

# **PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS**

## **MEETING MINUTES**

**The regular meeting of the Pascoag Utility District Board of Utility Commissioners will be held on Monday, March 24, 2008 at 6:00 pm in the District office, Pascoag 253 Pascoag Main Street, Pascoag, RI.**

**Members Present: Chairman Albert Palmisciano, Vice-Chair Ann Polacek, Commissioners William Mageau, Thomas Partridge, Dennis Whitman, and Adrien Trudeau**

**Members Absent: Commissioner Brian Choiniere (excused for military duty)**

**Also in Attendance: Theodore Garille, General Manager; William Bernstein, General Counsel**

**Chairman Palmisciano opened the meeting at 6:00 pm.**

### **1. Pledge of Allegiance**

### **2. Public Comment**

**There was no public comment**

### **3. Good and Welfare of the District**

#### **A. PUC Data Request – Docket No. 1725**

**Ms. Allaire reviewed the customer shut off information. PUD is still in the moratorium so the number of disconnects are relatively low. The average customer balance is around \$500.00. April 15, 2008 will end the moratorium. The number of notices will be increasing as well as the number of disconnections after April 15th. Ms. Allaire stated that 5 residential standard customers were disconnected in the month of February. Pascoag Utility District sent out 177 disconnection notices. Motion to receive and file made by Mr. Partridge, seconded by Mr. Mageau. The vote in favor was unanimous.**

#### **B. Legislation S2660 / HR5547**

**Mr. Garille presented information on the RTO Regulation Legislation. Senator Snow and Senator Sanders had a piece of legislation drawn up contacted Senator Whitehouse and Senator Reed and both are supportive. They did not sign on as original cosigners but PUD is hopeful that they will sign on as supporters. Representative Tom Allen has introduced a similar Bill on the House side. In states where deregulation has occurred and PUD has gone to RTO and ISO's, the electric bills have increased by 40% over from what the bills are for people where deregulation has not occurred. What has been discovered is that the RTO's only use one criterion for their decisions and that is reliability. PUD is trying to get ISO New England to also factor in the final cost to the consumer. ISO New England has resisted this and rejected it. We have two Bills, one in the House and one in the Senate to force the RTO's to factor cost to the consumer in**

with their decision making. Motion to receive and file made by Mr. Partridge, seconded by Mr. Trudeau. The vote in favor was unanimous.

#### **C. Water Dept. Rules and Regulations**

Ms. Allaire presented the new Water Department Rules and Regulations. They are now posted at the front office counter and all new customers receive the new Rules and Regulations when they come in to set up their water account.

#### **D. Retirement of Debt - Line Truck**

Ms. Allaire stated that the District had purchased a line truck in April 2003. Pascoag Utility District had taken out a line for \$100,000 and in March 2008 that debt has been paid off. The Electric department, other than the remodeling to the District office and the new Garage is debt free. The District office and the new Garage will be paid for by 2014. PUD has retired the debt from the substation and the line truck in the past year.

#### **E. Truck Accident**

Ms. Allaire spoke about a truck accident that took place when a recycling truck hit a tree that took down power lines on East Wallum Lake Road, causing the power to be out for several hours for PUD customers. PUD line crews responded in 5 minutes and were able to restore power in four hours. Ms. Allaire was present at the scene and wanted to commend the line crew for the excellent job they did.

#### **F. Review of GM**

Mr. Palmisciano went over the procedures for reviewing the General Manager. Mr. Palmisciano appointed a Review Subcommittee of Ms.

**Polacek, Mr. Trudeau, and Mr. Whitman to review the General Manager. The Review Subcommittee will fill out a questionnaire regarding the**

#### **G. Thank You**

**A thank you letter was presented from Mr. James Hoppe regarding PUD lending PUD's linemen and equipment to help St. Joseph's church in a project. Motion to receive and file made by Mr. Partridge, seconded by Mr. Whitman.**

#### **H. Newsletter**

**The Pascoag Utility District's In-House April Newsletter was presented. Motion to receive and file made by Mr. Partridge, seconded by Mr. Whitman. The vote in favor was unanimous.**

#### **I. New Water Dept. Vehicle**

**The Water Department purchased a new truck. All supplies can now be kept on the truck and maintenance can be performed from the inside of the back of the truck as well. The truck was paid for in cash with no financing.**

#### **J. Exchange City**

**Mr. Palmisciano spoke about Exchange City. He asked if any Board Members wanted to attend Exchange City on April 9th. Mr. Palmisciano will be attending.**

#### **4. Approval of Minutes**

- Water Sub Committee Meeting Minutes – February 25, 2008**
- Finance Subcommittee Meeting Minutes – February 25, 2008**
- Regular BUC Meeting Minutes – November 26, 2007**

- **Regular BUC Meeting Minutes – February 25, 2008**
- **Special Meeting Minutes – March 10, 2008**

**There was an amendment made to the minutes for the Executive Session on March 10th. Anne Polacek did not attend that meeting. Mr. Whitman made a motion to approve the minutes as corrected, seconded by Mr. Trudeau. The vote in favor was unanimous.**

## **5. Committee Comments**

### **A. Employee Benefits Subcommittee**

**Mr. Partridge spoke about the Long Term Disability Insurance that employees can take part in if approved by the Board. At this time, two insurance companies have come forward (UNUM and Met Life) with Long Term Disability Insurance policies and the Benefits subcommittee is looking over the information provided by each. Mr. Partridge recommended purchasing Long Term Care Insurance for Pascoag Utility District employees. The Benefits Subcommittee will look over the policies of each and the Board will vote at the April Regular BUC meeting.**

## **6. Unfinished Business**

### **A. Update Well #5**

**Mr. Garille stated that Well #5 has been producing on average 100,000 gallons per day. The test results came back for Chloroform and E-coli and they were not detected in the water. MTBE testing will be performed as a typical protocol in six months. Mr. Lima stated that initial testing had been done at the beginning of the month and the**

results usually take 3-4 weeks to come in. Mr. Garille has signed off on the final payment for Well #5 and as soon as the other governmental agencies sign off, the Well will be fully paid for.

#### **B. STAG Grant**

Ms. Allaire stated that PUD is still waiting for their \$9,700 reimbursement for Well #5. There still remains \$280,000 in the STAG Grant fund that can be utilized for other projects when PUD reapplies. In order to use this money PUD need to match the funds 45%. Ms. Allaire had a conference call with the EPA and RIDOH on how PUD could utilize those funds. PUD needs to reapply for the STAG Grant by September 2008 or the funds will be lost. Ms. Allaire said that a proposed project for those funds would be to update new meters.

### **7. New Business**

#### **08-01-FERC Mandated Surveys**

Ms. Allaire presented information on the FERC Surveys. To date PUD has received four FERC Surveys. There are now monthly FERC Surveys that must be completed as well.

#### **08-02-NYISO Transmission Charges**

Mr. Garille stated that NYISO has changed the way it calculates the transmission charges and the rates are now higher. NYISO now buys power from any plant (fossil plants mainly) that's available to back fill the losses from the distribution lines instead of buying additional power from a hydro plant at a cheaper rate. This results in higher costs for PUD.

#### **08-03-RIPUC Docket 3896**

**Ms. Allaire reviewed with Board members the RIPUC's Report and Order on Docket 3896, commending District management for their improved financial reporting.**

#### **08-04-NGRID DAF Contract & Tariff**

**Mr. Garille reported a change in the NGRID Transmission Tariff. PUD explored bringing in 115,000 volts of line in and that would make PUD a PTF (Pool Transmission Facilities) so that all utilities could pay for part of the cost for this tariff. This was denied by NYISO. National Grid then proposed a contract that would take PUD's original cost of \$98,000 per year to \$554,000 per year for the same exact service. National Grid and PUD agreed to have negotiating sessions and the result was that PUD would now pay \$228,000 per year, saving the District \$330,000 per year. Unfortunately this has increased PUD's previous cost by \$128,000. Mr. Garille asked for a vote from the Board to empower the General Manager to sign the National Grid DAF Contract & Tariff contract. The contract expires April 1, 2008. Motion was made by Mr. Partridge and seconded by Mr. Whitman. The vote in favor was unanimous.**

#### **08-05-FERC Intervention – NGRD Tariff – NY**

**Mr. Garille stated that National Grid continues to own transmission lines. There is a transmission tariff in New York that they have modified and filed a modification with FERC that will result in a 71% rate increase for anyone that uses that transmission line. PUD does in fact use this transmission line. PUD has filed a "Vanilla Intervention" in Washington DC to state that by prior agreement, RI is insulated from these charges.**

**8. Adjournment part**

**Mr. Partridge made a motion to adjourn, which was seconded by Mr. Trudeau. The vote in favor was unanimous. Chairman Palmisciano adjourned the meeting at 7:01 pm.**

**All meetings of the Pascoag Utility District are subject to the open meetings laws, which include requirements for access by the physically challenged. Anyone wishing to attend these meetings, who may have special needs for access or services such as a sign language interpreter, must contact the District at 568-6222 forty-eight (48) hours prior to the scheduled meeting.**

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**Brian Choiniere, Secretary**  
**Board of Utility Commissioners**

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**Kris Fanning, Recording Secretary**