

The Pascoag Utility District Board of Utility Commissioners held its regular meeting on Thursday, June 29, 2006, in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: A. Palmisciano, W. Mageau, T. Partridge, A. Polacek, A. Trudeau, D. Whitman. B. Choiniere arrived at 6:20 pm.

Also in Attendance: W. Bernstein, General Counsel and T. Garille, General Manager

Chairman Palmisciano called the meeting to order at 6:00 pm

1. Pledge of Allegiance

2. Good and Welfare of the District

At the request of Attorney Bernstein, Mr. Partridge made a motion to add an item under Good and Welfare: The distribution of ethics material. The motion was seconded by Ms. Polacek. The vote in favor was unanimous.

A. PUC Data Request – Docket No. 1725

Ms. Allaire reported that over 1100 disconnection notices were sent in June and noted this is an all-time high. Mr. Garille noted this represents 25% of electric customers. Mr. Partridge made a motion to receive and file the information, which was seconded by Ms. Polacek. The vote in favor was unanimous.

B. FERC approval of LICAP and its effects on PUD

Mr. Garille informed the Board of the changes approved by FERC regarding capacity requirements for generating facilities. He reviewed the increases in capacity charges from \$.15 per kilowatt month to the \$10 per kilowatt month charge expected in December, 2006.

C. Credit/Debit Card Payment Tariff

Mr. Garille reviewed the practice of the District accepting credit and debit cards as payment for electric and water invoices. He reported that the RI Public Utilities Commission decided that if the District is going to continue to accept these methods of payment, the customers using the service would be responsible for paying the per-transaction charge. The proposed change to the District's tariff was reviewed, noting the per-transaction fee to be charged to customers using the service is \$3.25.

D. Communications

• Note from J. Hoppe: Chairman Palmisciano read the thank-you card from Mr. Hoppe to the District. Mr. Mageau made a motion to receive and file, which was seconded by Ms. Polacek. The vote in favor was unanimous.

E. Distribution of Ethics Manuals

The manuals were distributed; Board members were asked to sign

the acknowledgement of receipt. There was discussion of scheduling a workshop or placing the item on a future agenda to review the material.

3. Approval of Minutes

- **Special Meeting – May 9, 2006:** Mr. Partridge made a motion to approve as submitted and to receive and file; the motion was seconded by Mr. Whitman. The vote in favor was unanimous.
- **Regular Meeting – May 22, 2006:** Mr. Partridge made a motion to approve as submitted and to receive and file; the motion was seconded by Mr. Mageau. The vote in favor was unanimous.
- **Water Subcommittee Meeting – June 12, 2006:** Mr. Partridge made a motion to approve as submitted and to receive and file; the motion was seconded by Mr. Mageau. The vote in favor was unanimous.

4. Committee Comment

A. Water Subcommittee

Chairman Palmisciano gave a review of the Water Subcommittee meeting held June 12, 2006, noting there was discussion on refurbishing wells 2 and 3. Also discussed was the State Revolving Fund. Mr. Garille reviewed the pending application with the RI Department of Environmental Management wetlands application for well #5, noting that following pressure from several sources, the DEM representative has assured both Attorney Bernstein and Mr. Garille that the District would have their response by next week. Chairman Palmisciano added that he had heard a rumor circulating that the well

is dead because the District does not own the land. Mr. Garille responded that all easements are in place; the District has every right to develop the well at that location.

B. Review of Water Rate Comparison

Ms. Polacek commented that in spite of the extra charges, the District is still in good shape.

5. Unfinished Business

A. Pascoag Utility District Legislation

Mr. Garille reported that although the proposed legislation to change the charter had been passed by the House and the Senate, it was vetoed by the Governor because he had questions regarding the wording regarding health benefits for Commissioners. The legislation will be resubmitted in January. There was discussion regarding the need to change the charter and how this delay affects the tax exemption with the Town for the electric department. Attorney Bernstein advised that although there is a signed agreement with the Town, if it is in the Charter it cannot be revoked in the future by a Town Council vote.

B. Financing for rehabilitation of wells 2 and 3: Resolution 06-008

Mr. Garille reported that discussions regarding financing for the rehabilitation of wells 2 and 3 were held with Freedom Bank, adding that they have agreed to match the rates of the State Revolving Fund and Clean Water Agency without the restrictions. Mr. Whitman made

a motion to empower the General Manager to negotiate the best financing deal to rehabilitate the wells. The motion was seconded by Mr. Choiniere. There was discussion on the amount of financing to secure, as well as the Annual Meeting vote approving the expenditure of up to \$250,000. Mr. Whitman amended his motion, adding that it is pending approval from General Council to proceed, not to exceed \$100,000. The motion was seconded by Ms. Polacek. The vote in favor was unanimous.

C. Harrisville Fire District impact fees

Attorney Bernstein commented that the analysis used in calculating these fees assumed Pascoag would continue purchasing all of its water for thirty (30) years. He added the calculations do not consider the impact of new water sources, such as Well #5, noting that impact would have to be analyzed. Mr. Partridge made a motion to table the item. The motion was seconded by Ms. Polacek. The vote in favor was unanimous.

6. New Business

A. Policy regarding banners and Christmas lights: Resolution 06-009

Chairman Palmisciano reported that a member of the Lions Club gave him a letter that went out, which was approved by the two Assistant General Managers. He commented that job performance was not being discussed. [Chairman Palmisciano distributes information to the other 6 Commissioners] The Chairman stated he

wanted to set up a subcommittee regarding policies and procedure. The Chairman commented on a letter the District received from its insurance carrier, PURMA, stating it is wrong – the lights referred to are under 5 years old, UL approved, and owned by the Pascoag Fire District. He added the Fire District is checking their insurance for liability and the need for a rider covering Utility District employees assisting the Fire District in putting up the lights. Mr. Partridge asked if the Fire District is checking to see if riders or releases are necessary from the houses the lights are attached to, and who is responsible for those. Mr. Garille noted that on numerous occasions there were no Fire District employees available to hang Christmas lights; in addition, Fireman participation would be limited to ground work only. There was additional discussion on the age of the lights and wires. Mr. Guertin was asked their age; he responded that they are still using the same wire stringers they were using when he began 16 years ago. He added that Harrisville's lights are mostly new because they were purchased from Mapleville. Chairman Palmisciano noted he was assured that no lights in Pascoag are more than 5 years old. Mr. Guertin commented that the bulbs are new, but the stringers are old. Attorney Bernstein recommended that as long as one PUD employee is on site, a hold-harmless agreement should be requested from the homeowner. Ms. Polacek commented that lights should not be attached to homes. There was additional discussion on the number of Christmas lights involved, as well as PURMA recommendations. Mr. Partridge made a motion to form a Policy and Procedure Subcommittee, which was seconded by Ms.

Polacek. The vote in favor was unanimous.

Chairman Palmisciano noted that the Lions Club member alleged the policy was set by the Board of Utility Commissioners and stated anything to do within the District would require a policy.

Ms. Polacek questioned if summer interns were covered by insurance; Mr. Garille replied that they would be covered.

Mr. Garille made the Board aware of pending litigation in Taunton regarding a banner that fell. Attorney Bernstein noted PURMA raised some good points that would reduce risk and benefit the District. Chairman Palmisciano commented that the last page of the letter bothered him.

B. Capacity

Mr. Garille reviewed the proposed changes in capacity, noting this would impact the District.

C. Resolution 06-007: Mid-year true-up of electric rates

Ms. Allaire reviewed the options for reducing the current undercollection that were proposed to the Division of Public Utilities and Carriers, and reported the Division would support a rate increase effective August 1. Mr. Partridge made a motion to approve the mid-year true-up of electric rates, which was seconded by Mr. Mageau. The vote in favor was unanimous.

7. Financial Reports

- **Electric Department – Period Ending April 30, 2006**

There was discussion on the expenditure for the portion of the calendars not paid by DSM funds, as well as storm cleanup. Mr. Partridge made a motion to receive and file which was seconded by Mr. Mageau. The vote in favor was unanimous.

- **Water Department – Period Ending April 30, 2006**

Following brief discussion on unaccounted water, Mr. Partridge made a motion to receive and file. The motion was seconded by Ms. Polacek. The vote in favor was unanimous.

8. Public Comment

Attorney Bernstein provided information on the MTBE litigation that the exact same issue holding up our litigation for a year was struck down in New York and added that information will be sent to the judge in RI. He added that if the judge rules in our favor, it may set the tone for settlement discussion or a trial date.

Attorney Bernstein also informed the Board that the Open Meetings Law has been amended to allow the Board to respond to comments made during the Public Comment section of the meeting.

9. Adjournment

Mr. Partridge made a motion to adjourn, which was seconded by Mr.

Mageau. The vote in favor was unanimous. Chairman Palmisciano adjourned the meeting at 7:33 pm.

Brian Choiniere – Secretary

Board of Utility Commissioners