next bill, the House and Senate bills were
10 introduced at the request of the City of Pawtucket.
11 They want NBC to take over the laterals in the City of
12 Pawtucket.
13 While we're not opposed to the concept of us
14 considering that, we are in opposition to this bill

15 which would mandate that we take over immediately the
16 sewers just in Pawtucket. We don't have the manpower,
17 the equipment to do that, and plus given the fact that
18 we're a regional agency, we would rather consider the
19 concept on a regional basis.

20 So, what we're proposing is an alternative to this
21 bill, which would create a -- which would mandate that
22 the NBC study the issue acquiring laterals throughout
23 our district.

24 I've spoken to sponsors on both sides. They
25 understand what our concerns are with their bill, and

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1 we're working with them to try to bring forth that
2 concept.

3 Just one other bill, it's the Quasi Public
4 Transparency Bill that's been around for the last couple
5 of years, basically, codifying what a quasi public
6 agency should be doing, so everybody's on the same
7 playing field.

8 We've worked with the sponsors both last year and
9 this year, and he has addressed all of our concerns so
10 we will be supporting this bill. Again, there are other
11 bills on the report. I would be happy to answer any
12 questions now or at a later time.

13 CHAIRMAN MESOLELLA: Does anyone have any
14 questions with regard to the Legislative Report?
15 THE COMMISSION: (No response)
16 CHAIRMAN MESOLELLA: You may recall that we
17 supported this bill, a bill last year, basically, which
18 created a study commission to study the issue of taking
19 over the laterals in our service area.
20 We were a little surprised that that bill came in
21 just for Pawtucket in light of the fact that, the bill
22 passed the House last year, and it did not get
23 consideration of the Senate?
24 MS. MACERONI: No. It was towards the end
25 of the session, and I think it just got lost in the last

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1 minute session on the Senate side.
2 CHAIRMAN MESOLELLA: So, we're watching that
3 because I expect that, eventually, that's going to
4 happen anyway, so we might as well get ahead of the
5 curve.
6 One thing I'd like to mention in conjunction with the
7 lateral bill, and that is, we've had a request from the
8 Town of North Providence to possibly take a look at
9 taking over a section of pipe that goes from roughly
10 where you get off on 146 onto Mineral Spring Avenue

11 through the Pawtucket line, there's an interceptor line
12 there which the Town of North Providence owns.
13 No one, now, I've been here since the inception of
14 the Narragansett Bay Commission, no one has a clear
15 explanation as to why this small section of pipe between
16 where you get off on 146 on Mineral Spring Avenue and
17 Pawtucket was not taken over, NBC did not take over the
18 ownership of that pipe from inception back in, I don't
19 know, 1979, '80, '81. We don't know why. But we don't
20 own the pipe. The Town of North Providence does.
21 In anticipation of something happening with the
22 lateral bill, Ray and I have agreed with Commissioner
23 Leone that we should understand the conditions of that
24 pipe, so we're going to be sending out a crew, maybe do
25 some televising it to kind of get a sense where we are

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1 with that pipe, and then it will be for future
2 consideration sometime done the line, maybe at the end
3 of the session when we get through this lateral bill.
4 So, I don't know why it was never taken on, but there's
5 a reason. Somebody to say, okay.
6 So, having said that, that concludes your Legislative
7 Report?
8 MS. MACERONI: Yes, Mr. Chairman.

9 CHAIRMAN MESOLELLA: Very, very briefly, the
10 Chairman's Report. A couple of things. I guess first
11 I'll say that today, sadly, I've accepted the
12 resignation of Commissioner Leo Thompson.
13 Commissioner Thompson had expressed early on in the
14 year, even before the end of the year, his desire to
15 resign from the Commission. I don't know if it was
16 health reasons or whatever, but he submitted his letter
17 of resignation. He actually submitted the letter back
18 in February, but I, basically, refused to accept it. I
19 wanted him to reconsider it. He's been a valuable
20 member of the Commission for a long time, and I had ask
21 him to reconsider it.
22 I even spoke to him yesterday, and I said, if you are
23 not, you're convinced that you want to resign from the
24 board, I will accept your resignation tomorrow because
25 we have four members who have been reappointed by the

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1 Governor whose reappointment has not been submitted to
2 the Senate for confirmation.
3 So, I spoke with the Governor last week. He was
4 asking whether or not there were any vacancies on the
5 board that needed to be filled, as he had someone he was
6 interested in appointing to the board, and he wanted to

7 send all the nominations down maybe this week or the
8 beginning of April for Senate confirmation.
9 So, having heard that, I called Leo and said, if
10 you're going to stay, stay, but if you're not, I want to
11 accept your resignation so I can get the reappointment
12 official for all of the Commissioners whose appointments
13 are pending. I think would be you, Commissioner
14 Carlino, Commissioner Nathan, Commissioner Worrell, and
15 maybe Commissioner Kimball, right?

16 COMMISSIONER KIMBALL: Yes.

17 CHAIRMAN MESOLELLA: So, those four we'll
18 get hopefully confirmed by the end of April along with
19 the replacement for Commissioner Salvadore. My
20 understanding is that Michelle DeRoche is going to get
21 that appointment. We'll have another woman on the
22 board, and she would be confirmed as well along with the
23 person who Governor Chaffee appoints to fill the vacancy
24 created by Leo Thompson's resignation. So, sadly, I
25 wanted to report that to you.

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1 Other than that, I'm looking forward, really looking
2 forward to a groundbreaking ceremony in May for the
3 compliance building. You know it's 14 or 15 years we
4 were trying to get a title to that property and a title

5 to Service Road here, and we're really excited about that
6 construction. We'll have more to report to you next
7 month with regard to Cuffee School and all of the other
8 issues, Barletta and everyone else.

9 COMMISSIONER FARNUM: We'll send Leo a
10 letter thanking him for his great service.

11 CHAIRMAN MESOLELLA: Yes. I asked him if he
12 wanted to attend. He wasn't feeling well, he said, no,
13 but he may come to the April meeting at which point we
14 will provide the appropriate Resolution of Appreciation
15 for Commissioner Thompson.

16 Having said that, and I know it's later than we
17 usually like to go, we do have a presentation on Phase
18 3, which has been prepared for you. I would beg your
19 indulgence. It's important for me to make certain that
20 everyone understands and knows the direction we're going
21 on Phase 3, so if you have any questions or comments,
22 we're certainly happy to take them. I'm ready to
23 receive the presentation. Are we ready, Tom?

24 MR. BRUECKNER: Yes.

25 RAYMOND MARSHALL: What we're going to do

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1 is, we're going to bypass Phase 1 and Phase 2, which you
2 hear about on a regular basis, and we can also drop

3 those presentations in at any time because they're going
4 to be made by staff members. What we have are the
5 outside group coming in, just coming in to do the Phase
6 3 who are here today, so we want to get right to that.
7 So, I'll turn it over to Tom, and he's going to lead the
8 show.

9 MR. BRUECKNER: I'm going to just briefly
10 talk to you about a few things leading up to Phase 3, a
11 short presentation on the background of the CSO program,
12 then I just want to talk about what we're doing in Phase
13 3, and then I'll turn it over to our consultant who's
14 doing a Phase 3 re-evaluation for us, MWH and Pare
15 Associates.

16 Just very quickly, what's a combined sewer overflow?
17 We talk about it. In the City of Pawtucket, Providence
18 and Central Falls, there's one sewer system, one pipe in
19 the street. It takes both the sanitary flow from the
20 houses and the stormwater from the streets and roof
21 leaders.

22 When it's not raining, the flow, the sanitary flow
23 gets into a connector pipe and into the interceptor
24 pipe, goes to the treatment plant for treatment.

25 When it rains, the additional stormwater flow is too

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1 much for the one pipe to take, the connector pipe and
2 the interceptor pipe to take, so we have what's called a
3 combined sewer overflow, which is a mixture of
4 stormwater and sanitary flow that discharges directly to
5 the river.

6 A little bit of background. Why are we doing the CSO
7 program? By federal law, CSOs must be addressed to meet
8 water quality standards, and that's a very important
9 point. We have to meet water quality standards, and
10 I'll talk about that a little bit in a minute. The
11 primary pollutant that we're concerned with for combined
12 sewer overflow is the bacteria.

13 In 1992, we signed a consent agreement with DEM
14 establishing the schedule for planning, designing and
15 construction of the facilities so that we could comply
16 with the law, and in 1994, we completed a conceptual
17 design report that was approved by DEM, saying what were
18 going to do to meet the requirements of the federal law.

19 The recommended alternative, basically, at that time
20 was a system of tunnels in Providence, Central Falls and
21 Pawtucket that would pick up the overflows and store
22 them until after the storm and the flow could then be
23 treated at the treatment plant, the Bucklin Point plant
24 up here (indicating).

25 The Bucklin Point plant is over here, and the Field's

1 Point plant is down here (indicating), right there.

2 There's the Field's Point plant, and there's the Bucklin

3 Point plant. Along the Woonasquatucket River we had a

4 series of near surface storage facilities.

5 Now, because of the -- we started the design for

6 those facilities in 1994, preliminary design, but in

7 1994, EPA revised their CSO policy to provide more

8 flexibility in what you needed to do to meet water

9 quality standards.

10 So, in 1996, we decided to re-evaluate the approved

11 program due to the policy, the cost for the program that

12 we had come up with and technical concern of the program

13 that we had come up with, particularly with regard to

14 geotechnical issues.

15 So, from 1996 to 1998 we had the first re-evaluation

16 with input from the stakeholders group; that was our

17 first stakeholders, and as a result of that, we came up

18 with a new program called, the Conceptual Design Report

19 Amendment, which was approved by DEM in 1998.

20 Now, the program goals are to reduce, once the three

21 phases of the project are done, reduce the volume by 98

22 percent. The annual volume is 2.2 billion gallons from

23 the existing overflows. We expect an 80 percent

24 reduction in shellfish bed closures again by reducing

25 the amount of bacteria going into the receiving waters,

1 and the program was designed to capture a 3-month storm
2 or 1.6 inches of rain in 6 hours. Anything greater than
3 that, we'd have an overflow that would affect water
4 quality.

5 The program was to be done in three phases. The
6 first phase, which I think most of you are familiar
7 with, was completed in 2008. Phase 2 is going to be
8 completed by the end of this year, and Phase 3 is the
9 one that we're going to be discussing today.

10 Just briefly, I think you've seen this graphic
11 before, but the program, 3 phases. The first phase is
12 the big tunnel under the City of Providence. It picks
13 up the overflows along the Providence River, and also,
14 there was another component which was to upgrade the
15 Bucklin Point plant to provide treatment for one of the
16 big overflows on the Seekonk River that we provide
17 primary treatment and disinfection at the treatment
18 plant for that overflow.

19 Phase 2 is going to be and is under construction, the
20 interceptor along the Woonasquatucket River and one
21 along the Seekonk River to pick up those overflows.
22 Those interceptors will drop into the tunnel, and that
23 flow is treated at the Field's Point treatment plant

24 after the storm, given secondary treatment.

25 Also as part of Phase 2, there are two sewer

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1 separation projects on the East Side of Providence, and

2 although we've completed them, it's certainly, or most

3 of them are complete, there's three that are still

4 ongoing.

5 The disruptions to the East Side was such that we

6 decided we probably really don't what to do sewer

7 separation again, and the other issue is then we'll

8 create stormwater discharge, which, as you heard earlier

9 in the meeting, stormwater is another issue that's going

10 to have to be addressed in the future.

11 So, we're looking as we go into Phase 3 to, although

12 we've provided some sewer separation was proposed for

13 Phase 3, we want to look at other alternatives to that.

14 And then part of Phase 3 was going to be the tunnel

15 from the Bucklin Point treatment plant up to Central

16 Falls, two interceptors and then an adit to pick up one

17 overflow on the Moshassuck River that would go into the

18 tunnel. So, the Phase 3 program, what are we proposing?

19 So, if we look at the cost for Phases 1 and 2, I

20 think that's 375 million, and I think this is 215. I

21 can't see too well without my glasses, but those are the

22 current costs for Phase 1; its actual cost 375, 215 is
23 the projected cost to finish Phase 2.
24 Phase 3, we're estimating the cost at 600 million,
25 basically, interceptors and a tunnel as was done in

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1 Phase 1 and 2, so the total cost for all 3 phases will
2 be about a billion dollars.
3 What impact does this have on our rates? Obviously,
4 it's getting expensive for us to do this program. You
5 can see the blue part of the rate increase is the base
6 of the rates in 2002.
7 Since that time we've started to incur debt for the
8 CSO program, and for the nutrient removal program, for
9 nitrogen removal, that's the red part, which is a
10 substantial part of the increase we've seen over the
11 years.
12 And then we have the cost for operating and
13 maintenance. Again, this is associated with the tunnel
14 operation and the BNR removal at the two treatment
15 plants.
16 The criterion that EPA uses for affordability is 2
17 percent of the median household income. For Central
18 Falls, 2 percent of the median household income would be
19 about \$585 per year. This line indicates what that

20 amount is. You can see in 2014 we're approaching that
21 affordability limit. As we project the cost out into
22 the coming years, we expect to exceed that.
23 So, it's obvious that the current program that we're
24 proposing, which this does not include the additional
25 \$600,000,000 for Phase 3, it's going to probably greatly

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1 exceed the amount of 2 percent meeting household income
2 for Central Falls and even for Providence, which is up
3 around \$765, we'll probably be approaching that and
4 exceeding that. So, obviously, there's an affordability
5 issue, and that's a big concern for the Commission.

6 COMMISSIONER CARLINO: So, this slide does
7 not include the 600 million in Phase 3?

8 MR. BRUECKNER: No, it doesn't. So, what
9 are we going to do for the re-evaluation tasks? The
10 first item is we need to develop a sewer hydraulic model
11 for the Bucklin Point service area. This is primarily
12 needed as a tool to evaluate the alternatives we'd be
13 looking at in Phase 3.

14 The second task is to evaluate changes in water
15 quality since the completion of Phase 1, and expected
16 water quality upon completion of Phases 2 and 3, which
17 will be done with the receiving water model that was

18 used during the first evaluation of Phase 1.
19 Now, the question is, what is it that we need to do
20 to meet water quality standards? So, our recent
21 discussions with EPA indicated that your program is not
22 complete until water quality standards are met. Now,
23 you cannot meet water quality standards. We can't meet
24 it all the time because, as I pointed out, the storm we
25 designed for in Phase 1 and 2 is only a 3-month storm.

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1 So, obviously, any storm bigger than that is going to
2 exceed water quality standards.
3 In addition to the CSOs, there are also stormwater
4 component that's the discharge from stormwater that has
5 an impact, has bacteria, will effect water quality. And
6 other issues that we're dealing with that will cost us
7 money, or the communities that we serve will have to
8 spend money on it are the wastewater treatment plants
9 and a big component is sewer infrastructure.
10 Ray alluded to the fact that we may take over
11 municipal sewers if some legislation passes currently in
12 the General Assembly or at least evaluate the
13 feasibility of that, and we think that there is a
14 substantial cost component associated with upgrading
15 local sewers due to deferred maintenance that has gone

16 on for years, and the cities just have not maintained
17 their sewers. Should we take those over? That would be
18 a very big component that we would have to pay for and
19 would affect our rates.

20 So, one of the big issues that EPA is having
21 communities address is called integrated planning where
22 instead of just saying, what do we need to do for CSOs?
23 The intent is to look at all of the programs that you
24 have to pay for related to water quality and then to
25 establish the cost for those and then establish

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1 priorities for which one should be done first or
2 concurrently.

3 And with regard to what you can afford, you really
4 just keep spending to your limit of affordability. So,
5 if today we could not afford to do anything because the
6 rates were too high, we exceeded the 2 percent, we could
7 defer doing the work for Phase 3 at some time when we
8 could afford it after we've retired some debt, and so,
9 we would not get out from under having to do anything.
10 We might just defer it, or bring it down the road.

11 And it's a long-term approach in terms of meeting
12 water quality standards, so even if we were to complete
13 Phase 3 and we still didn't meet standards and we

14 reached the limit of affordability, at some point when
15 in the future we could afford to spend more money to
16 address, let's say, stormwater, then we'd have to start
17 spending on stormwater until we met water quality
18 standards.

19 So, this program would go on for many, many years.
20 Spend what you can, and when you can afford to do more,
21 you can do more, spend some more, so on and so forth.
22 So, that's the approach.

23 The third task for re-evaluation is to evaluate the
24 recommended abatement method for each overflow and
25 answer the following: Is it currently the most

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1 cost-effective method? And particularly, are there any
2 green infrastructural alternatives that we can implement
3 where EPA is now indicating that green infrastructure
4 may be a viable alternative to the grey infrastructure
5 approach for a tunnel, and could we do that within the
6 district, and what would that entail?

7 The forecast is to develop a cost estimate for Phase
8 3 and determine the following, which is the impact on
9 sewer rates, and is it affordable based on EPA criteria?

10 And then there are three other tasks, fairly minor,
11 to map the project area for Phase 3. Conduct a limited

12 geotechnical program, and re-establish the stakeholders
13 to discuss the results and receive feedback, basically,
14 to come up with possibly a revised plan, and Ray
15 mentioned that there are six of those meetings. We've
16 had the first one. The second one is April 10th, and
17 then we will continue until October, and we expect to
18 complete the re-evaluation by the end of this year.

19 I'd like to turn it over to MWH who will now give a
20 talk about they will be doing specifically.

21 MS. CARTER: Good afternoon. Melissa
22 Carter, and with me today are Sean Searles and Larry
23 Laws, and we are all representing MWH.
24 We were invited here today to introduce our team to
25 you for Phase 3 re-evaluation. MWH is leading the

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1 effort. We're a global engineering firm with about
2 7,000 employees globally, and we are teamed with Pare
3 Corporation. They have extensive local experience as
4 well as relationships with many of the member
5 communities. They've also worked on several MDC
6 projects over the years.
7 RPS, ASA is also on our team. They did the water
8 quality modeling for Phase 1 and 2 and will continue on
9 that for Phase 3.

10 So, what makes MWH unique among our competitors? We
11 focus only on wet infrastructure. We don't do roads or
12 bridges or buildings, and by wet infrastructure, I mean,
13 we do water, wastewater treatment, dams, hydropower,
14 tunnels, dam systems and CSO programs.
15 Because we focus on wet infrastructure, we
16 continually appear at the top of the ENR rankings in our
17 sector, and you'll notice here that we show up not only
18 in the design firm rankings, but also the contractor
19 rankings as well. We are the largest wastewater
20 contractor in the U.S.
21 So, MWH is a full-service firm, and what that means
22 is we do planning, we do designs, we do construction, we
23 do design build, we do asset management, construction
24 management and program management.
25 We have national experience with wet weather

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1 programs. In New England, specifically, we have been
2 working with the City of Cambridge over 15 years on
3 their wet weather program.
4 We are working with the Springfield Water and Sewer
5 Commission on their long-term control plan. We've been
6 working with them for 4 years. We have worked with New
7 York City DEP on a couple of their programs for over 5

8 years.

9 Outside of New England, we've been working with the
10 City of Baltimore for three years on their consent
11 decree program. We've been working with the City of
12 Atlanta for over 10 years on their consent decree
13 program. We worked with Cape Coral, the City of
14 Houston, Indianapolis, Northeast Ohio Sewer District,
15 Lima Ohio. We are working with Muncie and most recently
16 with Akron, Ohio.

17 Now, MWH has emerged as the industry leader in
18 applying EPA's new integrated planning framework. For
19 example, we have worked with the City of Baltimore to
20 have their integrated planning framework plan be
21 accepted by the EPA, not only accepted, but it was the
22 first approved in the U.S.

23 We've also worked with the City of Atlanta to help
24 them negotiate a 13-year time extension to their consent
25 decree, and we helped Indianapolis re-negotiate their

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1 consent decree.

2 We are also currently working with Springfield on
3 using the integrated planning approach for their consent
4 order on Munci and now Narragansett Bay Commission.
5 So, what is the IPF, and what does it mean for Phase

6 3? As Tom mentioned, we're going to be validating the
7 original Phase 3 plan, and to do this we're going to be
8 doing some detailed hydraulic modeling and analysis, and
9 applying a holistic approach to refine that plan, which
10 means we're going to be looking at green infrastructure
11 and grey infrastructure technology in order to reduce
12 some of the stormwater runoff that gets into the system
13 and optimize the operation of the existing system, and
14 hold back some of the flow that gets into the system
15 upstream to make room downstream for more stormwater,
16 the intent there is to alleviate CSOs and potentially
17 reduce the size and cost of some of the components of
18 the original Phase 3 plan.

19 So, this photo on the left here is an example of a
20 green infrastructure technology, and this is just a
21 grassy area around a catch basin inlet, and what that
22 does is it slows down runoff, and some of them will
23 infiltrate into the soil before it ends up going into
24 the catch basin and eventually into the pipe in the
25 ground.

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1 The photo at the top there is an example of a rain
2 garden, and this is catching runoff from the roof. The
3 photo on the right is an underground storage tank, and

4 this is a temporary stormwater storage tank which would
5 catch and store stormwater during the peak of a storm
6 and then slowly and gradually discharge it back into the
7 system once the storm is passed.

8 We will also be looking at passive control systems
9 that can be strategically placed within the existing
10 system. The illustration at the bottom is an example of
11 a bending ware, and this would go into a small junction
12 box, and it be would placed between two existing pipes,
13 and what it does is it holds back flow upstream until
14 that flow reaches a certain level, and then when it's
15 needed, the bending ware will start slowly tipping over
16 and allow more and more flow downstream. Again, what
17 does is it helps maximize storage upstream so that your
18 downstream systems can work better during these storms.

19 So, the follow-on path to the technical approach is
20 looking at a balanced implementation of the refined
21 Phase 3 plan, and Tom also discussed how that means
22 balancing priorities through integrated planning and
23 looking at the financial impact to ratepayers for all of
24 the commitment, not only CSO compliance commitments, but
25 all capital improvement commitments, and a huge part of

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1 that is an affordability assessment. To clarify how

2 this works, Sean Searles is going to talk about the City
3 of Baltimore.

4 MR. SEARLES: Well, I thought Tom did an
5 excellent job describing to you the potential benefits
6 of integrated planning. I think what I would like to
7 share with the board today is my experience specifically
8 in the City of Baltimore with integrated planning where
9 we've been leading the city there for about the last two
10 years in the development of a plan.

11 Melissa indicated that that plan has been approved by
12 the regulators. I don't want to mislead the Commission.
13 That plan is right now the core of a negotiating
14 position that we're working with the regulators on to
15 modify the existing 2002 consent decree.

16 What the regulators have said is that that plan will
17 inform their decision with regard to any approved
18 modifications to the consent decree including time
19 extension, which we anticipate will be a significant
20 time extension.

21 So, what we're looking for here through the
22 integrated planning process is, you see on the left
23 there's a series of graphics that talks to business as
24 usual and then what we're looking to achieve through the
25 integrated planning efforts.

1 Business as usual, what we find in most utilities is
2 you get a very unbalanced investment that's largely
3 unaffordable. When you combine all of the needs of the
4 utility including the regulatory-driven needs which tend
5 to constrain your consent decree, and actually, the
6 graphic in the middle, which you're looking at, is a
7 representation of what Baltimore's investment profile
8 looked like before we began this integrated planning
9 effort.

10 We've now moved it to the right to a much more
11 balanced investment, and we've made affordability as the
12 driver for the actual implementation schedule for that
13 plan.

14 The other thing that you're looking to achieve
15 through the integrated planning effort, particularly,
16 the regulators are looking at this, they want to see
17 some very beneficial improvement. You can interpret
18 that as environmental benefit early on in the planning
19 years.

20 So, in Baltimore's case, what we've done is we've
21 come up with a plan that's balanced, that's affordable,
22 but also front loads total benefits. That includes
23 environmental benefits, but in Baltimore's case, we've
24 used the quadruple bottom line approach because just
25 like we want to be balanced in terms of our investment

1 across the asset infrastructure, we want to make sure
2 that the priorities and goals of the city are being met.
3 Those are not just environmental. While those are very
4 important, there's other social economic and other
5 considerations that are important in the plan.

6 So, what we developed through our experience in
7 Baltimore is a 10-step process. This, by the way, has
8 been endorsed by EPA, this methodology, for the
9 development of the plan, it's a set of repeatable steps,
10 it can be tailored to the unique needs of any utility.

11 It was developed specifically to conform to EPA's
12 guidelines for integrated planning. Their guidelines
13 include about a 6-component plan that results from the
14 process. This methodology is meant to achieve that.

15 Just to give you an idea, now, what you're looking at
16 there is the service area for the City of Baltimore. If
17 you look on the left there in 2013, that's the situation
18 as it stands today. Now, you heard some of the previous
19 affordability discussions.

20 In the City of Baltimore, 26 percent of their
21 ratepayer base lives below the federal poverty line, and
22 of that 26 percent, 50 percent of those live more than
23 50 percent below the poverty line.

24 So, what that red represents, they're showing the

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1 already can't afford their utility bill.

2 Now, if we were to proceed with the current plan

3 which is largely regulatory driven, this is before

4 integrated planning, what you see is the majority of the

5 census tracks in Baltimore, by EPA's current definition

6 of affordability, would not be able to afford the

7 utility bill by 2030.

8 So, what we're trying to do through integrated

9 planning is to ease that pain, and to hopefully, end up

10 with a more balanced approach that minimizes the total

11 burden to the ratepayers because they're funding all of

12 these improvements.

13 Now, this is, and I just put this up here; please

14 don't try to read this, this is the framework for EPA's

15 guidelines for affordability. They were developed back

16 in '97. They're largely considered by the industry,

17 including the regulators as being out of date, and

18 there's a lot of work that's been done through the U.S.

19 Conference of Mayors with AWWA and WETH and even NACWA

20 to help amend the affordability guidelines, and as Tom

21 indicated, it's based around percent of burden relative

22 to the median household income, which doesn't take into

23 account a lot of the real economic impacts that really
24 determine whether or not a capital plan is affordable in
25 a given utility district.

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1 So, on the left what you see is the economic
2 indicators related to the residential indicator. That's
3 that 2 percent, if you will, of median household income.
4 On the right what you see is a set of other economic
5 indicators that really are meant to establish a utility
6 customer's ability to absorb additional financial burden
7 beyond the one that they currently have. Like I said,
8 this is largely considered to be out of date and is
9 being re-looked at right now.

10 The big problem with the residential indicator as Tom
11 mentioned previously is that it ignores the impact of
12 actual bills on your current ratepayer base. In
13 addition, it totally ignores how income is skewed within
14 those census tracks around the median.

15 If you look at the profile for the City of Baltimore,
16 you would find around the median there is a very small
17 amount of population base that's clustered there. Most
18 of it is on the very low end, and then there's a fairly
19 large pocket on the high end.

20 So, when you're really looking at affordability and

21 you're doing it down on a census-track basis, you can
22 quickly see how the burden is accrued to those
23 households that live in those census tracks, so the
24 details really matter, and in fact, this data I think we
25 pulled from Providence.

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1 What we're looking at here is we want to make sure
2 that we understand what the income distribution is
3 across the census track. We want to be able to analyze
4 affordability considerations down at the lowest level
5 where the ratepayers actually pay their bills.
6 The good news in all of this, the approach that we
7 advocated in Baltimore and that we have used is now the
8 leading candidate, if you will, to be adopted by the
9 regulated community. Again, this document was published
10 here just last summer that was pushed by the U.S.
11 Conference of Mayors who, by the way, and I think maybe
12 you realize this, the U.S. Conference of Mayors was also
13 the big impetus behind the development of the integrated
14 planning framework. They felt the burden of the big
15 cities trying to comply with these very onerous consent
16 decrees that were largely unaffordable, and they pushed
17 the regulators to develop the integrated planning
18 framework guidelines that were released in June of 2012.

19 So, the goods news is, for those of us that are out
20 there with affordability concerns is, there's a new
21 mousetrap that's going to be hopefully adopted here in
22 the near future. It happens to be the one that we've
23 been using, the one that we used in Baltimore. The
24 regulators in Region 3 and even the US EPA like that
25 approach.

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1 One difference, though, I will tell you in Baltimore,
2 and Tom alluded to it when he put all of the different
3 asset classes up there under integrated planning on the
4 slide that he had, in Baltimore, we have included all of
5 the asset infrastructure that the integrated utility
6 owns and operates, including water.
7 The integrated planning in terms of the EPA
8 guidelines only applies to those Clean Water Act
9 infrastructures of wastewater and stormwater.
10 So, they had a little bit of a challenge with us in
11 terms of what we've chosen to do which is, and our
12 argument is, Baltimore, look, the same money comes out
13 of the same ratepayers' pockets. We've got to consider
14 the total need across the entire utility and how that
15 impacts affordability to bills to the ratepayers.
16 So, they've come a long way. They're now, like I

17 said, actually considering using our integrated plan to
18 inform their decisions on major modifications to the
19 consent decree.

20 So with that, I'm going to ask Larry to come up here
21 and give you an overview of MWH's program implementation
22 experience.

23 MR. LAWS: Thank you, Sean. My name is
24 Larry Laws, and I'd like to talk to you about a couple
25 of the projects that Melissa referred to a little

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1 earlier, Cape Coral, Florida and Austin, Texas where we
2 have a couple of big construction programs going on and
3 just recently finished.

4 Some of you may be familiar with Florida and where
5 Cape Coral is. It's in Southwest Florida down in the
6 Fort Meyers area. It's developed in a very unique way.
7 It's a relatively young city, and two brothers from
8 Baltimore went down there and bought up 100 square miles
9 of Florida's swampland and drained the swamp by dredging
10 400 miles into the canal.

11 You can see some of the canals in the lower left-hand
12 portion on the slide here, built up the land, subdivided
13 all of that land into quarter-acre lots, pre-platted
14 lots, and aggressively marketed those throughout the

15 northeast and the upper Midwest to thousands and
16 thousands and thousands of homeowners who eventually
17 started coming down there and developing their own well
18 and septic because the city didn't have any central
19 services.

20 You can imagine with 400 miles of canal, which,
21 incidentally is more canals than we have in Venice,
22 Italy, that becomes an environmental challenge after a
23 while when you start getting more density down there.
24 So, the city decided they needed to do something, so
25 they embarked on a program administered by themselves.

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1 They held the engineering contracts. You see to the
2 right on the lower slide or part of the slide, an
3 organizational chart that shows the city in control of
4 the engineering contract, the construction contract, and
5 CM and inspector contract.

6 That effort didn't work out so well. You can see
7 from the slide they issued multiple large contract.
8 They ended serving 14,000 customers with over 20,000
9 formal complaints that ended up going to what they call
10 a blue ribbon panel for adjudication. They used the old
11 design bid bill followed by the inevitable argue, fight
12 and sue phase of the process. Four of the five

13 contractors sued the city and the city, in term, sued
14 everybody else.
15 So, they decided to take a timeout from utility
16 expansion and let things kind of cool down while they
17 settled all the lawsuits and so forth.
18 The new regime, new management, new ideas, several
19 years later, people started moving back in droves,
20 unprecedented growth in the early 2000s forcing them to
21 pick up where they left off to do more utility
22 expansion, but this time they did it in a different way.
23 They had developed what they call a program manager
24 at risk, which shows to the right the organizational
25 chart where they hired one individual entity to

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1 coordinate the planning, the construction, the design
2 because it all had to come together in a very, very
3 coordinated way. They were finding themselves about ten
4 years behind their master plan, and they really needed
5 to catch up because more people were coming down there
6 and poking straws in the ground, draining the aquifers
7 and putting more of those canals at risk from an
8 environmental standpoint with increased density of those
9 septic systems.
10 So, what they ended up doing was not only extending

11 those same water, sewer and irrigation utilities, but
12 also developing increased capacity with their treatment
13 plant and building a new treatment plant.
14 See, the middle graphic on the right-hand side shows
15 some of the projects. There were over 80 projects that
16 were developed during this 9-year nearly \$1 billion
17 program. They were scattered all over the city. We
18 literally were in everybody's front yard putting in
19 water and sewer lines and affecting homeowners from one
20 end of the city to the other.
21 We successfully delivered that program, and by having
22 one entity in charge, we increase consistency of
23 quality, safety, scheduled certainty. We're able to
24 coordinate things like extending utilities while you're
25 increasing the capacity of the related treatment plant.

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1 So, you had that capacity when you were ready to put
2 those people on line, so there was a lot of fast-track
3 construction.
4 Since the city was going to have the homeowners pay
5 for a lot of those improvements, it was important that
6 they keep it very economical and look for external
7 sources of money. We were able to help them find an
8 additional \$12 million in grant funding for stormwater,

9 and we were able to bring all of the projects in under
10 budget. So, what that meant was bringing rebates back
11 to some of those homeowners, which was a very important
12 thing from a political standpoint.

13 As you can imagine, from the first program, customer
14 service was a huge determinant in selecting who they
15 wanted to work with, and we had a proven what we called,
16 Customer First Program, which was very comprehensive.
17 Least to say that an independent survey commissioned by
18 the folks down there ended up with an 83 percent success
19 rating in terms of the construction process when they
20 talked to homeowners that were affected --

21 We used competitive bidding to get the best available
22 local subcontractors. We pre-qualified a lot of local
23 subcontractors, and it was important to the city down
24 there to keep work local, and that's exactly what we
25 did.

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1 The program, and I'm pleased to say, won a number of
2 state and OSHA safety awards. We got to 2 million hours
3 without a lost time accident, which was very impressive
4 given the fact that we were in the streets in traffic
5 and all over the city every day of the week. We also
6 won a national partnering award from the American

7 General Contractors Association as well.

8 So, project price certainty, which was important to
9 the client changeorder rate on nearly a billion dollar
10 program far less than 2 percent, closer to 1 percent,
11 and just as important to the client, 0 contractor claims
12 after the entire program was finished.

13 The reason I show you the picture on the lower right
14 is not to show you what a house looks like in southwest
15 Florida, but to show you that we designed and
16 constructed a massive pump station to look like a house
17 in southwest Florida.

18 So, 2/3 of the sewerage from Cape Coral lower half of
19 the city flows through two big wet wells in the
20 courtyard in the front of what looks like a house,
21 rollout generator in the garage and an odor control
22 facility behind the white picket fence in the backyard.
23 We so blended in, we got lots of junk mail delivered to
24 that pump station.

25 Another large program still underway, about 90

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1 percent complete, the City of Austin, Texas, looking at
2 similarly going with the design bid build mentality to
3 build a new water treatment plant. A water treatment in
4 Austin you would think would be a good thing, but it was

5 35 years in the making, a very politically hot potato
6 kind of a project.

7 Environmentalists were determined to make sure that
8 we didn't disrupt the habitat of the -- flat tailed
9 salamander and other similar creatures, so they were
10 very aggressive in trying to stop Austin from building a
11 water treatment plant. So successful it took 35 years,
12 almost a generation, before they got the political will
13 and everything mustered in the right direction to go
14 ahead and build the water treatment plant. It didn't
15 stop the environmentalists. They twice tried to stop
16 the project, even though it was well under construction.

17 This is another sizable project, half billion
18 dollars, treatment plant, and the combination of the
19 water treatment plant and tunnel, not quite the same
20 size as some of the tunnels I've seen on the wall here.

21 The TBN that you see on the left is only a 7 footer
22 compared to some of the ones that I see pictures of
23 around the room here.

24 We had three substantial tunnels that brought water
25 from, all water from Lake Travis, which you see in the

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1 center pictures there. A very high-profile project,
2 obviously, from a community standpoint.

3 For those of you who fancy country music, you may
4 have heard the tune that Garth Brooks has, I've got
5 friends in low places, let's go down to the Oasis.
6 Well, the Oasis restaurant overlooked that middle
7 picture that you see there, so we were out there for
8 months on the lake underneath the Oasis restaurant.
9 We had lots of sidewalk superintendents watching over
10 the work that we were doing out on the lake, so it
11 couldn't be a more high-profile of a project expanding
12 over 7 miles.

13 As you can see, while Rhode Island may be a small
14 state, Texas fancies themselves are doing everything
15 bigger, so some of the equipment we have down there is
16 indicative of that.

17 Austin Water Utility chose MWH to do this project for
18 various reasons. They were headed down the design bid
19 build path, but decided the more they learned about
20 alternative delivery and other ways to deliver projects,
21 the more they liked the fact that they could preserve
22 some of their own control over the process, not just
23 turn it over to the design and the construction entities
24 and sit back and kind of hope that everything goes well,
25 but to take an active role throughout the process.

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1 This gave them a lot more flexibility to respond to a
2 lot of either political or budget or other
3 environmental-induced changes. It gave us a lot of
4 flexibility to work with the owner in doing just that.
5 This also improved cost and schedule certainty in
6 bringing your constructor aboard earlier in the process
7 and working with the design firm.

8 So, not only did that encourage us to work closely
9 together, it increased collaboration during the design
10 process when you can usually influence what the outcome
11 might be in the construction process and reduce those
12 changeorders and increase the probability that you won't
13 have big claims at the end.

14 So, you can see our changeorder rate on this half
15 billion dollar project with lots of moving parts, it is
16 way less than 1 percent at this point. We're about 95
17 percent through with the project.

18 One of the other things that the City of Austin was
19 very interested in was keeping the work local. Those of
20 you who have been to Austin may know that they pride
21 themselves on a T-shirt that says, Keep Austin Weird.
22 So, what that means to them is to keep the work local,
23 keep everything local. They don't like the big boxes
24 and chain and so forth. They really fancy themselves as
25 being very unique down there in many ways.

1 So, they had some very ambitious goals for us to keep
2 work local, and also to include the minority business
3 enterprises and local businesses which we shattered all
4 of their participation goals by breaking the project up
5 into smaller packages that were suitable for the bonding
6 capacity for those local contractors.

7 Lastly and very important to the Austin Water Utility
8 director, he wanted a single point of responsibility to
9 bring all these different parts of this program together
10 in a coordinated way, it didn't really do him any good
11 to have the lake tap done and the finished water tunnel
12 done if the treatment plant wasn't done at the same time
13 to make it all work together.

14 So, they wanted a single point of responsibility and
15 someone who could bond the entire program, so that was
16 one of the reasons they chose our particular company was
17 because we could do all those other things, and as he
18 referred to it as not just single point of
19 responsibility, he liked us to say he wanted one throat
20 to choke, and that's what he got with our company.

21 So, we definitely had skin in the game, and I'm
22 pleased to report we're just about finished with that
23 project.

24 Those aren't the only projects that are high profile
25 or large projects that MWH is doing. We are the lead

1 designer for the new Panama Canal, the third set of
2 taxes for the Panama Canal that is an ongoing project
3 right now.

4 We are very, very big in the United Kingdom or the UK
5 where we managed several of their multi-year, what they
6 call Asset Management Programs or AMP programs
7 throughout the country. We're the largest contractor in
8 the UK, and we managed the 5 years CIP Program for the
9 City of London and for other large AMP programs
10 throughout the UK.

11 And last, but not least, you see a picture there of
12 the Colorado Springs project. Another, nearly, \$1
13 billion program that's currently underway in Colorado.

14 So, if I could just summarize what I believe you
15 heard from us is that we definitely are a fully-
16 integrated provider, and we stick to the knitting. Wet
17 infrastructure is what we do, and as you can see from
18 the ENR rating, we consistently rate very high in
19 leadership in that area. We're not only a leader in
20 design and construction, but integrated planning, we
21 definitely have the tools to help our clients find
22 balance and affordable solutions earlier.

23 A lot of our big projects, we're no strangers to

24 community involvement, community outreach. We've got a
25 lot of experience in doing that and being good neighbors

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1 in the communities that we serve. We try to make sure
2 that our approach is tailored to whatever the client
3 needs. There's no cookie cutter with us, and we will
4 tailor our approach to what you are looking for as our
5 client.

6 And as you can see from some of the slides, we
7 definitely have proven experience with large-scale
8 projects and programs. With that, I'm sure any of us
9 would be happy to take any questions that you might
10 have.

11 COMMISSIONER BURROUGHS: Could you use your
12 experience in Baltimore to give us a sense of, if you
13 switch out of grey infrastructure towards green, what
14 the consequences of that are on operations and
15 maintenance costs?

16 MR. SEARLES: That's a very good question.
17 There is obviously a big push in the regulated
18 community. In fact, with integrating planning, they
19 encourage you to consider green alternatives as opposed
20 to grey solutions, and again, as we said a couple of
21 times today, it is really tailored and unique to every

22 utility as to how much benefit you can derive from green
23 infrastructure solutions.
24 I don't have any metrics that I can give you today
25 that would suggest what the relative costs are. What

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1 you hear today is we could save a billion dollars if we
2 go green vs. grey. That doesn't take into account the
3 long-term O&M costs. That's a big consideration.
4 And because a lot of these solutions are very new,
5 they're evolving, there's not a lot of data out there in
6 the community to tell us how effective these solutions
7 are relative to the grey solution.

8 COMMISSIONER BURROUGHS: Can you say
9 anything about effectiveness with respect to water
10 quality? Is that still unknown, if you shift from grey
11 to green and how reliable --

12 MR. SEARLES: The idea with green
13 infrastructure, you're trying to keep infiltration from
14 getting into your pipes, and to the extent that there's
15 things like bio-retention basins and green gardens and
16 things like that that you not only capture some of that
17 infiltration flow that ultimately get into your pipes,
18 but also, environmentally treated, if you will, you
19 can't replace treatment for the water that ultimately

20 get into the pipes and makes it to the plant in terms of
21 ultimate water quality.
22 There's a lot of debate within the community about
23 the effectiveness of some of these green solutions, just
24 how much, what percentage of your total program flow
25 that you're trying to remove, whether it's the tunneling

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1 or whether it's the application of green, how much
2 you're going to get out of that these green solutions.
3 COMMISSIONER HANDY: The slide you showed
4 about Baltimore suggested that you were moving towards a
5 huge investment in additional stormwater controls and
6 the draining back to the investment on the grey
7 infrastructure. So, I guess, why would you reach that
8 conclusion if it isn't a powerful drive in terms of the
9 comprehensive analysis?

10 Also, who's paying for that and who's administering
11 on the stormwater sites, if we can get some education
12 here as to how --

13 MR. SEARLES: Well, in Baltimore, they as of
14 last July, they approved a stormwater utility fee. They
15 now have a dedicated enterprise fund for surface water
16 management projects where before they were using general
17 obligation money, and of course, as you know, that's

18 hard to come by, and it was way under what they needed
19 to meet the needs.
20 I don't think, unless I'm mistaken, I don't think I
21 had a slide up there that suggested Baltimore had a
22 major involvement in green. It's actually an SSO
23 community as opposed to a CSO community like you have
24 here. So, the relative effectiveness in terms of the II
25 control is not as great.

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1 However, Baltimore has a number of green initiatives
2 that they are pursuing, and what we have done through
3 the integrated planning process is, we took a look at
4 the total capital program based on the identified needs
5 across all the utility. We looked for opportunities to
6 put green infrastructure solutions in there, some of
7 which may be downsized, some of the grey projects, none
8 of which that I can recall did away with any of the grey
9 projects.

10 COMMISSIONER HANDY: I guess, maybe I'm
11 mistaken. The stormwater element of that -- and I
12 assume that those were green stormwater --

13 MR. SEARLES: Right. That was meant to
14 suggest a more balanced investment whereas Baltimore was
15 spending probably \$7 for a wastewater system improvement

16 against every 50 cents that they spend on stormwater,
17 maybe every dollar they spend on stormwater. So,
18 through the integrated planning process, we're looking
19 to make a more balanced investment.

20 MR. BRUECKNER: Just want to mention that in
21 the scope of work for MWH in the re-evaluation, one of
22 the things we asked them to look at is green
23 infrastructure throughout the entire district as an
24 alternative to what we are currently proposing, so
25 they're going to look at that.

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1 They're also looking at, and if it's not where, are
2 there areas within the district that are very feasible
3 can be implemented cost effectively and something we
4 might recommend.

5 But I think one of the big concerns we would have
6 with green infrastructure, let's say it's a bio swale on
7 the street, when it's done, who's going to maintain
8 that? You would you think it's the city or public works
9 people, but a lot of local communities don't have the
10 funding capability to do that, so that's an issue, and
11 it does need to be maintained and it could be expensive.
12 We are going to look at that as part of the
13 re-evaluation.

14 CHAIRMAN MESOLELLA: So, are there any other
15 questions?

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: Any other questions at
18 all?

19 THE COMMISSION: (No response)

20 CHAIRMAN MESOLELLA: I know this has been a
21 long meeting for our Commissioners, but I felt it was
22 important for everyone to understand who MWH is, why
23 they were selected. You can see from the very positive
24 experiences that they have, I hope we have a positive
25 experience with them. We're happy that they're on

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1 board, and thought it was important for the board to
2 understand who they are, what they do and the issues
3 that we're confronted with. So, I certainly appreciate
4 your indulgence today, and if you have any questions or
5 concerns, raise them now or raise them at some future
6 date. Commissioner Burroughs.

7 COMMISSIONER BURROUGHS: One other thing on
8 the agenda was the water quality impacts from Phase 1,
9 is there a way that we could either individually or
10 collectively get that information?

11 RAYMOND MARSHALL: Yes. We can send it to

12 you individually, and we'll reschedule it for another
13 meeting where we'll have some -- we're going to be
14 having additional informational sessions from now until
15 the end of this fiscal year at each of the board
16 meetings.

17 CHAIRMAN MESOLELLA: We want to make sure
18 everyone is completely informed as to where we've been
19 and where we're going, and I know it takes a little bit
20 of time, but I think it needs to be done.

21 You better defend me on this, Commissioner Nathan,
22 because you were the interest behind that we heard all
23 of the issues, and he remains silent. Well, thank you
24 very much.

25 COMMISSIONER NATHAN: Thank you. We need to

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1 know this type of stuff. How can we make decisions
2 without it?

3 CHAIRMAN MESOLELLA: So, having heard that,
4 unfortunately, Commissioner Rotella is not here to move
5 along to Item Number 9.

6 COMMISSIONER MacQUEEN: So moved.

7 CHAIRMAN MESOLELLA: Commissioner MacQueen
8 moves that we adjourn.

9 COMMISSIONER HANDY: Second.

10 CHAIRMAN MESOLELLA: Second by Commissioner

11 Handy and I think the entire board. All of those that

12 approve adjournment will say aye.

13 THE COMMISSION: Aye.

14 CHAIRMAN MESOLELLA: Are there any opposed?

15 THE COMMISSION: (No response)

16 CHAIRMAN MESOLELLA: None opposed. Motion

17 carries. We are adjourned.

18 (MOTION PASSED UNANIMOUSLY)

19 (MONTHLY BOARD MEETING CLOSED AT 1:40 P.M.)

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1 C E R T I F I C A T E

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4 I, Heather Marie Finger, do hereby certify
that the foregoing is a true, accurate, and complete
5 transcript of my notes taken at the above-entitled
hearing.

6

7 IN WITNESS WHEREOF, I hereunto set my hand
this 16th day of April 2014.

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HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
MY COMMISSION EXPIRES 4/02/16

DATE: March 25, 2014

IN RE: Board of Commissioners Monthly Meeting

HEARING OF: Narragansett Bay Commission
Board of Commissioners

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
NARRAGANSETT BAY COMMISSION

In Re: Monthly Board Meeting of the Commission

DATE: March 17, 2015

TIME: 11:00 a.m.

PLACE: Narragansett Bay Commission

Corporate Office Building

One Service Road

Providence, RI 02905

PRESENT:

Vincent Mesolella, Chairman
Raymond Marshall, Executive Director & Secretary
James Bennett
Richard Burroughs
Mario Carlino
Joseph DeAngelis, Esquire
Michelle DeRoche
Michael DiChiro
Jonathan Farnum
Seth Handy
Paul Lemont
Ronald Leone
John MacQueen
Alan Nathan
Angelo Rotella
Richard Worrell

ALSO PRESENT:

Cecille Antonelli, NBC
Sherri Arnold, NBC
Daniel Berger, PFM
Rich Bernier, NBC
David Bowen, Wright-Pierce
Kerry Britt, NBC
Thomas Brueckner, NBC
Rafael Castro, McMillen Jacobs Associates
Bill Fazioli, PFM
Leah Foster, NBC
Harold Gadon, CAC
Karen Giebink, NBC
Meg Goulet, NBC
Jennifer Harrington

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1 ALSO PRESENT:

- 2 Jennifer Jordan, McMillen Jacobs Associates
Kathryn Kelly, NBC
3 Kim Kirwan, NBC
Joanne Maceroni, NBC
4 Steve Maceroni, PFM
John Motta, NBC
5 Karen Musumeci, NBC
Paul Nordstrom, NBC
6 Robert Otoski, CDM Smith
George Palmisciano, Pare Corp.
7 Rich Raiche, MWH
Jamie Samons, NBC
8 Deborah Samson, NBC
Matt Travers, MWH
9 Thomas Uva, NBC
Barry Wenskowicz, NBC
10 John Zuba, NBC

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1 (BOARD OF COMMISSIONERS MEETING COMMENCED AT 11:03 A.M.)

2 CHAIRMAN MESOLELLA: Call the meeting to
3 order. Recognizing a quorum, we will call to order
4 today's meeting, Tuesday, March 17, 2015 to order at
5 11:03 a.m. Good morning, welcome, and of course, Happy
6 St. Patrick's Day.

7 The first order of business is the approval of the
8 previous minutes of January 6, 2015 and January 13,
9 2015. That one, of course, for January 6th is the
10 workshop session. Have all of our members had an
11 opportunity to review the previous minutes, and if so,
12 are there any comments, questions or corrections?

13 THE COMMISSION: (No response)

14 CHAIRMAN MESOLELLA: Comments, questions or
15 corrections on the previous minutes?

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: Hearing none,
18 Commissioner Farnum, do you have a motion?

19 COMMISSIONER FARNUM: I do.

20 CHAIRMAN MESOLELLA: Commissioner Farnum

21 moves that we approve the previous minutes.
22 COMMISSIONER DiCHIRO: Second.
23 COMMISSIONER MacQUEEN: Second.
24 CHAIRMAN MESOLELLA: Seconded by
25 Commissioner DiChiro and Commissioner MacQueen. All in

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1 favor of approval will say aye.
2 THE COMMISSION: Aye.
3 CHAIRMAN MESOLELLA: Are there any opposed?
4 THE COMMISSION: (No response)
5 CHAIRMAN MESOLELLA: There are none opposed,
6 and that motion carries.
7 (MOTION PASSED UNANIMOUSLY)
8 CHAIRMAN MESOLELLA: Next order of business,
9 Number 3, is the Executive Director's Report. Mr.
10 Secretary, do you have a report for us today?
11 RAYMOND MARSHALL: Yes, sir, I do.
12 CHAIRMAN MESOLELLA: Proceed.
13 RAYMOND MARSHALL: I would like to point out
14 to you that both plants have survived the winter without
15 any major problems. We had quite a bit of a snow
16 removal effort, but everything was maintained and well
17 run during the winter.
18 In fact, at Bucklin Point, our nitrogen removal

19 process actually stayed remarkably stable, and given the
20 change in temperatures that we've experienced, is quite
21 an accomplishment.

22 At Field's Point the nitrogen removal process
23 actually dropped off, and we're going to start ramping
24 it back up so we are ready for our permit season of May
25 1 through October 31st.

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1 Part of the reason is that the Rhode Island Resource
2 Recovery leachee started to flow to Field's Point just
3 after November 1st when the permit season ended. Right
4 now, their system, while in its place, they don't have
5 their pretreatment system up and running yet. They're
6 in the process as we speak of bringing that on line, and
7 we've been meeting with them on a regular basis; so
8 we're confident that once they have their 4- to 6-week
9 acclimation period for their new system that everyone
10 will be able to meet their permit, but they are on
11 notice that if they can't achieve those results, they
12 may have to do something else with their leachee
13 including going back to Cranston for a short period of
14 time until they're ready to come to us.

15 We also have a meeting scheduled with Resource
16 Recovery and DEM in the next couple of weeks to

17 continue to review this process, and we'll keep you
18 posted.
19 They had been sending us 329 cubic feet per day, and
20 I honestly don't know what that converts to in gallons
21 off the top of my head, but at today's rates, it's about
22 \$1,200 a day is what their flow means to our increased
23 revenue; so that would be, say, 35,000 a month and just
24 over 400,000 a year, so additional revenue at current
25 flows. Those flows will continue to increase over the

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1 years as they continue to expand their system and bring
2 more of a leachee into their pretreatment system. So,
3 all of that is what's happening on the Resource Recovery
4 front.

5 Also at Field's Point I've been keeping you posted on
6 what's happening with the so-called turbo blowers that
7 pump the air into our treatment system. We've had quite
8 a struggle with those units, as you know. They've been
9 updated, upgraded all at the manufacturer's expense. We
10 now have 8 of 9 operational, so that's good news. We
11 have one more that needs to be updated, and so it's
12 reactivated for the permit season. That should happen
13 sometime by the middle of April, at which time we'll
14 have 9 of 9 available for the May 1st, start of the May

15 1st permit season.
16 However, we don't have a lot of confidence in those
17 units, and so as you know, we started on down the road
18 on a short-term plan to bring in two traditional
19 blowers, which we have now ordered under the emergency
20 procurement procedures. Those should be in at the end
21 of June.

22 In the meantime, all the work that is required for
23 their installation, the base pads, the electrical runs,
24 the piping, the valving will all be in place, so when
25 those units are delivered, we'll be able to put them

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1 into place and have them up running with full
2 availability by, say, mid-August, which is about halfway
3 through the permit season. That way if we start having
4 additional trouble with the turbo blowers, we'll have
5 that buffer, and those units will be part of the
6 long-term plan; but this so-called short-term approach
7 has to stay in place for 2015, '16 and '17 because the
8 long-term solution, which will bring in some additional
9 traditional technology, which will be all done through
10 the public bidding process and procurement procedures
11 won't be ready until probably 2018.
12 So, we have the short-term plan in motion. The

13 long-term plan is unfolding now, and we have an RFP out
14 to hire a consultant to help us put that together,
15 although our staff had done a good job outlining what
16 that should include. Again, I'll keep you posted as we
17 move through the upcoming months.

18 Finally, in the Operations & Engineering arena, Phase
19 3, there's going to be some new information in Phase 3
20 of CSO, that is, we're going to present some new
21 information to you during the Long-Range Planning
22 Committee Report, but I won't bore you with the details
23 now because you'll have the opportunity to see it in
24 more detail shortly.

25 As far as Construction goes, the new lab building,

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1 you probably noticed as you came in the steel is going
2 up, and they had a winter stoppage; and they're now
3 scheduled for completion in the spring of 2016, so we're
4 hoping that that project really picks up some momentum
5 now that the warmer weather is here.

6 On Phase 2 CSO facilities, everything is on line and
7 operating. What remains to be done is clean up, punch
8 list, landscaping and paving, so the contractors will be
9 out there in the next few months. The paving they ended
10 up doing may be the nicest streets in the entire region

11 by the time they get done with it, based on the number
12 of potholes I hit every day, but we'll see how that
13 goes.

14 One outstanding item on Phase 2 is, moving to
15 arbitration is a claim that was submitted by Shank
16 Balfour Beatty, who is part of the Barletta team, for \$1
17 million that they claim was caused by some work that
18 another contractor was doing along side them, namely
19 Barletta.

20 We don't think that this claim has any merit. That's
21 the reason why it's at the point that it's at now that
22 it's going to arbitration. Usually when these claims
23 come about, we evaluate them from a technical point of
24 view. If we think they have technical merit, then we'll
25 sit down with the contractor and try to work something

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1 out, and that is a lot of what you see through the
2 change orders that we've had on this project over the
3 past couple of years.

4 This particular claim we don't feel has any merit
5 from a technical point of view. What he's claiming
6 happened we don't see and our consultants don't see how
7 it could possibly have been caused the way he claims
8 that it did. Therefore, we never moved to settle it

9 because it's not worth settling.

10 If at some point he decides he just wants to take

11 care of his attorney's costs and walk away, that's a

12 different story, but in terms of the merit of the claim,

13 we don't believe that it has any, so we'll see what the

14 arbitration process brings. We think we will prevail.

15 Otherwise, we wouldn't go down that road. So, that is

16 one outstanding item on Phase 2.

17 In the Finance area, our budget is doing really well.

18 We're about 8 1/2 percent below projected expenses at

19 this point in time. The reason being, we're spending

20 less on personnel. We've had a few people leave and the

21 backfilling process takes time.

22 Biosolids production is down, which is good. We're

23 using less chemicals than we expected to run the

24 nitrogen removal process as well as debt service cost is

25 down because we budget a certain amount for a variable

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1 rate debt, and those numbers are, basically, at zero

2 over the course of carrying that debt at this point.

3 The FY '16 budget, which will start July 1st and

4 you'll be seeing it over the next couple of months, the

5 development of that is in full swing. Standard and

6 Poor's has just finished re-evaluating us, and we have

7 maintained our Double A minus rating, which is a good
8 thing.

9 We have a refunding coming up where we're going to
10 refund \$42.5 million of 2007 Series A bonds. That
11 should have a net present value savings of about 3.4
12 million. That's in addition to the refunding we did in
13 October, which was 2005 Series bonds, just under 40
14 million, where we saved 7.6 million, so we're kind of
15 staying on top of the markets and achieve savings
16 wherever we can.

17 In Policy Planning and Regulation, they're revving up
18 the sampling program for all the receiving orders now
19 that the nicer weather is approaching so we'll be
20 generating additional data and documenting all the
21 impacts, all the improvements that we've made at both
22 Bucklin Point, Field's Point and the CSO Program is
23 having on receiving waters.

24 In addition, Tom Uva will be giving a presentation
25 later in the meeting as time allows to go over all of

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1 our energy projects. Several of you asked about that,
2 how we're doing on our wind project, biogas, solar and
3 any other efficiency projects that we've undertaken in
4 the past several years, so I think you'll find that

5 interesting.

6 Vin has mentioned at least at a committee meeting we

7 have the Environmental Awards Breakfast on April 9th at

8 8:00 at the Kirkbrae Country Club where we give out

9 awards to those that we regulate through the

10 pretreatment program for perfect compliance and things

11 of that nature, as well as the river restoration awards

12 that you'll have a chance to approve a little later in

13 the meeting.

14 Finally, in Executive, Joanne has been spending lots

15 of time reviewing all the new legislation that's being

16 introduced. She's reviewed well over 250 pieces of

17 legislation trying to assess what impacts they might

18 have on our operation.

19 In the Governor's proposed budget, she has earmarked

20 having us pay \$2.8 million of debt that are actually

21 part of the original Bay bonds from back in 1980. When

22 those were originally approved by the voters, the 87.7

23 million, the legislation said that NBC ratepayers would

24 pay back up to \$14 million worth of that 87.7. We have

25 met our obligation. The state, apparently, has

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1 refinanced their portion of the obligation time and time

2 again, so there's still some outstanding. Do I have

3 that right, Mr. Chairman?

4 CHAIRMAN MESOLELLA: You do. This comes up
5 every couple of years.

6 RAYMOND MARSHALL: So, they want to us pay
7 their bill. Yes, it does. It came up in 2012 I think
8 was the last time.

9 CHAIRMAN MESOLELLA: Do you want me to
10 comment?

11 RAYMOND MARSHALL: Yes.

12 CHAIRMAN MESOLELLA: So, this issue, this
13 specific issue was the subject of a protracted
14 discussions with the former Director of Administration,
15 Richard Licht and Counsel DeAngelis where they tried to
16 sweep the account. We tried to tie it into a situation
17 where we would manage the state's portion of the debt,
18 since we do a very good job managing our debt, and they
19 do a very bad job managing their debt; and it became the
20 subject of negotiations, which I believe the Department
21 of Administration finally, we did come up with an
22 agreement which went to the General Assembly for an
23 action. It was in the Governor's proposed budget at the
24 time, and then the General Assembly saw fit not to pass
25 that particular budget article. That's pretty accurate,

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1 right? So, now here we are three years later, and it
2 looks like the same issue of a sweep.
3 So, I'm going to jump ahead, if you don't mind,
4 because I was going to talk a little bit about this in
5 the Chairman's Report, so if you don't mind, I'll just
6 kind of give you a highlight of my meeting with the
7 Governor this past month at my request for a direct
8 appropriation from the state for our benefit.
9 So I went to ask her for the money, and what she did
10 is she took our money instead or was attempting to take
11 out money instead. By the way, I was very successful in
12 that, that she's only asking for 2.8 million and not 11
13 million like, what was it, Resource Recovery or Clean
14 Water Finance?
15 So, anyway, it didn't work. The strategy did not
16 work, obviously, at least not to date, but I'm
17 confident, and I say that with some reservation, I'm
18 confident that we'll get this matter resolved. I'm not
19 certain that the administration is totally aware that
20 the funds are not really there for access. So, we'll
21 take care of it. It's not a very good month for the
22 Governor's office. That's it.

23 RAYMOND MARSHALL: My final thing is, you
24 might want to mark your calendars for July 12th through
25 the 15th. The National Association of Clean Water

1 Agencies is holding their summer conference here, and
2 we'll be getting you a lot more information, and the
3 Chairman and I are going to talk about what all the
4 different opportunities are for the commissioners to
5 attend any one of the sessions they might be interested
6 in. There are also some evening events.

7 NACWA's going to pay for a limited, but it's going to
8 be a waterfire, so it's coming out of NACWA funds, not
9 coming out of Bay Commission funds, and as a celebration
10 of having the organization in town, there are going to
11 be 3 or 400 people that attend from all around the
12 country. It's a very professional organization. They
13 do a nice job.

14 So, July 12th through the 15th, we'll get you a lot
15 more information in terms of what's happening on each of
16 those days. They're coming, basically, on Sunday.
17 Monday and Tuesday evenings are usually when most of the
18 receptions and waterfire-type events occur.

19 During the day, Monday, Tuesday and the first part of
20 Wednesday are when they have different sessions that
21 might relate to finance or management or operations. It
22 all depends on how the agenda is constructed for that
23 particular event.

24 I certainly encourage as many of you to attend as
25 possible. There is a fee for attending, but we are

1 programming that into our 2016 budget, so you'll have
2 that flexibility. That is it, Mr. Chairman.

3 CHAIRMAN MESOLELLA: Do any of our members
4 have any questions for the Executive Director pursuant
5 to his report this morning?

6 THE COMMISSION: (No response)

7 CHAIRMAN MESOLELLA: Hearing none, we will
8 then move along to Committee Reports and Action Items
9 Resulting. The first committee reporting, as always, is
10 the Construction, Engineering & Operations Committee.
11 Commissioner MacQueen, do you have a report for us
12 today?

13 COMMISSIONER MacQUEEN: Yes, I do. We had
14 two items for action. The first one was Review and
15 Approval of Resolution 2015:02, Award of Contract
16 120.00C Biogas Cogeneration System Bucklin Point.

17 RAYMOND MARSHALL: Thank you. This is the
18 biogas project you've heard us speak about in the past.
19 Our anaerobic digesters over at Bucklin Point break down
20 the sledge. They generate methane gas. We use a
21 portion of it to reheat that process to keep the
22 activity of the microorganisms going, but there's a lot
23 of excess gas that gets flared off. It's really a big

24 greenhouse gas, methane. So, this is an attempt by us
25 to reduce our carbon footprint to capture all of that

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1 gas that is now being flared off and to use it in an
2 environmentally beneficial way, which we will take the
3 gas, we'll push it through an engine, we'll generate
4 electricity, which should generate about 30 percent of
5 the electricity that we need at Bucklin Point on a daily
6 basis.

7 There are various grants and rewards for doing
8 projects like this. For example, there's some principal
9 forgiveness on the money that we'll borrow that we'll be
10 able to get. So, the payback depending on what we
11 actually get in those areas will range somewhere from 9
12 1/2 to 13 1/2 years because of the payback.

13 It's also important to point out that EPA has been
14 working now for a couple of years to come out with a set
15 of requirements for wastewater treatment facilities
16 throughout the country requiring them to reduce their
17 greenhouse gas emissions, so the methane gas is a good
18 example of one of them.

19 All of the work that we've just done in dozens of,
20 hundreds of facilities across the country when they put
21 in nitrogen reduction systems, the nitrogen gas that

22 gets gassed off, as they call it, that's also a
23 greenhouse gas component.
24 So, you do one thing and it creates another problem.
25 You solve a water problem, you create an air problem,

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1 essentially, in a lot of these situations, but what
2 they're looking at is the base year, is probably around
3 the year 2000. So, ultimately, we'll get credit for
4 this project toward our greenhouse gas reduction, as we
5 will for our wind turbines because we're avoiding buying
6 a lot of energy generated by national gas emissions.

7 COMMISSIONER NATHAN: I have a question. I
8 remember with the wind turbines we were talking around
9 12-year payback and you're talking now 9 to 12 payback.
10 Is there an industry standard? I say that because
11 for-profit industry, that's a rather long payback, but
12 maybe in this kind of -- it's not.

13 RAYMOND MARSHALL: I'm not so sure that I
14 can say there's an industry standard. It's almost each
15 entity has to decide whether or not they think it's
16 worth doing it based on the payback period that is
17 calculated, and I think in our case, within the
18 framework of the type of organization that we are, which
19 is an environmental organization, and that we want to be

20 the leaders and be out front on these types of projects
21 showing that it can be done and it can be done well, our
22 goal really isn't to make money as a private entity
23 would, but we certainly want to have something that's
24 financially prudent as well.
25 So, of the three bids that we got, Daniel O'Connell's

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1 Sons is the low bidder at 6.97 million. They're a
2 contractor well known to us. They did the upgrade at
3 both Bucklin Point and Field's Point. They did a really
4 good job.
5 They're very comfortable with their bid. All they
6 would really need to do after your approval would be to
7 get their MBE and WBE plans as well as meet the EEO
8 requirements to the Department of Administration, and if
9 they do that, they would be the lowest responsive and
10 responsible bidder, and based upon that, we request your
11 approval of Resolution 2015:02.

12 CHAIRMAN MESOLELLA: Okay. So, you have
13 heard the Executive Director's explanation of Resolution
14 2015:02. Are there any questions, comments regarding
15 the matter of the biogas cogeneration system? Any
16 questions at all?

17 THE COMMISSION: (No response)

18 CHAIRMAN MESOLELLA: So, Commissioner
19 MacQueen moves approval of 2015:02.
20 COMMISSIONER BURROUGHS: Second.
21 VICE CHAIRMAN ROTELLA: Second.
22 COMMISSIONER CARLINO: Second.
23 CHAIRMAN MESOLELLA: Seconded by
24 Commissioner Burroughs, Commissioner Rotella and
25 Commissioner Carlino. Further discussion?

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1 THE COMMISSION: (No response)
2 CHAIRMAN MESOLELLA: Hearing none, all of
3 those that are in favor will say aye.
4 THE COMMISSION: Aye.
5 CHAIRMAN MESOLELLA: Are there any opposed?
6 THE COMMISSION: (No response)
7 CHAIRMAN MESOLELLA: There are none opposed,
8 and the motion carries.
9 (MOTION PASSED UNANIMOUSLY)
10 CHAIRMAN MESOLELLA: Next order of business,
11 Commissioner MacQueen, you have a further report, yes?
12 COMMISSIONER Mac QUEEN: Yes. Review and
13 Approval for Resolution 2015:03, Award of Contract
14 304.72-Providence and Lincoln Interceptor Inspection &
15 Cleaning.

16 RAYMOND MARSHALL: Commissioners, what this
17 project involves in the cleaning and inspection of about
18 3 1/2 miles of NBC interceptors that run from Providence
19 up into Lincoln. They're, basically, 24 inches in
20 diameter, the pipes that are involved, and we do these
21 projects on a regular basis to try to stay up with the
22 maintenance of our system to identify any problems in
23 the system that need immediate attention, whether it's a
24 point repair or a lining project, which would come later
25 as part of a different bid process.

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1 It also helps to keep the capacity of our lines
2 available to us, so if there's any deposition in the
3 lines that that gets taken care of during a project of
4 this type.

5 There were two bidders, both known to us. Inland
6 Waters is the low bidder at \$165,011.50, and our staff's
7 estimate was that project would come in at about
8 \$150,000, but those bids are pretty close to our
9 original estimate.

10 We recommend that the job be awarded to Inland
11 Waters. They are the lowest responsive and responsible
12 bidder. They'll be some additional costs that we'll pay
13 for directly, such as police details and waste disposal,

14 that is the material that they pull out of the sewers
15 themselves, and they also have to be MBE and EEO
16 requirements that are approved by the Department of
17 Administration, and with that, we request your approval
18 of Resolution 2015:03.

19 In addition to the \$165,000, there's an additional
20 \$10,000 allowance we're asking for the board's approval
21 to be used at the discretion of the staff, in case
22 there's something that the contractor encounters in the
23 sewers that we didn't otherwise expect. You expect some
24 deposition, some of it heavy, some of it light. Once in
25 a while you come up with some really unusual things.

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1 In one case as I remember not too long ago, there
2 were a bunch of granite curbing or blocks that we found
3 in the sewers that took quite an effort to remove. That
4 was the result of vandalism at one point in time, but
5 that would be an example of what we would use that
6 \$10,000 amount for.

7 So, the full amount we're asking you for, and I stand
8 corrected on this, is \$175,011.50.

9 CHAIRMAN MESOLELLA: Commissioner MacQueen,
10 are you moving for approval on this matter?

11 COMMISSIONER Mac QUEEN: Yes, I am.

12 CHAIRMAN MESOLELLA: Commissioner MacQueen
13 moves approval of Resolution 2015:03.
14 COMMISSIONER WORRELL: Second.
15 COMMISSIONER FARNUM: Second.
16 COMMISSIONER DiCHIRO: Second.
17 CHAIRMAN MESOLELLA: Seconded by
18 Commissioner Worrell, Commissioner Farnum and
19 Commissioner DiChiro. Further discussion on the matter.
20 THE COMMISSION: (No response)
21 CHAIRMAN MESOLELLA: Further discussion on
22 Resolution 2015:03.
23 THE COMMISSION: (No response)
24 CHAIRMAN MESOLELLA: Hearing none, all of
25 those in favor will say aye.

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1 THE COMMISSION: Aye.
2 CHAIRMAN MESOLELLA: Are there any opposed?
3 THE COMMISSION: (No response)
4 CHAIRMAN MESOLELLA: There are none opposed,
5 and that motion carries as well.
6 (MOTION PASSED UNANIMOUSLY)
7 CHAIRMAN MESOLELLA: I believe that
8 completes your report, Commissioner MacQueen?
9 COMMISSIONER MacQUEEN: Yes, it does.

10 CHAIRMAN MESOLELLA: The next committee
11 reporting is the Finance Committee. Commissioner
12 Andrade was unavailable today. The Chairman chaired
13 that meeting. There are two matters that need the
14 Commission's approval.
15 Item A, which is Review and Approval of Resolution
16 2015:04, Amendment of the Narragansett Bay Commission
17 Non-Union Defined Benefit Plan. This would best be
18 described as a technical amendment to the plan. It is
19 budget neutral.
20 The resolution is in your packet. If anyone is
21 requiring a full explanation on it besides the Finance
22 Committee, we're prepared to do that. If not, the Chair
23 would move approval of Resolution 2015:04.

24 COMMISSIONER MacQUEEN: Second.

25 COMMISSIONER LEMONT: Second.

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1 COMMISSIONER LEONE: Second.

2 CHAIRMAN MESOLELLA: Seconded by
3 Commissioner MacQueen, Commissioner Lemont and
4 Commissioner Leone. Further discussion on this matter?

5 THE COMMISSION: (No response)

6 CHAIRMAN MESOLELLA: Hearing none, all of
7 those that are in favor will say aye.

8 THE COMMISSION: Aye.

9 CHAIRMAN MESOLELLA: Are there any opposed?

10 THE COMMISSION: (No response)

11 CHAIRMAN MESOLELLA: There are none opposed,

12 and the motion carries.

13 (MOTION PASSED UNANIMOUSLY)

14 CHAIRMAN MESOLELLA: The next item is Item

15 B, which is Review and Approval of Resolution 2015:05;

16 which is Recommendation for Use of Environmental

17 Enforcement Funds.

18 In your packet is the delineation of those parties

19 who have applied for and received grants from the

20 Environmental Enforcement Fund. These funds will be

21 dispersed at our April 9th meeting, the breakfast of the

22 Environmental Awards Ceremony to which you are all

23 invited to attend at the Kirkbrae Country Club on April

24 the 9th at 8:00.

25 Are there any comments, questions or recommendations

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1 regarding those grantees solicited on Resolution

2 2015:05?

3 COMMISSIONER BURROUGHS: Could you just

4 mention who the grantees are?

5 CHAIRMAN MESOLELLA: Yes. In your packet,

6 do you have that?

7 RAYMOND MARSHALL: Yes, I do.

8 CHAIRMAN MESOLELLA: I'll read it into the
9 record. It would be the Woonasquatucket River Watershed
10 Council. They have two grants, each for \$600;
11 Blackstone River Watershed Council/Friends of the
12 Blackstone, 600; City of East Providence Public Works
13 gets \$500; City of Central Falls for \$1,000; Friends of
14 the Moshassuck/Neighborhood Alliance of Pawtucket, 750;
15 Ten Mile River Watershed Council, 500; Save the Bay,
16 750; Neutaconkanut Hill, \$500; Keep Blackstone Valley
17 Beautiful, \$500; UPP Arts, \$500; Town of Smithfield,
18 \$250; Edgewood Waterfront Preservation Association,
19 \$600; Smithfield Conservation Commission, \$250 and East
20 Providence Police Explorers Post 750, at \$500. Does
21 anyone need an explanation as to why they're receiving
22 these funds?

23 THE COMMISSION: (No response)

24 CHAIRMAN MESOLELLA: There was a motion made
25 by the Chair for passage of Resolution 2015:05.

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1 VICE CHAIRMAN ROTELLA: Second.

2 COMMISSIONER NATHAN: Second.

3 COMMISSIONER DiCHIRO: Second.

4 COMMISSIONER HANDY: Second.

5 CHAIRMAN MESOLELLA: Seconded by

6 Commissioner Rotella, Commissioner Alan Nathan,

7 Commissioner DiChiro and Commissioner Seth Handy.

8 Further discussion? Commissioner Worrell.

9 COMMISSIONER WORRELL: I think this is a

10 wonderful use of the discretionary funds we have in our

11 Enforcement Fund, and I think it ties in nicely with

12 what we're looking at in Phase 3 when we're talking

13 about getting as much green infrastructure built in as

14 we can to cut down on the wastewater, I mean, on the

15 stormwater, et cetera.

16 There are lots of things like this going on

17 throughout the community, one of which that I've become

18 aware of recently I thought was pretty interesting,

19 there's a group of tree lovers who have scheduled a

20 series of, I think, eight Saturdays when they all, a

21 group of these people will all get together with the

22 city foresters at least from Providence and perhaps with

23 other communities, I'm not sure about that, and they'll

24 go out and they'll spend an entire day on a Saturday

25 with a bunch of volunteers planting, and they plant

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1 about 125 trees on a Saturday.

2 That kind of sustained planting in our community is
3 going to help us in our efforts towards green
4 infrastructure. Of course, there's always a finance tag
5 attached with that, and it's something that I think we
6 should keep in mind for the future. One, we could get
7 involved with these kinds of organizations and stay more
8 deeply involved, and secondly, begin to get a leg up on
9 our green infrastructure efforts and issues.

10 CHAIRMAN MESOLELLA: Well, this program and
11 what we've done was really born out of the Bay
12 Commission's river cleanup initiative, and Tom Uva
13 suggested, you know, there are a lot of issues involved
14 with the organizing of 120 volunteers or more, and not
15 to mention the liability associated with that issue, and
16 so as an option to that, we discussed the opportunity to
17 involve all the community groups, environmental groups,
18 just give them some money, let them organize their own
19 efforts, and it's paid off, and it generates a lot of
20 goodwill as well. We have a motion; we have a second.
21 All in favor of Resolution 2015:05 will say aye.

22 THE COMMISSION: Aye.

23 CHAIRMAN MESOLELLA: Are there any opposed?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: There are none opposed,

1 and the motion carries.

2 (MOTION PASSED UNANIMOUSLY)

3 CHAIRMAN MESOLELLA: That concludes the
4 report of the Finance Committee. Long-Range Planning.
5 Now, I know there's a presentation, so I'm going to skip
6 over that for just one moment, let me go through the
7 rest of the agenda, and then we'll decide whether or not
8 we want to get some lunch or you want to hear the
9 presentation first. Is that all right, Mr. Chairman?

10 COMMISSIONER CARLINO: Yes.

11 CHAIRMAN MESOLELLA: So, Personnel Committee
12 did not meet, and there were no personnel actions to
13 consider. Rules & Regs did not meet. Compensation
14 Committee did not meet. Citizens Advisory. Harold, do
15 you have a report for us today?

16 MR. GADON: Just a small report. We will
17 definitely be meeting in April. We've invited Tom
18 Brueckner to give us a clear, concise and easily
19 understandable report on Phase 3 and its various
20 alternatives. We look forward to hearing from him.
21 Thank you.

22 CHAIRMAN MESOLELLA: Thank you. Ad Hoc
23 Committee on Internal Ethics did not meet. Executive
24 Committee, we did not meet. Legislative Report, do you
25 want to apprise us of the ongoing matters at the Rhode

1 Island General Assembly, Joanne?

2 MS. MACERONI: Yes. Thank you, Mr.

3 Chairman. We are continuing to review legislation

4 that's been introduced. Several weeks ago they

5 introduced a total of about 400 bills in a week, so

6 we're still going through them, but my initial report is

7 on your website.

8 As you indicated, the first item I have on it was the

9 budget proposal mandating that NBC give the state

10 controller \$2.8 million towards debt service. So, you

11 covered that, so I will continue.

12 The next set of bills have to do with promoting the

13 development of renewable energy. Both of these bills,

14 they're identical. They clearly identify the roles of

15 the local utilities with respect to interconnection

16 requirements. It sets up a time frame and other things

17 to kind of move the process along. It also prohibits an

18 electric distribution company from charging an

19 interconnecting fee to the customer for upgrades that it

20 would normally have to do if the project wasn't going

21 forward. So, it has gotten some good momentum at the

22 General Assembly. We did submit a letter in support,

23 and time will tell what actually happens with the bill.

24 The next item H5566, this bill amends the public

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1 known as the Kushner Bill because it was introduced by

2 Representative Kushner probably 20 years ago, I think.

3 At that time when it was introduced, the Narragansett

4 Bay Commission and other quasi-publics were exempted

5 from the statute. What the statute calls for is before

6 any state agency or some quasi-public borrow any money,

7 they have to get the approval from the General Assembly.

8 Back when the statute was first enacted, we went up

9 there and made our case, basically, saying that we've

10 already got a lot of oversight between the board, the

11 PUC; we now have a trust indenture, so there are a lot

12 of reasons why we don't need this additional layer, and

13 the General Assembly at the time agreed with that and

14 gave us the exemption.

15 This bill proposes to take away not only our

16 exemption, but all the other quasi-public agencies that

17 were exempted. A similar bill was introduced probably

18 about 4 or 5 years ago. We went up there and made our

19 case, and the statute was never amended; and I'm happy

20 to say in the Governor's budget, this statute is amended

21 just for a mere name change from Clean Water Finance to

22 Rhode Island Infrastructure Bank, and it has all the

23 exemptions still in place. So, it's not the Governor's
24 proposal to take an exemption; it's just Representative
25 Morgan's, so hopefully we'll be successful again

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1 stopping that.

2 The next two bills, these bills have been introduced
3 probably for the last 3 or 4 years. They want to
4 prohibit utility rate increases in excess of 2.5 percent
5 over a 24-month period, not only Narragansett Bay
6 Commission, but all the public utilities go up there
7 every year, make our case, and luckily this bill has not
8 passed over the last 3 or 4 years, so we hope to do that
9 again.

10 The next bill, quite simple, it was introduced at the
11 request of the DEM to increase efficiency and lower
12 their costs. It has to do with providing public notice
13 and comment period for RIPDES permits. We just monitor
14 this to see what will happen in the end.

15 The next two bills, again, they were introduced last
16 year. They create the joint committee of the repealer.
17 This committee is supposed to look at statutes,
18 regulations of all state quasi-state agencies to see
19 what they feel is outdated and make recommendations to
20 the General Assembly to maybe abolish some of the boards

21 or statutes or regulations.
22 Then lastly, for now, unfortunately, I inadvertently
23 kept last year's bill numbers, but the bills are S-0276
24 and H-5674. Those are the correct bill numbers.
25 This bill was also introduced last year. It has to

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1 do with expanding Fair Employment Practices Act,
2 basically, having to do with employees who are pregnant
3 or who have medical conditions that are related to
4 pregnancy and childbirth.
5 These amendments will not impose any additional
6 amendments that the Federal Statute does. We are in
7 compliance with the Federal Statute, so we are just
8 monitoring this to make sure there are no additional
9 amendments to it. As I said, we have many other bills
10 which we are looking at internally, so next month I'll
11 have a further report for you.

12 CHAIRMAN MESOLELLA: Any questions for
13 Joanne? Anyone?

14 THE COMMISSION: (No response)

15 CHAIRMAN MESOLELLA: Thank you, Joanne. The
16 next report is the Chairman's Report. I've already
17 alluded to some of the issues of last month. I did meet
18 the Speaker. I educated him on our ongoing

19 infrastructure project, the potential costs, the
20 implications of it. They're aware that I explained to
21 him, and by the way, not only the Speaker, but the
22 Governor and the Senate Majority Leader, of the cost of
23 this project, namely, CSO Phase 3, its cost but also its
24 ramifications.
25 We're looking at, what are the opportunities to use

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1 it as an economic stimulus? What kind of income taxes
2 might be generated? And I spoke to all three about the
3 possibility that we might not be included as a line item
4 budget directly from the State of Rhode Island as all
5 the improvements as a result of our ratepayers
6 infrastructure projects fell south of our service area,
7 and we feel very strongly, our board feels very strongly
8 that some of the rest of the state should pick up the
9 burdens of that.
10 I tied it into the CSO Phase 3 project and explained
11 that it's in an economic stimulator as well as it will
12 generate literally millions of dollars of income tax and
13 some sales tax, not all sales tax, but some sales tax,
14 and that some of that should come back to the
15 Narragansett Bay Commission in the form of an
16 appropriation directly out of the budget.

17 I did receive a call from some of the public
18 relations people at the Twin River Casino. As you
19 probably have heard or read, they're contemplating
20 building a 200-room, possibly 200-room plus hotel on
21 that facility. WE are looking, they want to get
22 together with us and talk about the impacts on the
23 infrastructure, but for us, it would be a revenue
24 generator for us.
25 We've lost, as you know, a lot of our commercial and

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1 industrial customer base. This will help as well as
2 Resource Recovery in helping to restore some of that,
3 and we'll keep apprised of those ongoing discussions.
4 The last thing I'd like to say is, I'm particularly
5 concerned about the bill that which Joanne alluded to
6 which is the exemption bill. We cannot afford to be
7 exempt, I mean, we can't afford to be included in having
8 to get authorization from the General Assembly on our
9 borrowing.
10 One of the reasons why they exempted us the last time
11 is because we had explained very articulately that our
12 projects, most of our projects, the bulk of our projects
13 are federally-mandated projects, and they're not
14 discretionary like some of the state projects or cities

15 and town's projects.

16 This would hamper our efforts to meet our mission and

17 our challenges imposed upon on by the Federal

18 Government, and so that argument was recognized, and of

19 course they exempted us; and we'll make the same

20 argument regarding this particular piece of legislation.

21 Other than that, we continue to discuss with the

22 Executive Director and staff our program to prepare for

23 our future, and the operations of this Narragansett Bay

24 Commission's success planning. We continue to talk

25 about that.

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1 The last thing I wanted to mention was, as you know,

2 there was a bill passed by the General Assembly last

3 year regarding net metering. We are in the process of

4 generating a request for proposal for private developers

5 to come to Narragansett Bay Commission to see how they

6 may propose to us how we may reduce our energy burden,

7 and hopefully, sometime, maybe next month's meeting we

8 will have that request for proposal finished; and we'll

9 talk to the board about maybe getting it on the street.

10 So, that concludes, basically, the Chairman's Report.

11 Is there any new business besides Chairman Carlino's

12 report?

13 THE COMMISSION: (No response)

14 CHAIRMAN MESOLELLA: There is no other new
15 business. So, these are the options. We could get some
16 lunch and then watch the presentation, or we can watch
17 the presentation and get some lunch. Does anyone have
18 anyone preference? How long is this presentation?

19 RAYMOND MARSHALL: Well, Tom's going to kick
20 it off. He's going to give us an abbreviated version of
21 what he did at Long Range Planning, and then PFM's going
22 to get up and go through their slides. We should
23 probably get lunch now.

24 CHAIRMAN MESOLELLA: That's leadership, and
25 I concur with the Executive Director on that. Why don't

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1 we recess for 5 minutes, get some lunch. Let's recess
2 for about 10 minutes while everyone gets some lunch, and
3 then we'll have the presentation.

4 (RECESS TAKEN)

5 CHAIRMAN MESOLELLA: If I can have your
6 attention for just one moment. While we're enjoying
7 some lunch, I think it'd be appropriate to begin the
8 presentation. Who's going to be starting it off?

9 MR. BRUECKNER: I am.

10 CHAIRMAN MESOLELLA: We're on the Chairman's

11 Report, so Chairman Carlino, do you have a report for us
12 today?

13 COMMISSIONER CARLINO: Yes.

14 CHAIRMAN MESOLELLA: Proceed.

15 COMMISSIONER CARLINO: So, today we're going
16 to have two presentations, one from Tom Brueckner and
17 the other one from Daniel Berger from PFM.

18 Just to kind of set expectations, we've had numerous
19 meetings. This is an important decision, and the most
20 important thing is we want to make sure that all our
21 questions are answered and our concerns are addressed.

22 So, we've been having numerous meetings. The last
23 one was January 6th, which was the workshop. The
24 minutes are on your I-pad, so you have the minutes of
25 that meeting, which most of the commissioners attended.

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1 Our next meeting is going to be April 28th, the
2 committee meeting and our regular meeting.
3 So, when I spoke to the Executive Director, what we
4 would like to do, and it's going to be the decision of
5 the commissioners is, I'm going to ask at the end if you
6 would rather have another workshop that we can have for
7 an hour or two a week before that April 28th meeting, or
8 if you want to attend Long Term Planning, Long Range

9 Planning meeting, which is on the 28th. So, that will
10 be your decision.
11 Like I said, we have two presentations. What's
12 important is that any concerns or questions that we have
13 now, let's ask the Executive Director so that for our
14 next meeting his staff and he can work on addressing
15 those concerns and so forth.
16 The last thing is, I know Dr. Burroughs has done a
17 lot of work off-line, and he has a brief presentation
18 also that he would like to, some of his concerns that he
19 wants to bring up to the board, and hopefully, that will
20 spur more questions and so forth. So, Tom, it's all
21 yours.

22 MR. BRUECKNER: I'm just going to give a
23 brief presentation on the alternatives to refresh your
24 memory about what they are and then PFM will give their
25 presentation, and I have a handout of the slides that

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1 are here, so if anybody would like to take one, we can
2 start them down here, and pass them around. If you want
3 one, take one. If not, just pass it on.
4 So, as you may recall, there were four alternatives
5 we evaluated during our re-evaluation process.
6 Alternative 1 is the baseline, CDR -- Report

7 Alternative. It's the currently-approved plan which we
8 are expected by DEM to implement, unless we make a
9 change through this process.

10 Alternative 2 is the same, very similar to
11 Alternative 1, some minor changes in the components of
12 the alternative with a longer implementation program.

13 Alternative 3 builds on Alternative 2, an even longer
14 schedule with two additional projects upfront as interim
15 projects to allow us to extend the schedule. As you
16 know, Alternative 4, we eliminated at the last meeting.

17 So, just going through the alternatives, Alternative
18 1, which is the baseline, consists of the Pawtucket
19 Tunnel, which is another deep rock tunnel. Two
20 alternatives, two interceptors bring flow to the tunnel
21 from these overflows, another interceptor to bring the
22 flow from an outlier overflow 220 into the tunnel, and
23 then we have sewer separation for three overflows in the
24 Providence area.

25 The second alternative, very similar to the first,

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1 again, it's the tunnel, the two interceptors. A change
2 is that instead of having the interceptor for 220, we're
3 putting in a stub tunnel or deep rock tunnel to bring
4 that flow over to the Pawtucket Tunnel, and instead of

5 two sewer separation and these two overflows, we have a
6 storage interceptor being built.

7 In addition, we also have green infrastructure
8 throughout the district to provide for attenuation of
9 stormwater. There was no green infrastructure at all in
10 Alternative 1.

11 And then Alternative 3 is very similar to Alternative
12 2, except we've added an interim component, which would
13 bring flow from a very big overflow 218 to the treatment
14 plant for treatment through the existing wet weather
15 facilities. There's some capacity there, but not enough
16 to handle all of that overflow, and we also, again,
17 continue the stub tunnel.

18 We also have added a disinfection, an interim
19 disinfection facility at 220. This would last for about
20 20 years, at which time we'd build the stub tunnel to
21 take the place of that. These two components are built
22 early on to provide some water quality improvement.

23 Here is the timeline and costs for the three
24 alternatives. As you can see for Alternative 1, this is
25 everything built by 2025, a very compressed schedule.

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1 It includes the tunnel, the interceptors, the 220
2 interceptor and the sewer separation. No GSI.

3 The second alternative consists of the tunnel being
4 built first with GSI, that's the green infrastructure,
5 and that would be done by about 2025, and then we extend
6 the schedule to include the other components of
7 Alternative 2, which would be the interceptors would be
8 built next, then the stub tunnel would be built next,
9 and then the West River interceptor.

10 Then for Alternative 3, the schedule as you can see,
11 is even longer where we build the two interim projects
12 upfront, then we build the tunnel starting in 2025, and
13 then we build the other three components of Alternative
14 3.

15 The cost for these is 740 million for Alternative 1,
16 815 for Alternative 2 and 924 for Alternative 3. That's
17 in millions of dollars. Any questions?

18 THE COMMISSION: (No response)

19 MR. BRUECKNER: PFM is next.

20 RAYMOND MARSHALL: So, this is where we left
21 off last time, and you asked that we have a second look
22 taken at the numbers, at the actual cost in terms of,
23 are they inflation-related numbers or not, and that's
24 what we had PFM do because they have a sophisticated
25 program in order to do that, so that's the presentation

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1 that you're going to hear now. They've essentially
2 taken a look at the MWH numbers from their own point of
3 view, and they're going to let us know what they found
4 out.

5 MR. BERGER: So, as you bring the
6 presentation up, I'll just give a little background. We
7 took the high-level assumptions that MWH provided in
8 terms of capital expenditures, operating assumptions for
9 each of the three alternatives for CSO Phase 3
10 implementation. You can skip to Page 6.
11 We've taken those assumptions and run them through
12 our proprietaries, chief planning tool, did a
13 collaborative exercise with NBC to understand what
14 assumptions to make for a comprehensive look at NBC's
15 cash flows, trying to give them line item, do we keep
16 them flat or go to historical growth rate, do we make
17 some other underlying assumption, and we took the
18 important stuff, the MWH figures as is with the
19 exception that we inflated some of the further phases of
20 Alternatives 2 and 3, and adjusted them for inflation
21 using an inflation assumption of 3 percent per year, and
22 then for any given year that debt financing was needed
23 to cover capital expenditure costs, we have the
24 assumption past 2019 that the first 25 million capital
25 expenditure debt financing needs would be handled

1 through the SRF program, and anything additional, if
2 needed, would be through open markets.

3 Using that baseline set of cash flows, we developed a
4 series of alternative assumptions to evaluate the
5 different scenarios. For any given group of scenarios,
6 we were able to look at how the schedule of costs for
7 Alternatives 1, 2 and 3 would break out both in terms of
8 costs for incremental operating expenditures as well as
9 debt service costs as well as what the impact to
10 ratepayers would be.

11 The way we've evaluated it for this initial analysis
12 was taking a look at if we include community costs,
13 these are the individual capital needs for each
14 individual community that would be needed as part of
15 their -- based on each of their individual systems.
16 These were also provided by MWH, and then taking a look
17 at what the impact would be by different assumptions on
18 what future borrowing costs would be, both for the open
19 market bonds and the state revolving fund bonds.

20 For all these alternatives, for all these scenarios,
21 as capital expenditures come due, anything that's debt
22 financed would require a rate increase to maintain the
23 efficient level of debt service coverage, so for any of
24 these debt issuances, a coverage of 1.25 was maintained
25 in the year that additional debt service costs are

1 connected.

2 To give an overview of the fundamental and key
3 driving factors about how all those scenarios would play
4 out, you can see the total capital expenditures which
5 includes non-CSO Phase 3 costs as well, and in adjusting
6 for inflation, what the additional O&M costs would be
7 and how those would come as an aggregate figure for each
8 of the three alternatives, and then what the present
9 value costs of that would be through 2047, which also
10 utilizes a 3 percent discount rate, the same rate we're
11 using for our inflation assumption.

12 What you can see in which this kind of dictates how
13 the analyses, the scenarios actually played out in terms
14 of Alternative 1 in general being more cost efficient,
15 I'll define costs in a second, then Alternative 2 and
16 Alternative 2 being less of a cost than Alternative 3
17 and is a similar phenomenon on the impact to ratepayers.

18 You can see the increasing costs of the present value
19 of the raw capital expenditures plus the O&M and
20 different fluctuations in cash flows and whether or not
21 you happen to be able to finance more with open market
22 versus SRF, that can impact things as well, but the key
23 driving thing is, what is the present value of all the

- 24 incremental cash flows that are going to come about
25 based on all three of these alternatives?

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1 That's just the key-driving factor, and you can see also
2 the weighted year, the weighted cost of implementation
3 that all of these costs come due you can see how that
4 Alternative 3 has been back load in that regard. So, it
5 does benefit a little bit more from the present value
6 factor, but due to the very, very high gross cost, it's
7 generally not made up for it.
8 So, when we jump into the actual scenarios, we have
9 our Group A of scenarios, which assume a 2 1/2 percent
10 borrowing rate for SRF bonds, 5 percent for open market,
11 and no additional PVD costs. As I said, Alternative 1,
12 least expensive, trending up to Alternative 3 as the
13 most expensive.
14 You can also see we've displayed what your starting
15 sources of funds, your starting cash balance will
16 effectively be the assumptions provided a bit of a ways
17 out because one of the things that's in the raw figures
18 at one point in time that's not really captured is the
19 concentration of capital expenditures for Alternative 1,
20 which comes in very early and spikes are very high and
21 causes a lot of rate increases early on and then because

22 the capital expenditures for the CSO Phase 3
23 implementation drop off very quickly, you end up having
24 a very high revenue base that's a bit outsized relative
25 to the residual capital expenditure costs that come year

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1 over year, and you're able to generate a fairly
2 sufficient cash balance as a result.
3 So, borrowing increase costs later on, once the
4 capital expenditures drop off, you'll see an excess
5 capacity that builds up over time.
6 If we move on to Group B where the only change is
7 that we include about 26 million where the only
8 difference is a 26 million per year assumption on the
9 individual community costs, their capital expenditures
10 year over year provided by MWH, you see the total costs
11 gets a big magnified in terms of the discrepancy between
12 the different alternatives, but they actually draw down
13 the cash balance.
14 So, where Alternative 1 had a much higher cash
15 balance, a lot of these incremental \$26 million costs
16 were able to be handled more effectively by the excess
17 revenue that was generated by the early rate increase
18 whereas Alternatives 2 and 3 has to rely more on debt.
19 You'll see a widening of the difference in that total

20 cost column.

21 This particular group of scenarios were provided not
22 that the individual community costs were necessarily
23 financed through NBC, but more of a bookend. This
24 represents what the, looking at things holistically,
25 what the impact would be potentially to the entire

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1 ratepayer base, not just the cost that would be passed
2 on to them through NBC operations.
3 On Slide 11, Groups C and D show the impact of
4 different assumptions on borrowing rates. If open
5 market rates were to be reduced from an all in cost of 5
6 percent to 4 percent, on average you'd see net present
7 value basis debt service costs reduced by about 39
8 million over the course of the entire projection, and
9 then for the increased costs group of scenarios, Group
10 D, SRF goes from 2 1/2 percent to 4 percent and open
11 markets from 5 to 6, you see a counteracting phenomenon
12 of about 62 to 65 million in increased debt service
13 costs. That shows you the border of magnitude what
14 you'd be looking at based on different assumptions on
15 the borrowing rates.
16 So, we've been talking about costs, primarily, to
17 this point. In terms of natural ratepayer impact,

18 though Alternative 1 with any group of scenarios had a
19 consistently lower costs where costs is defined by
20 present value of debt service payments and incremental
21 O&M. Alternative 1 and 2 are actually pretty well
22 consistent across each group of scenarios in terms of
23 ratepayer impact.
24 Alternative 2 would generally be just a very small
25 amount particularly in the scope of a 40-year

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1 projection, a small amount less of an impact to
2 ratepayers, and the reason that there's a different
3 phenomenon, Alternative 1 has lower costs but higher
4 rate increases is that, once again, the concentration of
5 capital expenditures in the earlier years for
6 Alternative 1, you see an increase in debt to finance
7 the initial capital costs and increase in rates to
8 accommodate the debt service coverage, and then once
9 that drops off, you have the excess cash that doesn't
10 get utilized down the road by any further spikes in
11 capital expenditures, whereas Alternative 2 has somewhat
12 of a concentration early on, not as high as Alternative
13 1, but then the rate increases that are required to
14 meet all the debt that gets financed, those initial
15 capital expenditures, you see a couple of additional

16 bumps in CSO Phase 3 implementation, and those were able
17 to, the initial rate increases, the revenues they
18 produce are able to handle those additional bumps down
19 the road, so they don't need the additional rate
20 increases for a portion of this capital expenditures,
21 where Alternative 1 has such a concentration that just
22 about every increase in capital expenditure is going to
23 be associated with a rate increase because there's going
24 to be debt needed to finance it because there's such a
25 jump from the baseline cash flows.

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1 Finally, showing the PFM anticipated rate projections
2 when compared to MWH, the important caveat is, we've
3 taken the high-level assumptions that MWH had for -- and
4 OpX and plugged it into a 4-year projection, and even
5 slight deviations in methodologies and assumptions can
6 really tend to magnify over the course of a 4-year
7 projection, but even despite that, for most of the
8 scenarios we came out very, very close at the end of
9 that 4-year projection, and especially in the early
10 years, matching incredibly consistently with the
11 expectations of rate increases for the, as I mentioned
12 they'll be Group A scenarios for Alternatives 1, 2 and
13 3.

14 One of the more significant deviations that we saw
15 were for the red lines was for Alternative 1 where we
16 stay very, very, almost exactly on top of each other for
17 about 5 to 7 years, and then there's a kind of breakaway
18 where the PFM rates start to trend to a more level
19 amount whereas MWH maintains the same rate of increases.
20 For the actual schedule of capital expenditure
21 assumptions for Alternative 1, at around the 2022, '23
22 range, the all in capital costs go from about 170
23 million to 100 million, and then after that, a couple of
24 years it drops to 60 before CSO Phase 3 is complete for
25 Alternative 1, and when that happens, the decrease of 70

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1 million in additional, the decrease of 70 million in
2 capital costs means necessarily based on our projections
3 that you're going to need more or less 70 million less a
4 day, so the next step of rate increase is required is
5 going to decrease, and that's why you see it begins to
6 level off.
7 As I said, there's a lot of assumptions that can play
8 in, and there's a million ways that can be reasonable,
9 but not knowing what played into the MWH calculations to
10 keep it increasing at the same rate, even though capital
11 expenditures are rolling off is something that we'll

12 need to do in a deeper dive exercise and knowing that
13 the specifics of their study were done from the
14 perspective of an EPA affordability study that there's
15 certain requirements and certain things that they have
16 to build in to meet these structures of that type of
17 analysis as one of the primary things that could come
18 out as the drivers of the discrepancies between the
19 assumptions of rate over time.

20 COMMISSIONER CARLINO: Thank you. Any
21 questions from the Commission for Daniel?

22 THE COMMISSION: (No response)

23 COMMISSIONER CARLINO: Thank you. So, I
24 guess the next step is that they're going to, between
25 MWH and PFM, they're going to get together and they're

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1 going to vet out some of the differences that they've
2 seen, and then they will come back and present it to us
3 at our next meeting.
4 So, with no more questions, I know Dr. Burroughs has
5 done a lot of work off-line, and he has some concerns,
6 and I think these are some of the concerns that maybe
7 staff and the Executive Director can address at our next
8 meeting when we have that, and I know Dr. Burroughs said
9 he's going to be brief, so this way if there's more that

10 we have to talk about, it will be at our next meeting,
11 whether it's a workshop or at our next scheduled
12 meeting.

13 COMMISSIONER BURROUGHS: Earlier today we
14 incorporated the workshop slides and minutes into our
15 discussion, so my comments are based on where we were
16 back then; and one thing I learned earlier today is that
17 we've got a lot more information on water quality, which
18 I haven't had a chance to look through, so it's an
19 ongoing process. And I think the other thing from my
20 perspective is it's a very complex process, both on the
21 water quality side and on the finance side.

22 What I did is looked at the slides that I thought
23 were going to be most important for making a decision
24 and raised some questions. So, in the first set of
25 slides, 34, 35, 36, 37, these are all the water quality

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1 maps. I apologize they're not in color here, but the
2 idea was to see if you could see a water quality
3 improvement on the basis of your investment, and there
4 are two ways you can read the slides. One is you can go
5 vertically and say, if we just stopped at Phase 2, what
6 would we get?
7 Remember, now, the slides are days after a 3-month

8 storm, so if we didn't do anything, and I apologize for
9 these that are not in color here, we would have problems
10 throughout the range of the water shed in Slide 34; this
11 is on Day 2, but if you click down to Slide 37, now
12 we're on Day 7, that area of reduced water quality is
13 timing.

14 So, our investment, one way of saying, what do we get
15 for our investment is, instead of having to wait 7 days
16 to get clean water, we get it sooner.

17 The other way to read the slides is to go across and
18 say, as we put more and more technology in play, do we
19 see water quality improvement? So, we're basically
20 reading across each panel, and this is where I had some
21 problems because the water quality improvement if you
22 read across the panels, on Day 2, Day 3, is negligible.
23 Day 4 it starts to show up, and by Day 5, you see some
24 benefits.

25 So, as we put the technology into play, we shorten

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1 the time period of reduced water quality. The question
2 for me, anyway, is, gee, that's a lot of money for 5
3 days. Again, this goes back to, well, are we compelled
4 to do that by law, or are we expected to do the cost
5 benefit assessment?

6 The next panel or next page is Numbers 46 and 47, and
7 this is asking the same question in a slightly different
8 way, what does the water quality improvement look like
9 at certain points in the estuary? At the Narragansett
10 Boating Center, if you just do Phase 2, you're at the
11 very top line, so the peak, the highest line. If you
12 say, well, gee, you know, we've got to do something,
13 what about Alternative 4? That gets us to the second
14 highest line.

15 So, the greatest increment in water quality at that
16 particular station comes from Alternative 4, which for a
17 variety of reasons is off the table, and that would be
18 an argument to think about, and the same argument
19 applies on Slide 47.

20 Another way of thinking about it is on Slide 49, and
21 now we're going down to Conimicut Point, and basically,
22 the game that I was trying to play here is, well, what
23 can we say to the shellfishermen? How are they going to
24 come out of this?

25 If you look at the 14 fecal coliform per 100

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1 millimeter line and track across, what you see is that
2 if we make the investment, that is, roughly depending on
3 how you want to do the math here of \$650 million,

4 assuming I've read all the tables correctly, we could
5 shorten the time of getting higher water quality at
6 Conimicut Point by 3 1/2 days. So, that to me begins to
7 do the tradeoffs, and okay, how much better water
8 quality so we get as we apply more technology?
9 The next slide, this is Number 32, is to look at
10 projected affordability, and this gets us back to the
11 discussion we had earlier about, well, what are all
12 these other costs? EPA has this new integrated planning
13 framework. What happens if we start to look at that?
14 Here's the thing that is most difficult for me is
15 that if the Mayor of Providence were her e, I'd have to
16 say the lowest line of these lines in the graph is the
17 no-Phase 3 line, if I'm reading this correctly, and the
18 no-Phase 3 line says you're always below 2 percent.
19 Everything else you get above 2 percent.
20 So, this goes back to the comments that Vin was
21 making earlier, what's our mandate? Is our mandate to
22 stay below 2 percent, or is our mandate to capture as
23 much water as possible? Depending on how you want to
24 read that, you can come up with different conclusions.
25 The other panels are pretty much self explanatory. So,

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2 COMMISSIONER CARLINO: Thank you. Any
3 questions?

4 MR. GADON: What is your personal opinion,
5 that we don't need Phase 3? Is that what your
6 conclusion is?

7 COMMISSIONER BURROUGHS: Well, I don't know.
8 I think we need to be clearer about the water quality
9 benefits we get because the cost is way high, it's much
10 higher than it was the last time we went through this
11 exercise.

12 As I was explaining to somebody this earlier today,
13 at the end of the last time we went through this
14 exercise, as a commissioner, there was a very short
15 paragraph-long speech you can give about the water
16 quality benefits, and therefore, you would engage people
17 on well, well, gee, you know, that sounds reasonable,
18 usually.

19 Here it's a lot harder to say what those water
20 quality benefits are. So, I would say that we need to
21 be a lot clearer about the water quality benefits as a
22 way of getting into dealing with the expense issue.

23 CHAIRMAN MESOLELLA: Commissioner.

24 VICE CHAIRMAN ROTELLA: Dr. Burroughs, first
25 of all, I'd like to commend you for obviously putting a

1 lot of time and effort into this. I think you certainly
2 have given me and probably many of our commissioners a
3 more in-depth look at what we're spending money on and
4 how it will impact us in the long run.

5 I think your key question that you raise is that time
6 heals all issues, and the issue we have here is, are we
7 willing to wait the time, or do we need to spend the
8 money, and the time in this case it maybe 3 1/2, 4 days.

9 For nature to do it or for us to do it 3 or 4 days
10 earlier at a cost of hundreds of millions of dollars.

11 COMMISSIONER BURROUGHS: That's what it
12 looks like now, but there is new water quality data, so
13 this could change a bit.

14 VICE CHAIRMAN ROTELLA: I know what you're
15 saying. I guess what I'm asking is, and again, in no
16 way, I think this work is phenomenal, my question is,
17 what is our choice? Is EPA requiring us to spend the
18 money and do it on the 2 or 3 days later, whatever it
19 is, to capture those days, or is EPA saying to us, well,
20 if you make a solid issue that you're going to spend X
21 number of millions of dollars for 2, 3 or 4 days, it
22 doesn't seem worth it. I think that's the crux of the
23 dilemma here, and I don't have the answer. Do you or
24 does somebody else have an answer?

25 COMMISSIONER BURROUGHS: Well, I think it

1 depends of which part of the EPA regulations you want to
2 read, and this is a legal question. We have lawyers
3 here. They can tell us which part of the EPA
4 regulations we should be reading. If we're reading the
5 cost thing, one interpretation is, boy, you got to go
6 slow here because it's going to cost you a lot.
7 If you read another part of the regulation, and in
8 fact the EPA Region 1 lawyer said this at one of the
9 stakeholder meetings, his goal was to be able to go down
10 to any dock in Providence Harbor and jump overboard and
11 go for a swim, so he wanted below 14 right in the urban
12 part of the harbor.

13 COMMISSIONER CARLINO: Chairman, any
14 questions?

15 MR. GADON: Those 3 1/2 days only apply if
16 you have a storm, which maybe you don't have them every
17 day.

18 COMMISSIONER BURROUGHS: This is a 3-month
19 storm.

20 MR. GADON: How often do you have that
21 3-month storm, once every 3 months?

22 COMMISSIONER BURROUGHS: It does point out,
23 we need to know, I think we need to be really clear
24 about the water quality benefits so that if people ask

25 us, we can say, this is what you're getting. Now, we

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1 may disagree about the cost and all of that, but we do
2 need to be clear about what we anticipate we'll get and
3 whether the technology can really do it.

4 COMMISSIONER HANDY: I missed the workshop,
5 but I was actually reviewing the notes earlier today,
6 and I thought they indicated that Scenarios 2 and 3 we
7 were able to stay below the 2 percent number.

8 COMMISSIONER BURROUGHS: Well, the figures
9 indicate otherwise.

10 COMMISSIONER HANDY: I guess I'll have to go
11 back and review that.

12 RAYMOND MARSHALL: That's something that we
13 need to take a fresh look at now that we're starting to
14 refine the capital numbers and work up better O&M
15 numbers.

16 I think at the point in time, I mean, this is with
17 this particular graph that Dr. Burroughs has produced,
18 this includes what the community should be spending on,
19 actually the City of Providence, in particular. This is
20 an estimate of what they should be spending, just based
21 upon industry standards. They are not spending it.
22 So, the question is, can we go into DEM and say,

23 assuming the city spends at this level, we will be above
24 the 2 1/2, they're probably going to say, until you have
25 better evidence than this.

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1 COMMISSIONER HANDY: That they are spending
2 that.

3 RAYMOND MARSHALL: That they are spending
4 it, then no, you can't use it. You have to stay
5 strictly within the bounds of your Phase 3 program.

6 COMMISSIONER HANDY: Which puts us in,
7 basically, a position of direct conflict with the
8 municipalities in terms of, they're not spending money
9 that we have to spend.

10 RAYMOND MARSHALL: Commissioner, ultimately,
11 EPA will never say you don't have to spend the money.
12 They'll just say, you can spend it over a longer period
13 of time. Do I have that right, Tom?

14 MR. UVA: Yes.

15 RAYMOND MARSHALL: You can spread it out of
16 a longer period of time.

17 COMMISSIONER HANDY: My understanding is,
18 the municipalities have treated this kind of like an
19 unfunded mandate. They don't get money to do it, and so
20 they come down hard on us where we have to get our funds

21 from rates, and the municipalities are unwilling to tax
22 to get the money to do it. It seems like an odd
23 dynamic.

24 CHAIRMAN MESOLELLA: Chairman, we're going
25 to wrap this up.

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1 COMMISSIONER CARLINO: The last thing that
2 we want to talk about is, I would recommend having a
3 workshop like we did last month, two hours. We can set
4 it up for the week, either the week of the 12th or the
5 19th of the April, and maybe we can get an e-mail out to
6 see everyone's availability. We'll allocate 2 hours,
7 and this way we can --

8 CHAIRMAN MESOLELLA: So, I agree with that.
9 So, our next board meeting is scheduled for April 28th,
10 so I'm thinking that maybe a week before it would give
11 us what?

12 COMMISSIONER CARLINO: The week of the 19th,
13 19th, 20th, 21st, 22nd.

14 RAYMOND MARSHALL: It'd be fresh in
15 everyone's mind after hearing it what they want to do at
16 the meeting on the 28th.

17 VICE CHAIRMAN ROTELLA: I'm going to be away
18 that week, but I'd love to be there. Can we do it maybe

19 a couple of days earlier, the end of the prior week,
20 like the 17th, 18th?

21 RAYMOND MARSHALL: Sure. The 15th is a
22 Wednesday, and the 17th is a Friday. The 16th we have
23 the lien sale, so we have this room all tied up on that
24 Thursday, the 16th, but Wednesday the 15th or Friday the
25 17th would be a good day to schedule it for.

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1 MR. DeANGELIS: Not a good day for
2 accountants.

3 COMMISSIONER ROTELLA: The 17th is great.
4 It's all over.

5 MR. GADON: Mr. Chairman, would you consider
6 meeting at 9:00 on the 28th and having that meeting and
7 continue going on for the regular meeting?

8 CHAIRMAN MESOLELLA: I'll consider anything.
9 Whatever day you pick, I'm going to be here. This is
10 for the convenience of the rest of the members.

11 COMMISSIONER MacQUEEN: Could you make it
12 the 28th?

13 VICE CHAIRMAN ROTELLA: Yes.

14 RAYMOND MARSHALL: If you're going to make
15 it on the day of the board meeting, you'll probably have
16 to start at 8:00 in the morning because if you want 2

17 hours, we'll have other business that we have to do at
18 other committee meetings. You can't start at 9. You
19 can't get 2 hours in and then have a board meeting.

20 MR. GADON: Could you waive those other
21 meetings for that day?

22 CHAIRMAN MESOLELLA: It's kind of early to
23 say because we don't know what issues are going to
24 arise. There's another option. The 28th, that's a
25 Tuesday, right?

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1 RAYMOND MARSHALL: That's a Tuesday, yes.

2 CHAIRMAN MESOLELLA: Are you back on the
3 Monday?

4 VICE CHAIRMAN ROTELLA: Yes.

5 CHAIRMAN MESOLELLA: I would suggest, not
6 recommend, we can do an evening meeting on the Monday.

7 If you want to do an evening meeting, that's a possibly.

8 We'll make it 5 or 6, we'll have an evening meeting, and
9 then the Tuesday we'll have the board meeting. Does that
10 work for everybody?

11 COMMISSIONER CARLINO: What about for a
12 start time, 5, 6? Would people prefer 6?

13 VICE CHAIRMAN ROTELLA: 6:00.

14 CHAIRMAN MESOLELLA: So, 6, that gives

15 everybody here a chance to clean up their daily
16 activities and can get here. So, 6:00, Monday the 27th.
17 Are you ready to conclude, Chairman? Motion to adjourn.

18 COMMISSIONER CARLINO: That was all the
19 business we had. Yes, motion to adjourn.

20 COMMISSIONER LEONE: Second.

21 CHAIRMAN MESOLELLA: We have a motion to
22 adjourn the sub-committee meeting, Long Range Planning,
23 seconded by Commissioner Leone. All in favor of
24 adjourning say aye.

25 THE COMMISSION: Aye.

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1 (MOTION PASSED UNANIMOUSLY)

2 CHAIRMAN MESOLELLA: On the matter of the
3 NBC board meeting.

4 COMMISSIONER ROTELLA: Motion to adjourn.

5 CHAIRMAN MESOLELLA: We have a motion to
6 adjourn, Commissioner Rotella moves that we adjourn.

7 COMMISSIONER FARNUM: Second.

8 CHAIRMAN MESOLELLA: Seconded by
9 Commissioner Farnum. All in favor of adjournment will
10 say aye.

11 THE COMMISSION: Aye.

12 CHAIRMAN MESOLELLA: The ayes have it, and

13 we are adjourned, and we will see you on Monday the

14 27th.

15 (MOTION PASSED UNANIMOUSLY)

16 (BOARD OF COMMISSIONERS MEETING CLOSED AT 12:40 P.M.)

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1 C E R T I F I C A T E

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4 I, Heather Marie Finger, do hereby certify
5 that the foregoing is a true, accurate, and complete
6 transcript of my notes taken at the above-entitled
7 hearing.

8 IN WITNESS WHEREOF, I hereunto set my hand
9 this 8th day of April 2015.

10

11

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12 HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
13 MY COMMISSION EXPIRES 4/02/16

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DATE: March 17, 2015

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IN RE: Board of Commissioners Monthly Meeting

25

HEARING OF: Narragansett Bay Commission

ALLIED COURT REPORTERS, INC. (401) 946-5500

1 STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

2 NARRAGANSETT BAY COMMISSION

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6 IN RE: NBC MONTHLY BOARD MEETING
7 OF THE COMMISSION
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11 DATE: January 13, 2015
12 TIME: 11:00 A.M.
13 PLACE: Narragansett Bay Commission
14 Corporate Office Building
One Service Road
Providence, RI 02905
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17 COMMISSIONERS:

18 Vincent Mesolella, Chairman
19 Raymond Marshall, Executive Director & Secretary
Robert Andrade
20 Dr. Richard Burroughs
Bruce Campbell
21 Mario Carlino
Michelle DeRoche
22 Michael DiChiro
Jonathan Farnum
23 Seth Handy
Joseph Kimball
24 Paul E. Lemont

1 OTHER ATTENDEES:

- 2 Thomas Uva, NBC
Laurie Horridge, NBC
3 Jennifer Harrington, NBC
Linda George, Senate Policy Office
4 Harold Gadon, NBC
Tom Brueckner, NBC
5 Terry Cote, NBC
Paul Nordstrom, NBC
6 Karen Giebink, NBC
Joanne Maceroni, NBC
7 Jean Lynch, CAC
Cecille Antonelli, NBC
8 Al Mancini, PUC
Christine Comeau, NBC
9 Eliza Moore, NBC
Rich Bernier, NBC
10 Jamie Samons, NBC
Walter Palm, NBC
11 Jim Kelly, NBC
Kerry Britt, NBC
12 John Motta, NBC
Deborah Samson, NBC
13 Diane Buerger, NBC
Pamela Reitsma, NBC
14 Karen Musumeci, NBC

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1 (MEETING COMMENCED AT 11:10 A.M.)

2 CHAIRMAN MESOLLELA: If I could ask

3 the commissioners to take their appointed seats.

4 Karen, John MacQueen is not coming today.

5 MS. MUSUMECI: No.

6 CHAIRMAN MESOLLELA: Is he alright?

7 MS. MUSUMECI: I think he had a

8 funeral.

9 CHAIRMAN MESOLLELA: Okay. Good

10 morning, everyone. Recognizing a quorum. We

11 will call the Tuesday, January 13th, 2015,

12 meeting of the Narragansett Bay Commission to

13 order. The first order of business, of course,

14 is the approval of the previous minutes form

15 December 9th, 2014. Have all of our members had

16 an opportunity to review the previous minutes?

17 Commissioner Farnum.

18 COMMISSIONER FARNUM: I'd like to

19 have my name added to those who were in

20 attendance. Later on in the report I made a

21 couple of motions, so it's pretty clear that I

22 was here.

23 CHAIRMAN MESOLLELA: Have all of

24 our members had an opportunity to review the
25 previous minutes, and if so, are there any

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1 comments, questions, or corrections? Comments,
2 questions or corrections on the previous
3 minutes? Hearing none. Commissioner Andrade.

4 COMMISSIONER ANDRADE: Motion to
5 approve.

6 CHAIRMAN MESOLLELA: Seconded by
7 Commissioner Farnum, Commissioner Carlino. All
8 in favor will say aye. Are there any opposed?
9 There are none opposed, and that motion carries.
10 The next order of business, Item Number 3 would
11 be the Executive Director's Report. Mr.
12 Secretary, do you have a report?

13 MR. MARSHALL: Yes, sir, I do.

14 CHAIRMAN MESOLELLA: Proceed.

15 MR. MARSHALL: Both plants Field's
16 Point and Bucklin Point are running very well.
17 Flows have been up in the last couple of months
18 because the rain that we've had. We had one or
19 two bad days at each plant during that period
20 just because we had so much rain in such a short
21 period of time that there were a couple of
22 process upsets that occurred. And I have to

23 report those as violations to the regulatory
24 agencies. But everything went back to normal
25 fairly quickly. We got everything under

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1 control. And everything has been good since
2 that point in time. The nitrogen permit season
3 is over that ended on October 31st. And one or
4 two commissioners have asked exactly how we did.
5 So Tom Uva is going to give a presentation a
6 little later in the meeting that will roll that
7 out for you. At Field's Point it was somewhat a
8 challenge because the biggest issue we have in
9 operations right now is the status of the
10 blowers at Field's Point. Those are the units
11 that take outside air. Then they compress it
12 and then they blow into the aeration tank so
13 treatment can occur.

14 Paul Nordstrom's staff did a great
15 job getting us through the last season and what
16 we've been doing fairly aggressively is trying
17 to figure out what we're going to do from this
18 point forward. I reported on this a couple of
19 times before. When we lost several -- we're
20 down to 5 of the 9 turbo blowers. That's the
21 new technology we installed several years ago.
22 Because of their high efficiency and they have

23 not paned out as well as the industry was
24 reporting. We got into that game about the same
25 time or shortly after a number of other

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1 facilities have, and when we checked originally
2 the turbo blowers that were installed at various
3 facilities around the country were operating
4 well. Well, as it turns out shortly after we
5 made that commitment others started having
6 problems. They seem to run well for two or
7 three years, and then there's a series of
8 mechanical problems. The technology itself, and
9 I won't get into too much of the detail, is
10 changing within the turbo blower industry and
11 they claim that they're solving the problem.

12 The supplier manufacturer that we
13 had was bought out by a larger firm about two
14 years ago, which has historically provided more
15 conventional blower technology. And they've
16 been working with us very cooperatively to try
17 to solve the problem. The situation we find
18 ourselves in is we have lost confidence in this
19 technology. And on the short term what we want
20 to do is we want to bring in a couple of the
21 older style blowers, the more traditional

22 technology. And I'm planning to do this under
23 the emergency procurement provision because we
24 want them in place as early in the upcoming
25 nitrogen season as possible. If we order them

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1 tomorrow, for example, we could probably have
2 them up and running by sometime in June. There
3 is a lead time on these items, as there is on
4 many of the items of equipment that we have
5 installed. So we would put it in two smaller
6 traditional blowers which would provide most of
7 our base need, and then we would have the turbo
8 blowers to supplement that. The manufacturer
9 has given us new parts, so to speak for many of
10 our blowers.

11 We have seven of the nine are now
12 available to us. Parts are coming for the other
13 two this month. So we believe that at the
14 beginning of the season, we'll have all 9
15 available. But honestly, we're very concerned
16 that we'll get through another season without
17 some other type of problem. And we want to make
18 a move to prevent that because meeting permit is
19 why we're in business. That's why we exist.

20 Now, on the long-term we're going
21 to go out for our RFQP to have a firm study. It

22 meaning the situation more comprehensively and
23 come up with a long-term design which might
24 require another building to get over this hump,
25 to get by this problem. Because there's nothing

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1 more fundamental than having the right system of
2 blowers in place in order to meet your permit.
3 And what's interesting about this for those of
4 us who have been involved in operations for
5 decades now is that the blowers were the type of
6 equipment that once you bought them and
7 installed them and turned them on, you could
8 just walk away from them basically. Obviously,
9 you would have to do your preventive
10 maintenance, but they would just run forever.

11 And with the new technology which
12 is more efficient and it's high tech and you get
13 better controls, and all of those -- it just
14 hasn't proven to be what we feel we need in the
15 operations arena, which is you know it's going
16 to run for years and years and years if you take
17 care of it properly. You almost virtually never
18 have a problem. I don't know, Paul, if you want
19 to add anything to that, or do you think that
20 states it fair.

21 MR. NORDSTROM: Pretty accurate.
22 MR. MARSHALL: And so, we really
23 need to do this. We just don't want to go
24 through another nitrogen season without making
25 some affirmative moves. We believe we'll have

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1 all nine turbo blowers ready and available prior
2 to the start of the new season, but we don't
3 just don't want to go through a new season with
4 those as being our only alternatives. And by
5 the way, one of the advantages to the new
6 technology which you could ramp them up, you
7 could ramp them down you could turn them on, you
8 could turn them off. As it turns out based on
9 our experience, and I think we've reached out to
10 wastewater facilities.

11 The fact of the matter is is that
12 if you turn them on and you leave them on, they
13 work much better than if you do all the fancy
14 gyrations that they claim that you can do. So
15 that's our biggest issue in operations. We
16 continue to meet permit and you'll hear about
17 the nitrogen numbers when Tom gives his
18 presentation shortly. But overall, this is what
19 we feel we need to do to keep this agency in
20 compliance with our permits.

21 In interceptor maintenance we have
22 had no dry weather overflow events in the past
23 two months, so that's all good news. Our
24 construction-wise: All our Phase II facilities
25 for CSO are now online and operating. We

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1 reported that the DEM, the deadline was December
2 31st and we met that deadline. We still have a
3 pretty long to-do list. You know, punch list
4 items that need to be done, as well as
5 restoration of properties and sidewalks and
6 paving. So when the weather gets better we'll
7 get on that and we'll finish those projects up
8 100 percent. But right now everything is
9 on-line and operating. We've already gone
10 through a few storms with some of those
11 facilities online.

12 The Lab building or the Regulatory
13 Compliance building which is across the street.
14 We have had a delay on that with the concrete
15 work. So we're scheduled to finish probably the
16 spring of 2016 rather than the late fall of
17 2015. So we'll keep using the existing lab in
18 the meantime.

19 In finance, a lot of the heavy

20 lifting is now going on for the FY-16 budget.
21 We're already deeply into that. Midpoint of the
22 FY-15 budget shows that we're running under
23 budget so we're in good shape. The billings are
24 doing well. Customer service has billed \$16.3
25 million dollars in the last two months that is

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1 November and December. So that's good. And
2 planning policy and regulation, they're sort of
3 doing their summary of the year how many samples
4 we've taken, how many analysis, you know we have
5 done. And all that shows that we are very busy
6 making sure that we have the information that
7 the regulatory people require as well as the
8 information that we feel we need to show how
9 well the plants are running and the CSO
10 facilities the positive impact that it's had on
11 the Narragansett Bay and the upper Providence
12 River.

13 Tom Uva has prepared the
14 presentation I referenced earlier which we'll
15 talk about our removal success for nitrogen, as
16 well as potential sustainable solutions going
17 into the future if the DEM wants us to step up
18 our nitrogen removal activity.

19 Tom will go into all of that for

20 you. We are in the process of having, or DEM is
21 in the process of issuing us new permits because
22 our current permits have expired several years
23 ago. And so we're going back and forth with
24 them on the contents of those permits. And we
25 have been meeting with DEM. Laurie and I have

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1 been meeting with the director as well as her
2 assistant director just trying to make sure that
3 we're all on the same page and they know what
4 we're doing. There's no surprises. There's no
5 filtering of information. There's nothing lost
6 in the translation, how's that, with our dealing
7 with her staff and her people dealing with our
8 staff. So, you know, it's been a very positive
9 and productive step.

10 And under Phase III which is the
11 last thing I might want to go over. We had a
12 workshop last Tuesday. Most of you were in
13 attendance. You've asked for us to do a few
14 additional things. I know that Commissioner
15 Carlino might want to make a remark or two when
16 it comes to the Long Range Planning Committee,
17 our report. But we are lining up our financial
18 advisor which is PFM to do a check on the rates

19 that have been generated by MWH, which is our
20 engineering consultant.

21 And we've contacted the firm that
22 did a return on investment analysis for both the
23 Rhode Island Convention Center Authority, as
24 well as ProvPort. That's a firm that
25 Commissioner Bennett recommended. And I have

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1 one of their reports that they did looking for a
2 little more information from them, and then
3 we'll move forward. Both of those two items
4 will probably take three to six weeks to finish
5 or to do or to undertake. And so that we may be
6 back to you at the February 17th meeting with
7 that new information.

8 It may take until March. But
9 that's the time horizon we're looking at. So
10 probably by March we'll probably need a decision
11 coming through the Long Range Planning to the
12 full board what direction we will should go in.
13 And that is it, Mr. Chairman.

14 CHAIRMAN MESOLLELA: Okay. We all
15 heard the Executive Director's report. Pursuant
16 to his report, are there any questions?

17 COMMISSIONER WORRELL: Quick
18 question. You talked about a study on ROI?

19 MR. MARSHALL: Yes.

20 COMMISSIONER WORRELL: Can you

21 explain just what that is.

22 RAY MARSHALL: What the firm does

23 is is it looks at the size of the operation, the

24 money that you're investing not only in your

25 operating budget, but in capital budget. And

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1 then from that they calculate direct, indirect

2 and -- I forget what the other term is. What

3 comes back to the state and the city in terms of

4 taxes. You know, if you hire so many

5 construction workers, you know, there's income

6 tax, and that comes back. There's spending.

7 CHAIRMAN MESOLELLA: You were at

8 the workshop. And one of the issues that

9 surfaced was the economic spinoff of this

10 project. How many job creation --

11 COMMISSIONER WORRELL: It's in that

12 genre --

13 CHAIRMAN MESOLLELA: How much

14 income tax is created. Whether or not there are

15 sales tax, that might be assessed against

16 purchases. Whether the entire economic spinoff

17 of a project of this magnitude is what Ray

18 referred to as return on investment. There are
19 other terms that have been banted around.

20 So basically the two firms that
21 we're hiring. One is doing basically comparing
22 their numbers with regard to a financial
23 analysis and financial impact of the project.
24 The other firm that he's talking about is a firm
25 who will give us a report and matrix on the

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1 economic spinoff of a project of this magnitude.

2 So there's really two different things.

3 MR. MARSHALL: So the third term,
4 by the way, is induced, direct, indirect and
5 induced effects.

6 COMMISSIONER WORRELL: Multiplier.

7 CHAIRMAN MESOLLELA: Multiplier,
8 the economic multiplier, exactly.

9 COMMISSIONER CARLINO: And I think
10 the example that Commissioner Bennet used was
11 the Convention Center. And that if you look at
12 the convention center, you know, the pluses or
13 the minuses. You might say, gee are they able
14 to run on their own. But it's the indirect or
15 the other word induced.

16 MR. MARSHALL: Induced.

17 COMMISSIONER CARLINO: Induced

18 where having people come to the Convention
19 Center also puts more people in the hotels, put
20 more people in the restaurants. So there's all
21 these other benefits that you can't put a dollar
22 figure on and that's why we're looking at that.
23 CHAIRMAN MESOLLELA: Exactly,
24 exactly.
25 COMMISSIONER BURROUGHS: Return on

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1 investment in terms of environmental quality.
2 MR. MARSHALL: No, this would be
3 strictly economic.
4 COMMISSIONER BURROUGHS: Yeah, but
5 I'm trying to balance the two, if you will. If
6 I wanted to answer the latter question today it
7 would be going to the workshop slides and
8 looking at the reduction in bacteria.
9 MR. MARSHALL: Yes.
10 COMMISSIONER BURROUGHS: Yes.
11 MR. MARSHALL: We are taking one
12 other look at the water quality impacts. I'm
13 looking at Tom Brueckner making sure I say this
14 correctly. Dr. Chris Kincaid who has done a lot
15 of the work for us modeling in the upper bay,
16 and we think has a fantastic model. Tom's going

17 to have him take a look. Tom, do you have any
18 detail?

19 MR. BRUECKNER: No, I was going to
20 have him do some on the runs that were done by
21 MWH with his model and see that if the results
22 are similar the alternative.

23 MR. MARSHALL: So that's probably
24 the third piece that Long Range Planning didn't
25 really ask for but as we talked about internally

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1 among the staff members, we thought it would be
2 good to check on the water quality impact
3 analysis that was done by MWH using Dr.
4 Kincaid's model. Because they use the ASA
5 model. I'm sure you're familiar with all of
6 those.

7 CHAIRMAN MESOLELLA: Yeah. Okay.
8 Any other questions pursuant to the Executive
9 Director's Report?

10 COMMISSIONER HANDY: I wasn't able
11 to make the meeting last month, but there was --
12 I saw in the minutes that there was some
13 discussion of a report related to the
14 performance of the turbines. And I just
15 wondered whether that's available yet, or
16 whether --

17 CHAIRMAN MESOLELLA: We're going to
18 be talking about that in the -- I think what
19 you're referring to we're going to be talking
20 about that in the Chairman's Report.

21 MR. MARSHALL: And in addition, the
22 next board meeting, we'll have a presentation
23 similar to what Tom's going to do today and
24 you've see Paul Nordstrom do on the treatment
25 plants at either the February or the March

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1 meeting and we'll go over the whole turbine
2 issue and success, and the other projects that
3 are alternative energy in nature that we are in
4 the process of undertaking.

5 COMMISSIONER HANDY: Thank you.

6 CHAIRMAN MESOLLELA: Okay. Further
7 questions pursuant to the Executive Director's
8 Report? Okay. Moving right along. Other
9 Committee Reports and Action Item Resulting are
10 Chairman Macqueen is not here, but the CEO
11 committee did not meet today. The Personnel
12 Committee did meet. Commissioner Campbell.

13 COMMISSIONER CAMPBELL: Personnel
14 Committee met, and we did approve two amendments
15 for the organizational plan. And we need to go

16 through that.

17 MR. MARSHALL: No. Neither one of
18 those. There was one at Bucklin Point, one
19 associated with Bucklin Point, one associated
20 with the customer service group that neither
21 will impact the existing operating budget. And
22 so there's no need for the finance or the full
23 board to act on those. Those changes will also
24 be reflected in the upcoming FY-16 Budget which
25 you will have to approve.

19

1 CHAIRMAN MESOLLELA: Okay. Finance
2 Committee. Commissioner Andrade.

3 COMMISSIONER ANDRADE: No report
4 this morning, Mr. Chairman.

5 CHAIRMAN MESOLLELA: Okay. Rules
6 and Regulations.

7 COMMISSIONER DICHIRO: No report,
8 Mr. Chairman.

9 CHAIRMAN MESOLELLA: Okay. Long
10 Range Planning. Commissioner Carlino.

11 COMMISSIONER CARLINO: The
12 executive director pretty much talked about it
13 today. We had the four alternatives. Well,
14 first of all, thank you for all of those who
15 came to the workshop. And for those who did not

16 come, they did follow up with the executive
17 director and myself and we answered questions
18 and discussed it with them. So we looked at the
19 four alternatives.

20 We decided to remove the fourth
21 alternative which was the no tunnel alternative
22 with the storage tanks, and so forth. So we're
23 going to be looking at the first three
24 alternatives. And like the Executive Director
25 explained, we have other things that are going

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1 on in February and March. So we took advice
2 from Commissioner Bennett regarding, you know,
3 the induced direct and indirect benefits, so I
4 think we're on the right path.

5 CHAIRMAN MESOLELLA: All right.
6 Thank you. Compensation Committee.
7 Commissioner Kimball.

8 COMMISSIONER KIMBALL: Compensation
9 Committee met this morning, and we have
10 Resolution 2015:01; Acknowledgement and Approval
11 of NBC's existing Policies Practices and
12 Procedures which satisfy Rhode Island General
13 Law Section 42-155-5 relating to executive
14 compensation and overall compensation

15 methodology and procedures for the Narragansett
16 Bay Commission. And we recommend approval of
17 Resolution 2015:01.

18 CHAIRMAN MESOLLELA: We have a
19 motion from Commissioner Kimball to approve
20 Resolution 2015:01, seconded by Commissioner
21 Montanari. Is there any discussion with regard
22 to Resolution 2015:01? Hearing none. All of
23 those that are in favor will say aye. Are there
24 any opposed? There are none opposed and that
25 motion carries. Okay. Moving right along. The

21

1 Citizens Advisory Group. Harold, do you have a
2 report for us today?

3 MR. GADON: Short report, Mr.
4 Chairman.

5 CHAIRMAN MESOLLELA: Please
6 proceed.

7 MR. GADON: The CAC did not meet in
8 January. Will not meet again until March 11th.
9 The CAC does support the NBC in deciding how to
10 proceed on Phase III. Our Stakeholders do
11 support the Chairman on eliminating Alternative
12 4 from consideration. One of our CAC members,
13 Chris Hannifin, is active in Rhode Island
14 Housing and executive director of Rhode Island

15 Housing network is being retired this month.
16 Thank you.
17 CHAIRMAN MESOLELLA: Retired from
18 -- Chris Hannifin is being retired, you said?
19 MR. GADON: What was that, please?
20 CHAIRMAN MESOLELLA: Chris
21 Hannifin.
22 MR. GADON: Chris Hannifin, yes.
23 CHAIRMAN MESOLELLA: Is what?
24 MR. GADON: She's being connected
25 with Rhode Island Housing for many years. She's

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1 presently director of Rhode Island Housing
2 Network. She's been retiring this year and
3 she's being honored in the Warwick Museum.
4 CHAIRMAN MESOLLELA: Is she going
5 to continue on with you on the Citizens Advisory
6 Group?
7 MR. GADON: I hope she does.
8 CHAIRMAN MESOLLELA: Okay.
9 MR. GADON: I'm going to go to her
10 meetings so that maybe it will put more pressure
11 on her coming to my meetings.
12 CHAIRMAN MESOLLELA: Thank you,
13 very much. All right. Ad Hoc Internal Ethnicities

14 Committee.

15 COMMISSIONER DICHIRO: No meeting.

16 CHAIRMAN MESOLLELA: The Long Range

17 Planning Committee did not meet but was involved

18 in the workshop. All of members of the

19 Executive's Committee were, but there was no

20 meeting, formal meeting of the Executive

21 Committee. Legislative Report. Joanne, do you

22 have a report for us today?

23 MS. MACERONI: Not really, Mr.

24 Chairman. The General Assembly was back into

25 session January 6, and I'm beginning my daily

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1 look at the introductions, but I have nothing to

2 report at --

3 CHAIRMAN MESOLLELA: At this time.

4 All right. Well, but thank you, very much.

5 Okay. The Chairman's Report. A couple of

6 things. The first thing is next commission

7 meeting is February the 17th, so you can make a

8 note of that. With regard to the General

9 Assembly, it's my intention to have a meeting

10 with counsel Joe D'Angelis and Laurie Horridge

11 with regard some potential legislative

12 initiatives which, of course, we will bring

13 before the Board before any formal action.

14 This, in my opinion, will primarily
15 involve any potential direct appropriation in
16 light of the financial condition of the state
17 that might be available to the Commission in
18 light of our undertaking with Phase III and the
19 financial impacts on our ratepayers.

20 So we'll report more to you at the
21 February meeting. Before we move on to a
22 presentation on the nitrogen water quality study
23 presentation by Tom Uva, as you know, with the
24 passage of the amendments of the net metering
25 statute quasi public agencies such as NBC will

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1 now be allowed to consider off site alternative
2 for energy projects. So with regard to
3 Commissioner Handy's inquiry, I had Joanne and
4 Ray put together some facts for your
5 edification, and basically these are the general
6 facts.

7 The project had a total all in cost
8 of about \$14.6 million dollars subsidized by
9 Narragansett Commission labor and some debt
10 forgiveness by the PUC -- not the PUC the --

11 MR. MARSHALL: DEM.

12 CHAIRMAN MESOLLELA: Sorry.

13 MR. MARSHALL: The SRF and the DEM
14 program.

15 CHAIRMAN MESOLLELA: SRF program of
16 \$1.8 million. So the net cost of our turbines
17 were 12 million, approximately \$12,400,000. In
18 the years 2013, 2014 we had combined savings of
19 an energy power cost of about \$1.3 million
20 dollars, and we had some REC credits which
21 amounted to about eight hundred -- is that
22 right, Ray?

23 MR. MARSHALL: It was nine hundred
24 thousand --

25 CHAIRMAN MESOLELLA: 899 thousand

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1 dollars. So our total savings were about
2 \$2,218,000. Pretty significant. So what I'm
3 proposing to the Board and we've discussed this
4 with the Board that I think it would be
5 appropriate under the new legislation that we go
6 out to a request for proposal to any potential
7 energy providers that may increase our combined
8 total electric demand.

9 So I've asked Ray, and I will ask
10 Ray and the staff to generate a request for
11 proposal. It doesn't mean that the Commission
12 has to act on anything, but it would be good to

13 see what's out there for alternative energy
14 sources and what those financial impacts and the
15 green impact is to the Narragansett Bay
16 Commission.

17 So I'm going to ask the executive
18 director and staff to generate a request for
19 proposals to see what comes in. So Commissioner
20 Handy, are there any specific questions you had
21 with regard
22 to --

23 COMMISSIONER HANDY: In reviewing
24 the minutes, there were some discussion of, you
25 know, how much was consumed on-site, how much

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1 was generated to the grid. And if there's a
2 detailed report regarding that, I --

3 CHAIRMAN MESOLLELA: I was just
4 going to say, I'm just giving you the
5 highlights. But what I'll ask someone to do is
6 generate this in a correspondence --

7 COMMISSIONER HANDY: That would be
8 great.

9 CHAIRMAN MESOLLELA: -- that would
10 be sent to all of the Commissioners for their
11 edification. So you'll see exactly what the

12 outputs are, what the net metering results are,
13 and you'll have a pretty concise report and a
14 summary form, so you'll all know. And
15 hopefully, we'll get some proposals -- if he
16 board decides that they wanted to act on any of
17 the proposals that might come in and we'll see
18 what those impacts are on any of the energy
19 savings through the new net metering laws and
20 amendments that have passed.

21 MR. MARSHALL: If I could just add.
22 We're gathering all of that information now. I
23 pulled that together for the Chairman so he
24 could approach this opportunity with the Board.
25 I can come up with something fairly concise and

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1 send it out to all the Board members, so you can
2 all see it. But we'll have a more detail
3 presentation in either February or March, like I
4 mentioned, with slides, and then of course that
5 will be available to you, as well. One other
6 number because sometimes people ask me this
7 question in this way. How much of the power do
8 you guys generate that you actually need?

9 And in 2014 we generated just about
10 48 percent of the power that we need at the
11 Field's Point treatment plant. So 48 percent of

12 all the electricity that we needed to run the
13 fields point treatment plant were generated by
14 the wind turbines. The year before the number
15 was just about 42 percent. So there has been an
16 increase from one year to the next, but in part,
17 that was caused by -- we were limited in 2013 in
18 terms of how much -- how high we could run our
19 turbines, so to speak.

20 We were limited to 60 percent of
21 the capacity. In December 2013, National Grid
22 released that restriction so were we're able to
23 operate at a hundred percent. Now, of course,
24 most of the time you're not near a hundred
25 percent, but the wind speeds were a little bit

28

1 better in 2014, as well. But by like a quarter
2 of a mile per hour. It's hard to believe that
3 makes a difference, but that does over time.

4 COMMISSIONER HANDY: Just in light
5 of the savings that are being generated from the
6 operation of the turbine and the mandate from
7 the legislature last year on climate that state
8 agencies think about ways in which they can
9 mitigate and actively pursue. You know, it
10 seems like this is a logical part of the

11 conversation with regard to potential funding
12 sources from the state government, because this
13 obviously helps the mix with regard to the
14 impact on our rates with future construction,
15 and it's also beneficial in other ways.

16 CHAIRMAN MESOLLELA: Yeah, and by
17 the way, I think I'm correct in saying that
18 we're talking about energy projects which
19 doesn't necessary mean wind. It's alternate
20 energy projects that can eventually go into the
21 net metering system.

22 So it very well may be, I'm not
23 speaking to the economics, it very well may be
24 solar, it could be methane recovery, it could be
25 any number of different technologies, but

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1 they're energy projects. So we don't know what
2 might come in, but it's always helpful to know
3 what's out there and I think we should consider
4 it. So -- Sorry. Commissioner Campbell.

5 COMMISSIONER CAMPBELL: A couple of
6 months ago there was a lot of news about
7 National Grid increasing their electric rates
8 like 25 percent. Did that indeed happen or --

9 CHAIRMAN MESOLLELA: Well, I think
10 we have an expert right on board that can answer

11 that question.

12 COMMISSIONER CAMPBELL: What was
13 the increase?

14 COMMISSIONER CARLINO: I think it
15 was like 3.2 percent.

16 CHAIRMAN MESOLLELA: Okay, was it
17 that high? They get that much?

18 COMMISSIONER CARLINO: Yeah, but it
19 was spread out over 12 months instead of 6.
20 Originally --

21 CHAIRMAN MESOLLELA: But it's not
22 12. It went up to 22?

23 MR. MARSHALL: No, he said that's
24 spread over 12 months.

25 CHAIRMAN MESOLLELA: No, no, I'm

30

1 saying did they start at 12 and it increased it
2 every month all the way up to 22 percent?

3 COMMISSIONER CARLINO: I'm sorry.
4 I don't know if that's how they did it.

5 CHAIRMAN MESOLLELA: I thought that
6 --

7 COMMISSIONER CARLINO: I think it
8 does escalate.

9 CHAIRMAN MESOLLELA: Right, yeah, I

10 thought that's what it ws.

11 COMMISSIONER CARLINO: Because
12 originally it was going to be during the winter
13 months which was going to cost more, so I think
14 they escalated it that way.

15 COMMISSIONER CAMPBELL: So that
16 makes the wind turbines the percentage should go
17 up because the
18 value of the power --

19 CHAIRMAN MESOLLELA: In terms of
20 savings, you're talking about.

21 COMMISSIONER CAMPBELL: The savings
22 should go up.

23 CHAIRMAN MESOLELLA: Absolutely.
24 Commissioner Worrell.

25 COMMISSIONER WORRELL: On that net

1 metering legislation, are there any limits as to
2 how much electricity an organization like ours
3 we qualify -- any limits on how much we can
4 produce? For example, we're producing 4.5 out
5 here with these three. If we had another 4.5
6 presumably, my math tells me we'd be at a
7 hundred percent. If we had another 14.5, we
8 might be in the chips and we can start selling
9 shares in this organization.

10 CHAIRMAN MESOLLELA: So
11 Commissioner Worrell, great minds think alike.
12 So that was the discussion that the executive
13 director and I had just last night. I haven't
14 read the legislation that closely, is that a
15 possibility that we can contract for more power
16 that the commission might actually, their
17 demands, and act as a wholesaler, right.

18 I mean, I don't know how the
19 economics work, but Commissioner Handy can
20 probably speak to that. But that was the exact
21 conversation we had last night. I was going to
22 ask Joanne to look at that and counsel to look
23 at that during this process.

24 COMMISSIONER HANDY: The good news
25 is that they eliminated the cap on the program,

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1 the net metering program. There used to be a
2 cap that it could only be 3 percent of their
3 maximum daily load. So they've eliminated that
4 cap. They have a five megawatt project cap, but
5 you can contract with separate projects to meet
6 your load. And as far as net metering goes, you
7 can't net meter more than a hundred and twenty
8 five percent of your load --

9 CHAIRMAN MESOLLELA: Total demand.

10 COMMISSIONER: And if you're over
11 your load, you only get standard on the rate
12 which is the wholesale standard rate for that
13 power you don't get your retail part. So
14 there's not really a benefit over production.
15 You really want to try to target load. That's
16 the purpose of the program. There are other
17 programs where you can generate and sell the
18 energy to the grid, and that is a potential
19 opportunity, as well.

20 CHAIRMAN MESOLELLA: And we're not
21 speaking to the economics, we're talking to the
22 specifics of the statute, right?

23 COMMISSIONER HANDY: That's right.

24 CHAIRMAN MESOLELLA: Yeah, okay.
25 The idea is to get out there, see what's out

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1 there and let everybody come in. It could be
2 one or two or three or four different vendors,
3 right?

4 MR. MARSHALL: Yes. One other
5 thing I want to point out that's been brewing in
6 Washington is that EPA is looking at facilities
7 in the wastewater industry as generators of
8 greenhouse gases, and there's probably going to

9 be in the next couple of years some type of
10 legislations or regulations that are passed that
11 require us as an entity to reduce our greenhouse
12 gas production by a certain amount.

13 Now fortunately, at this point in
14 time, they're talking about benchmarking your
15 greenhouse gas baseline back to about the year
16 2000.

17 So that works to the advantage of
18 organizations like ours because we will be
19 taking affirmative steps to reduce our
20 greenhouse gases. Others have done nothing.
21 And so we want to make sure we get credit for
22 what we've already done, I guess is my point.
23 And we have the biogas project, as well as
24 looking at some solar. And then all the
25 opportunities that may might fall out the RFQP

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1 that the chairman just outlined. So just to let
2 you know that we try to keep our eye on these
3 things both at a state and national level. And
4 that national association of clean water
5 agencies that we belong to is a big help, and
6 you know, in that regard.

7 CHAIRMAN MESOLELLA: Okay. Any

8 other questions? All right. So that concludes
9 the Chairman's Report. Is there any new
10 business? Any new business at all to raise
11 here? Okay. Hearing none. We're going to get
12 a presentation from Tom, who's going to try to
13 complete this in 18 to 20 minutes because lunch
14 will be served, and -- right Tom?

15 MR. UVA: Yes. Ray gave me two and
16 a half hours, Mr. Chairman, but I'm going to try
17 and keep it to 20 minutes.

18 CHAIRMAN MESOLLELA: All right.

19 MR. UVA: Please eat your lunch
20 while I'm talking.

21 MR. MARSHALL: We can have lunch
22 now.

23 CHAIRMAN MESOLLELA: Yeah, you want
24 to do that. You want to take a break, get some
25 lunch and watch the presentation. Does that

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1 work for every body? Do you want to do that?
2 Tom, are you all set up?

3 MR. UVA: Yeah, I'm going to have
4 to put that screen down, Mr. Chairman.

5 (LUNCH RECESS 11:45)

6 (PRESENTATION BY TOM UVA)

7 MR. UVA: All right, Commissioners

8 thank you, enjoy your lunch while I chat here.
9 I want to thank Commisioner Mesolella and
10 Director Marshall for letting me give me the
11 opportunity to come and talk to you today about
12 nitrogen. It's something near and dear to our
13 hearts.

14 I'm going to start off by telling
15 you a little bit about the upper bay issues and
16 impairments. And usually when there's an
17 impairment, it falls on the Narragansett Bay
18 Commission to remove a pollutant. And the bay
19 is impaired for bacteria dissolves oxygen
20 impairments which is low oxygen, hypoxia and
21 anoxia is caused.

22 Hypoxia is low oxygen and anoxia is
23 zero oxygen. And what happens is fish die,
24 plants die, and that's not a good thing. And
25 that comes from excessive nitrogen loads or

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1 excessive nutrient loads. And we have
2 contaminated sediments. We also have
3 contaminated sediments in the bay from years of
4 industrial pollutions that entered the bay. We
5 have the loss of wetland, habitat and eel grass.
6 And right now we have major NBC construction

7 projects that have addressed nitrogen enrichment
8 and bacteria impairments. And you all are very
9 familiar with that, what's been going on with
10 the CSO Phase III discussions. And what brought
11 about nitrogen pollution issues with DEM?

12 In August of 2003 there was a major
13 fish kill in Greenwich Bay, dissolved oxygen
14 levels were very low in Greenwich Bay. We had
15 actually higher dissolved oxygen levels in the
16 Providence River than in the bay. And as a
17 result of that fish kill, the House and Senate
18 passed legislation requiring DEM to issue new
19 permits to the wastewater facilities. And those
20 permits required a 50 percent reduction in
21 nitrogen loads to the bay by 2008.

22 Well, that deadline came and went,
23 and there were reports generated about what
24 caused the fish kill, and there were many
25 factors including low flushing, no wind, poor

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1 circulation of the waterways in Greenwich Bay.
2 Many physical factors that are beyond the
3 control. Also, high nitrogen loads and high
4 water temp and warm water temps cause the
5 problem.

6 The only thing that DEM can control

7 is nitrogen loads by permitting wastewater
8 treatment plants to reduce nitrogen. But
9 stratification is another major cause of low
10 dissolved oxygen. Stratification is when you
11 have the surface waters, if you look at this
12 little diagram. The top of the water is fresh
13 water. We have river inputs into the bay and
14 the surface water is fresh. And the bottom
15 waters are salt water. And the oxygen can't
16 penetrate through that surface layer to get to
17 the bottom layer. And the fish at the bottom
18 are deprived of oxygen and die, and that's when
19 you'll have a fish kill.

20 And one of the other causes of low
21 dissolved oxygen is nitrogen enrichment. And
22 what happens is the nitrogen causes, just like
23 in our lawns, we fertilize our lawns. We're
24 fertilizing the bay, and we cause algae to form,
25 sea lettuce and plankton. And when the sun goes

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1 down at night that plankton dies off and sinks
2 to the bottom, and it uses up the oxygen when
3 bacteria breaks it down and the dissolved oxygen
4 gets very low. So those are the two major
5 causes of low dissolved oxygen in the bay.

6 And the NBC has been addressing
7 high nitrogen loadings to the bay. We're going
8 to be spending about \$80 million over 20 years
9 in capital costs to address nitrogen -- capital
10 and operating costs, to address nitrogen at our
11 present level of five parts per million when our
12 permits have been opposed on us. And the left
13 side in blue, these are all construction
14 projects that we've completed.

15 You can see the CSO project Phase I
16 and Phase II, the actual cost. And what we have
17 here in the green colors on the right are
18 potential future projects, and you could see the
19 monster sitting there, the CSO Phase III, \$741
20 million dollars. This doesn't show anything for
21 future nitrogen upgrades, and DEM has told us
22 they want us to go three for nitrogen. And you
23 can see where you're all familiar with this
24 graph that shows how our rates have been
25 increasing and they're approaching 2 percent of

1 the median household income. So we've been very
2 active at the Narragansett Bay Commission to
3 ensure that any construction projects that are
4 imposed on us are based on sound science, and we
5 have a extensive water quality monitoring

6 program and we perform studies to make sure that
7 something's really needed and that there's going
8 to be water quality benefit associated with the
9 millions we have to spend. And we have an
10 exemplary water quality science team that
11 evaluates all of this data.

12 This is the buoy at Bullocks Reach
13 and we operate two fixed site buoys, fixed site
14 monitoring stations. You can go on the computer
15 at any time and log in and see the water
16 temperature, dissolved oxygen levels,
17 chlorophyll levels at either of these sites.

18 And some of this monitoring is required by a
19 consent agreement from DEM.

20 These particular bouys are required
21 by our consent agreements. But a lot of it is
22 to give us good data so we can basically
23 challenge something if it's not appropriate for
24 the Narragansett Bay Commission. We also
25 monitor all of the nitrogen that comes across

1 the state lines into the upper bay. So we know
2 how much is coming into the rivers from
3 Massachusetts. And we sample the bay and the
4 tributary rivers to see water quality

5 improvements associated with the millions that
6 we're spending on nitrogen removal projects. We
7 sample at all of these red dots or all the
8 different locations that we collect nitrogen
9 samples from, and we sample these bay stations
10 twice a month.

11 We also -- Ray mentioned the ROMS
12 model that we have with Dr. Kincaid from
13 University of Rhode Island. And we've been
14 working on that for quite a few years now. And
15 we think it's the best model available to track
16 the fate of pollutants through Narragansett Bay.

17 We can track a pollutant that comes
18 out of our treatment facility and see exactly
19 where that pollutant goes. So if we're
20 discharging some nitrogen from our treatment
21 facility, we can see does it go into Greenwich
22 Bay, does it go south down into the lower bay,
23 does it go out to Rhode Island sound (sic) and
24 we can track those pollutants? And we can
25 determine how effective nitrogen reductions are.

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1 So we can program in if we went to three. Would
2 there be any water quality improvement? And
3 these are some of the things that we're working
4 on presently with Dr. Kincaid. And we also do

5 sechidisk readings which test the clarity of the
6 water. We have a seabird's unit which we can
7 lower into the water. This unit here we built
8 and put it on the back of our boat. And any
9 time our boat is underway, we can record
10 dissolved oxygen and chlorophyll levels every
11 time the boat is running and that data goes
12 directly into the computer. And we also the
13 analyze plankton samples so we can see how the
14 bay is changing with the nitrogen reductions.
15 We built this video camera set-up. This is a
16 sled.

17 We spent about a thousand dollars
18 to build that and we're able to do transects in
19 the bay and we do this once a month. You may be
20 familiar with several years ago sea lettuce.
21 Seaweed was washing up on the beaches at
22 Edgewood and Conimicut Point, and DEM goes out
23 and cleans that up and that sea lettuce grows
24 because of the nitrogen that's in the water.
25 And we're able to see the reductions in that

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1 with these video cameras. And here's a -- oops,
2 let's see what's happening here. I want you to
3 see this nice movie that we put together for

4 you. And we'll show you what is in the upper
5 bay. Portions of the upper bay are mud flats,
6 and here's some of that sea lettuce that I told
7 you about. That's down near our buoy at
8 Bullock's Reach.

9 There's a bunch of shells, shell
10 rubble around Bullock's Reach, and these are
11 amphipod tube mats. These are shrimp waste.
12 These are anemones, sea anemones. There's green
13 crab in the upper bay. This one's going to be
14 tough to see. There's a manta shrimp. It's
15 almost the size of a lobster and they burrow
16 into the ground and sea stars. There's a flat
17 fish there, a summer flounder. And there's a
18 mass of spider crabs mating in the upper bay.

19 So there's a lot of sea life in the
20 upper bay. The upper bay is alive and well. If
21 someone tells you it's just a sewer, it's not.
22 And all of our information is on our website,
23 which we received the national award for this
24 website to get the data out to our Stakeholders
25 to educate them about the great work that we're

1 doing here at Narragansett Bay. Some of the
2 commissioners have asked about the Blackstone
3 River and about the plant in Worcester, how it's

4 doing. So I wanted to add a few slides on that.
5 And they've reduced their nitrogen load by 69
6 percent already. They've spent a hundred and
7 sixty million dollars to upgrade their facility.
8 And in the river what we're seeing at the the
9 border coming from Massachusetts, a 46 percent
10 reduction in nitrogen at the border.

11 They've also reduced their nitrogen
12 89 -- their phosphorus 89 percent. And that
13 translates to a 79 percent reduction at the
14 border with Massachusetts. So they've done a
15 very good job of reducing their nitrogen load.

16 But what I'm more concerned about
17 is how the NBC is doing. And at Field's Point
18 we installed this I-FFAS system, and you've all
19 seen this before. The plastic meteor and it
20 gets covered with bacteria, and the meteor stays
21 in the tank. And we've done that to meet our
22 standard of five. And it's the largest I-FFAS
23 plant in the world. So this summer we averaged
24 3.4 parts per million. Now, keep in mind DEM
25 wants us to go to 3 parts per million. So it

1 will be a very small reduction and it's going to
2 be very expensive. This was all part of a \$59

3 million dollar project to upgrade Field's Point.
4 Thirty one million of that was allocated to
5 nitrogen alone. And that resulted in a
6 reduction of almost 48 hundred pounds of
7 nitrogen, basically an 82 percent reduction
8 we've already achieved.

9 And at Bucklin Point when our
10 existing permit was issued back in 2005, that
11 plan was going on-line to reduce nitrogen to
12 8.5. And that was about 8.3 million out of a
13 \$70 million dollar contract to upgrade that
14 facility, which hasn't been upgraded since it
15 was built in the '50s. And the new permits that
16 were issued required us to reduce it to five.

17 So we challenged the permit,
18 entered a consent agreement and we spent another
19 13 million to remove another 158 pounds a day of
20 nitrogen. So that's pretty expensive when you
21 start to get to these lower levels. But the
22 plant performed well. During the summer permit
23 season we averaged 3.66, almost down to the
24 number of three that DEM wants. And we're
25 looking at about an 80 percent reduction

1 compared to 2003, the year of the fish kill. So
2 how does the Narragansett Bay Commission and the

3 other wastewater plants doing compared to that
4 legislative mandate to reduce 50 percent? Well,
5 the wastewater plants in the upper bay of Rhode
6 Island spent about 275 million on upgrades
7 already. And they reduced about 59 percent from
8 1995, 1996 baseline levels. And NBC has reduced
9 63 percent since those baseline levels.

10 And DEM is not recognizing that
11 goal as being met yet. They are indicating that
12 the reduction should be based upon design
13 capacity of the facilities which is not built
14 out, which means it translates to about a 60
15 percent reduction and not a 50 percent mandated
16 reduction.

17 So they kind of changed in the game
18 plan a little bit there. And in any case, we've
19 exceeded it in any way. And if you compare it
20 to the year of the fish kill, the upper bay
21 wastewater treatment plants have reduced 67
22 percent nitrogen loading into the upper bay, and
23 Narragansett Bay Commission as of 2014 has
24 reduced to 81 percent of the load. So basically
25 we reduced 7,100 pounds a day of nitrogen at our

1 two facilities, which is overall for both plants

2 an 81 percent reduction. And we're discharging
3 now about 1,600 pounds a day at our present
4 loading. And if went to three we would
5 discharge 1,378 pounds per day. And that would
6 be an additional deduction of 263 pounds. And
7 what I asked my friends at DEM is will that
8 deduction achieve water quality standards, that
9 additional 263 pounds? I think not.

10 So DEM basically imposed these
11 regulations on us without doing a comprehensive
12 study of what the loading in Narragansett Bay
13 for nitrogen should be. They base the initial
14 permits on what was known as the Merle study, a
15 series of tanks where they added nitrogen into a
16 tank. It wasn't mixed. And this was done in
17 1981 down at the University of Rhode Island.

18 So the best data we have is what
19 they call the National Coastal Condition Report.
20 And this an EPA and NOAA document and USGS. And
21 for an estuary like Narragansett Bay in the
22 northeast, a good estuary that will promote
23 eelgrass growth and oyster cultivation, should
24 have less than .1 milligrams per liter of
25 dissolved and organic nitrogen. So how are we

1 doing? Our two lower monitoring stations are

2 meeting that, and we're in the good category,
3 these green dots. The mouth of the Pawtuxet
4 River is one of the highest concentrations of
5 nitrogen, about one and a half parts per million
6 averages.

7 For the first time the Phillipsdale
8 Landing and the Seekonk River downstream of our
9 wastewater treatment facility is in the fair
10 category. The rest of the Providence River is
11 now in the fair category, but there's still
12 nitrogen reductions going on.

13 COMMISSIONER CARLINO: So why is it
14 so bad at Pawtuxet?

15 MR. UVA: Well, a lot of that data
16 is based upon Rhode Island Resource Recovery
17 going into the Cranston treatment plant, and
18 they don't have nitrogen removal. DEM has
19 regulated that the plants on the Pawtuxet for
20 phosphorus because it's a fresh water body. The
21 problem is it's right next to the estuary, and
22 it dumps that nitrogen into the saltwater
23 estuary. Phosphorus is the problem in fresh
24 water and nitrogen is the problem in saltwater.
25 That's the type of fertilizer it is. Now we

1 redirected Resource Recovery to our facility at
2 Field's Point. So they will be installing
3 additional treatment this spring, and we should
4 see those numbers at the Pawtuxet River go down.
5 And they're also upgrading those treatment
6 plants on the Pawtucket River to reduce
7 nitrogen.

8 So this is another way to look at
9 this over the years. This pink area is poor.
10 This yellow area is the fair category, and the
11 green area is the good. And you can see these
12 are all different sampling locations. This red
13 one is the Phillipsdale Landing near the Bucklin
14 Point plant, and you can see how it's
15 decreasing. And these other plants that are in
16 the green are the lower bay ones that I
17 mentioned earlier.

18 The Conimicut Lighthouse monitoring
19 location has been in the good category now for
20 three years. But what I want you to notice is
21 the nitrogen load. This is rainfall, this
22 dotted blue line. And it dramatically follows
23 rainfall, the nitrogen concentrations. So we
24 could basically take a lot of the nitrogen out
25 of our plants and not discharge, but when it

1 rains, it's going to be a bad year for the bay.

2 COMMISSIONER ANDRADE: Is that from
3 runoff?

4 MR. UVA: That's from runoff, yes,
5 Commissioner. And this is a very busy graph.
6 But what I wanted to demonstrate here is the
7 bottom in red is Narragansett Bay Commission
8 Facilities. And these are all different rivers
9 that empty into the bay for every sampling
10 location. This is pounds of nitrogen.

11 This is the March floods. Almost a
12 hundred thousand pounds of nitrogen a day were
13 flowing into the bay when it rained and when we
14 had those floods. And typically we can see
15 easily 50,000 pounds of nitrogen that flushed
16 into the bay at a rainstorm event, hence, the
17 importance of stormwater management to deal with
18 stormwater.

19 This is another way to look at it.
20 This bottom line here is both the DEM in black
21 and the NBC in gray. We don't have the 2014
22 data yet from DEM. But that shows the percent
23 of time that the water is impaired. Oxygen
24 levels are below 2.9. This year we only had one
25 day of impairment in the upper bay, less than

1 one day. So it was a .82 percent of a day,
2 really. So, but what's interesting to note is
3 this is rainfall. Every time there's a bad
4 year, it's following rainfall. The more rain,
5 the more hypoxia we have in the bay.
6 Interestingly enough, this is the map of the DEM
7 map of the impaired waters for dissolved oxygen.
8 This is where they're cracking down on the
9 sewage plants for nitrogen. Interestingly
10 enough, this is where all the rivers enter into
11 the bay, all the freshwater sources.

12 So my question to DEM is it
13 stratification that's causing the problem where
14 you're getting this freshwater layer on the
15 surface and the oxygen can't penetrate to the
16 bottom, or is it nitrogen loading that's causing
17 the problem?

18 Well, this is our nitrogen
19 reduction. This is our greenhouse gas emissions
20 as we reduce our nitrogen at Field's Point, this
21 is Field's Point. And if we go to three you can
22 see there's not going to be much nitrogen
23 reduction, but we're going to really increase
24 our greenhouse gas emissions, which means more
25 climate change, more rainfall, more violations.

1 So does this make sense? Is this a sensible way
2 to proceed? And I did include here in the
3 dotted line that's the offset in carbon from our
4 wind turbine. So you can see how our greenhouse
5 gases are reduced. And I want to tell you a
6 little bit about the cost of going to three.

7 Here's before we went to five.
8 Here's when we're at five. It cost us about \$80
9 million dollars to go to five. And this is not
10 the loading, this red line is the loading of
11 nitrogen in upper in Narragansett Bay, north of
12 Conimicut Point.

13 This is the reduction from all the
14 wastewater plants including us, and this is
15 where we are now. To go from five to three
16 we're going to reduce 263 pounds. The cost is
17 going to be a hundred and eight million dollars
18 over 20 years. So to do this initial reduction
19 was \$11,000 per pound of reduction. To do this
20 future reduction, to reduce this 263 pounds,
21 it's going to cost us \$410,000 plus for a pound
22 of reduction.

23 So my question is that going to get
24 us water quality standards? So I hear from our
25 friends all the time that, oh, you know, man has

1 made its footprint here and it's coming out of
2 the sewage plants. You've got to address the
3 problem, you know, if you ever want to get it
4 pristine like when the Narragansett Indians were
5 on Narragansett Bay.

6 So we look at it a little
7 differently, our team, and we say nutrients are
8 not the only problem. We have -- Narragansett
9 Bay's faced with a lot of problems, loss of
10 habitat and eelgrass, contaminated sediment,
11 alteration of coastline, change in the
12 circulation of the bay, climate change. We
13 built dams, we built break walls, we silted up
14 the rivers. And we have stratification.

15 So let's look at the historical
16 record. In 2010 oyster production in the upper
17 bay was at its peak. There were 5,000 leased
18 oyster beds north of Conanicut Point. That
19 generated \$45,000 in revenue for the state from
20 leasing those oyster beds.

21 They produced 7,000 metric tons of
22 oysters a year. After the sewage plants and the
23 waste was directed into the rivers, people
24 started becoming sick on oysters and the
25 population started to decline. This is Field's

1 Point. These are oyster shells in these
2 pictures. And Pettis had a big oyster farm on
3 Starvegoat Island, which I'll show you in a
4 second. And this is an old map that we came
5 across of upper Narragansett Bay and the
6 Providence River. And this is a sewage
7 treatment plant here, and it was a chemical
8 precipitation plant then. And this shows
9 eelgrass and oyster beds all along this area.

10 The Seekonk River was the most productive. The
11 Seekonk River was 37 feet deep. Right now it's
12 6 feet deep. It's all silted up with sand.

13 And the Providence River channel
14 was 25 feet deep. And what you see here in
15 writing is the City of Providence engineer
16 stating how they're going to dredge the bay, how
17 they're going to fill the bay. They're drawing
18 roads into the bay right here, and where they're
19 going to fill it. And here's the waterline.

20 Here's the coastline at that time in the old map
21 from the city plans. And how did the
22 circulation flow? Well, we have that ROMS
23 circulation model that I talked to you about.

24 And what happens is the water came down the bay
25 and it hit this point here. This was the real

1 Fields Point where they used to have picnics
2 right out here. And the water would flow evenly
3 down the bay because the bay was 25 feet deep.
4 Now, it's 50 feet deep in that area. So here's
5 what we did. We filled in the bay.

6 We built the channel that's 50 to
7 60 feet deep now. This is where Save the Bay
8 is, that's that Starved Goad Island that I told
9 you about. That was where the oyster production
10 facility was. And what we're seeing now when we
11 built the hurricane barrier, we built the
12 Pawtuxet River break wall, we allowed the rivers
13 to silt up, the Seekonk River as I indicated, 6
14 feet deep where it used to be 37 feet deep. And
15 we created this low dissolved oxygen area. And
16 what happens is we had very poor flushing in
17 that area.

18 When we have these big rainstorms
19 the nitrogen flushes into the bay and it sits
20 there for 10 days or more until we have a storm
21 to break up what's known as a GYRE. And here's
22 what happens. We have the jet of water that
23 comes down the bay, it follows the channel, and
24 this GYRE just circles around. Bottom waters

25 from the Pawtuxet River head into the GYRE and

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1 they're feeding that highly enriched nitrogen
2 water into the GYRE. It sits there like a
3 greenhouse, and it causes algae to grow,
4 plankton to grow, sea lettuce to grow. So we're
5 looking at it, are there sustainable solutions?
6 Instead of spending a hundred and eight million
7 dollars to take out 263 pounds of nitrogen, is
8 there a better way to do it?

9 So we think that you can do some
10 smart engineering to break up this GYRE. Maybe
11 some selective dredging where you take some of
12 that jet of water and send it over to GYRE,
13 dredged like an off-ramp of a highway, and just
14 to divert the flow over the GYRE to break it up
15 and change the direction of flow. Maybe you
16 could remove some break walls that are -- the
17 break walls, Pawtuxet break wall is sending the
18 flow north, the nitrogen rich water north.
19 Maybe you could cut some holes in it and maybe
20 you build some natural break walls.

21 COMMISSIONER WORRELL: When was
22 that built in the beginning, that Pawtuxet --

23 MR. UVA: That was, I believe after
24 the hurricane, '38 Hurricane to protect those

25 homes down there. So we're looking at possibly

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1 maybe they could create some wetlands and
2 increase habitat. Wetlands are great sources to
3 remove nitrogen from the water. They flush the
4 nitrogen into the air. They use up the nitrogen
5 in the summer. They grow grasses. They provide
6 habitat to species, then they die off in the
7 fall and the winter and the process repeats
8 itself. So these are sustainable things. What
9 about doing aquaculture again in the upper bay,
10 putting up some solar upwellers, rent those
11 solar upwellers out.

12 Grow different types of shellfish
13 that you can transport to other sections of
14 Narragansett Bay to restore depleted shellfish
15 beds. Fix the circulation areas. This GYRE
16 area is a big hot spot, what they call a hot
17 spot. It's loaded with low dissolved oxygen
18 water, and when it breaks up it sends that
19 waters to other portions of the upper bay which
20 causes more problems. So we're looking at
21 sustainable solutions. We know the rates are
22 going up. You can't keep going this way. And
23 we're trying to educate the Stakeholders at DEM

24 and others, a better way to do things. We
25 presented a poster on this up in Tampa at the

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1 Restore American Estuary's conference. We
2 applied for grant money. We have received
3 \$150,000 grant from the Coordination Team in
4 Partnership. They wanted us to partner with DEM
5 on it, and we did. And there's an expert
6 Stakeholder process going on with all the
7 experts in this field. People are very
8 enthusiastic about this. The way the Clean
9 Water Act is written, it focuses on the water
10 column.

11 And the philosophy is if you clean
12 up the water column, all that eelgrass will come
13 back and wetlands will come back and the fish
14 will come back. So they don't look at restoring
15 everything in a holistic fashion. In
16 ecosystem base management and the holistic
17 evaluations are really the way to go.

18 So what happens is in the beginning
19 of the sewage rehabilitations in the country,
20 sewage plants got all the money, wetlands. And
21 those people never got any money or any grants.
22 So those projects really don't happen. So this
23 is the way to look at things holistically, and

24 say, where are you going to get the most bang
25 for your buck? Where are you going to get the

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1 most water quality improvement, the best habitat
2 restoration? By looking at things holistically.
3 And that's what we're trying to do. We're
4 trying to give DEM the tools to develop a good
5 TMDL, and not just say, well, the Bay
6 Commission, you're there, you got ratepayers to
7 pay it, so just do it.

8 You know, we want to give them the
9 tools to look at other things. Some of these
10 things have been done in other municipalities,
11 other communities. One little small element of
12 it, and I'll show you a little bit about that.

13 DEM is scheduled to do a TMDL in
14 2016 for the Providence and Seekonk Rivers for
15 nitrogen and dissolved oxygen. So we're trying
16 to give them feedback from all of these experts
17 of what really should be done. And you know,
18 because we're at diminishing returns now to
19 taking nitrogen out of wastewater plans.

20 And there's a Project Steering
21 Committee with the NBC, DEM Resource, CRMC, EPA,
22 Estuaries Program, and others, and they're

23 evaluating all of these different opportunities
24 that could be possibly used in the upper bay;
25 shellfish, restoration, aquaculture, the nature

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1 conservancy. They want to be oyster beds all
2 over the upper bay. They're ready to go to
3 town. So there's a lot of people that want to
4 partner with us on these types of projects.
5 Oysters take up the nitrogen, you know. So it's
6 a win/win type of thing, you know, fisheries,
7 oysters and shellfish pump the water and clean
8 it. So these are some of the technologies that
9 are readily available. So this is a two-year
10 project. And I won't get into the details on
11 that. But we're trying to find good sustainable
12 solution that will actually create green jobs
13 and put people back to work and help Rhode
14 Island economy.

15 And the first kick-off meeting was
16 on December 2nd, and we have another one this
17 week. And the different specialty groups are
18 meeting and coming up with their top ideas. And
19 year two of the project will be to do some of
20 the set trials in the upper bay, and see where
21 we go from there. And these are some of
22 examples. I'm just going to quickly go over

23 these. You notice there was some areas where we
24 had mud flats in the bay. Well, you could put
25 structures like this that attract fish and grow

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1 shellfish all over those things. So these are
2 solar upwellers where you can grow shellfish
3 right under the dock. And you come in and you
4 throw a seed in the nitrogen enriched waters,
5 transplant those seeds when they're big enough
6 into management areas that could be harvested by
7 the public or commercial fisherman. And these
8 are some opportunities where these are going on.
9 You can actually grow seaweed, and the seaweed
10 uses up the nitrogen, the seaweed can then be
11 used for fertilizer.

12 And these are some of the
13 opportunities where it is going on, there are
14 some places -- I'll show you one. Let's see,
15 Falmouth, Mass. They have part of their TMDL by
16 their regulatory agency was to grow shelled
17 oysters. And that's how they're dealing with
18 the nitrogen and pollution in that bay. But
19 part of it is to change the mentality the way
20 people think, and that's what we're trying to do
21 through these projects.

22 Bio-extraction, as I indicated, you
23 can grow ribbed mussels which is not edible, but
24 it could be used for fertilizer, you can grow
25 seaweed which could be used for fertilizer.

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1 There are regulatory roadblocks to doing this
2 stuff. And that's what we're trying to identify
3 through the Stakeholder process also. What are
4 the road blocks? Well, DEM doesn't want any
5 shellfishing in the upper bay. And they're
6 concerned about changing their enforcement plan.
7 These are what you can do when you dredge up the
8 fluids you can make wetlands. So I'm just going
9 to just close it at that. These are just some
10 of the things, fertilizer controls, examples of
11 fertilizer controls.

12 This presentation will be on the
13 Board's website so you can look at it. I want
14 to thank Christine Comeau, Pamela Reitsma and
15 Eliza. If you could stand up and I want to
16 recognize my science team that works so hard on
17 all these presentations.

18 (APPLAUSE)

19 MR. UVA: I'll be glad to take any
20 questions if you have any. I know there's a lot
21 of information.

22 COMMISSIONER WORRELL: I'm amazed
23 that the Seekonk River's only 6 feet deep and it
24 used to be 37 feet deep. That blows me away.
25 What about dredging up there, would that help at

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1 all?
2 MR. UVA: The Seekonk is full of
3 organic material. The video that we did. We
4 did a video of Seekonk. It's loaded with leaves
5 and debris. And, you know, we never clean catch
6 basins in our cities. All of that sand flushes
7 into our rivers, and everything just soaks it
8 up. So we have no circulation in the rivers.
9 The Tall Ships used to come up the Seekonk and
10 dock in Pawtucket, all right, to unload.
11 Tankers used to go up there. So we used to have
12 access to two channels.

13 We have one small channel now.
14 That's about six feet. Even our little boat
15 goes around once in a while.

16 COMMISSIONER WORRELL: Is it
17 feasible to do dredging.

18 MR. UVA: Absolutely, absolutely.
19 You need to do dredging. If want to really
20 restore something, we have contaminated

21 sediments. You're not going to fish in the
22 upper bay until you do something with that. You
23 dredge them, you encapsulate them, you can build
24 wetlands with them. You can build marshlands
25 with it, but clean stuff over the top, and

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1 you're done. But, you know, you can do it
2 piecemeal. It's not going to be done all at
3 once. But, you know, you have to have some kind
4 of vision and game plan. And this is what we're
5 trying to get our friends on Promenade Street to
6 understand, that there are other alternatives
7 than just going after the NBC ratepayers to
8 reduce it because you're not going to get your
9 goal. The goal is clean water, water quality,
10 fishable swimmable waters.

11 COMMISSIONER BURROUGHS: Thank you.
12 And I look forward to reviewing the slides in
13 detail. That was a lot to take in. In
14 connection with the earlier discussion today,
15 about the CSO. Is the \$108 million dollars that
16 DEM would like us to spend a part of the
17 integrated planning framework?

18 MR. UVA: That is not in there yet
19 because it's not a requirement yet. They've
20 told us they're going eventually want us to go

21 to three. Keep in mind, it's going to be years
22 of studying upper bay before they can do that.
23 The sediment is loaded with nitrogen. So now
24 that you've taken the nitrogen out of the water
25 column, it's going to be years of flux of that

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1 nitrogen out of the sediment before you're going
2 to be at a point where you can really say, yes,
3 we do have to go lower or we have to take more
4 nitrogen out. So there's still, and there's
5 still other plans. DEM estimates that it will be
6 2018 before that 50 percent reduction goal is
7 met. And that's because Woonsocket hasn't done
8 anything yet.

9 So there's still other plans that
10 are building, the plans on the Pawtuxet. The
11 City of Cranston is being upgraded now to reduce
12 their nitrogen a little lower. So there's still
13 upgrades going on that will change this. So
14 they don't have the legal backing, I don't
15 think, to make us go to three, this permit
16 iteration. Next permit iteration, it's
17 possible.

18 COMMISSIONER HANDY: It looks like
19 the flood events, obviously, impact this a huge

20 amount, and I assume that the one that you saw
21 the major spike for was overflows at the Warwick
22 treatment. I mean, that was inundated with
23 water.

24 MR. UVA: No, that was the March.
25 That was March of 2010 floods. That was the big

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1 spike. It was almost a hundred thousand.

2 COMMISSIONER HANDY: Is that the
3 cause of that?

4 MR. UVA: Well, no. A lot of that
5 was coming down the Blackstone. Keep in mind,
6 you have these dams. The dams will back the
7 organic matter. They hold back nitrogen. When
8 you have big gully washes everything's coming
9 off the land and flushing down the rivers.

10 COMMISSIONER HANDY: It seems like
11 there's another issue which is prioritization of
12 storm. You know, dealing with the storms that
13 are overflowing --

14 MR. UVA: Well, this is why --

15 COMMISSIONER HANDY: So we need to
16 invest in that --

17 MR. UVA: This is why, you know,
18 you look at an integrated planning process.
19 Should we spend \$741 million dollars on a CSO

20 project that's not going to meet water quality
21 because of the stormwater that's still not being
22 addressed by the municipalities?

23 So that's something that has to be
24 considered, you know. So until you address the
25 stormwater issue -- and when I presented

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1 bacteria to you a few months ago, you could see
2 upstream of all of our CSO's, we're not meeting
3 water quality standards for bacteria. So what
4 is \$750 million going to get you? Is it going
5 to get you compliance? Should there be
6 different zones? We regulate same water quality
7 everywhere.

8 They want the water quality outside
9 of Field's Point the same as the water quality
10 on Block Island. All right. Should that be the
11 same water quality, or should this be an
12 industrial area which it should have a different
13 designation, a different level of water quality
14 standards? So these are the kind of issues that
15 are above our pay grade, but the folks at EPA is
16 supposed to, you know, or congress addresses it.

17 CHAIRMAN MESOLLELA: Okay. Are
18 there any more questions? It's approaching

19 12:30. What I'd like to do is maybe adjourn.
20 If anybody wants to stay back and talk with Tom,
21 stay back as long as they like, but I'd like to
22 move toward adjournment. And then if you just
23 want to hang around and talk with Tom, you can
24 spend the rest of the day. So having said that,
25 any other business?

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1 COMMISSIONER ANDRADE: Motion to
2 adjourn.

3 COMMISSIONER CARLINO: Motion to
4 adjourn.

5 CHAIRMAN MESOLLELA: There's a
6 motion to adjourn from Commissioner Andrade,
7 seconded homily by Commissioner Carlino. All in
8 favor will say aye?

9 (UNANIMOUS VOTE)

10 CHAIRMAN MESOLLELA: Are there any
11 opposed? There are none opposed, and the motion
12 carries. And, of course, you're all welcome to
13 stay and talk with Tom. He's at your disposal
14 -- right, Tom?

15 MR. UVA: Thank you, Mr. Chairman.
16 I will be here all afternoon and into the
17 evening if they want.

18 CHAIRMAN MESOLLELA: And that very

19 well may be the case. Okay. Thank you, very
20 much. I appreciate you coming today.

21 MR. MARSHALL: Thank you everyone.

22 (MEETING ADJOURNED AT 12:30 P.M.)

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1 C-E-R-T-I-F-I-C-A-T-E

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3 I, Paula J. Campagna, CSR, a Notary
4 Public, do hereby certify that the foregoing is a
5 true, accurate, and complete transcript of my
6 notes taken at the above-entitled hearing.

7 In witness whereof, i hereunto set my
8 hand this 17th day of February, 2015.

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20 PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
21 COURT REPORTER

22

MY COMMISSION EXPIRES: April 25, 2018

23

24 IN RE: NBC Monthly Board Meeting
25 of the Commission

DATE: January 13, 2015

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