

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

**The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, March 28, 2016, at 5:00 p.m. in the District office, 253 Pascoag Main Street, Pascoag, RI.**

**Members Present: Chairman Albert Palmisciano, Commissioners Richard Jenks, Michael Kogut and Doug Lees**

**Members Absent: Ann Polacek - excused**

**Also in Attendance: Michael Kirkwood, General Manager; William Bernstein, General Counsel**

**Chairman Palmisciano opened the meeting at 5:00 pm.**

**1. Pledge of Allegiance**

**2. Public Comment –**

**Mr. Demelim was inquiring if there is any comment concerning East Smithfield Water District combining with Providence Water District. Mr. Kirkwood said Providence Water is looking at the merger positively and believes the companies are currently in the discussion phase at the moment. Mr. Kirkwood states combining companies is the direction that the State of Rhode Island wants to go at this time with water districts.**

**Mr. Demelim was curious about the chlorine smell in Pascoag's water. Mr. Kirkwood stated it is challenging, but the water district is required to chlorinate per state regulations. Pascoag Utility continuously monitors the system, and adding chlorine helps prevents any issues with bacteria. Mr. Kirkwood explains it's a**

difficult balance to keep the chlorine level low but also prevent bacterial contamination. A whole-house water filter with a chlorine filtering cartridge is a possible suggestion if the chlorine is bothersome.

Mr. Palmisciano questions if Councilman are allowed to respond under public comment. Mr. Bernstein said at one time the board was not allowed to make comments. There was a controversy over this, and the Attorney General's office changed the ruling. The governing board can respond to comments but cannot take any action or votes during this time.

Mr. Jenks would like to thank Mr. Guertin and his crew for their hard work on the recent water main break on Nahant Place.

Mr. Demelim states he was listening to the last town council meeting and heard discussion of the Pascoag Main Street road construction in the future. They stated any delays that had happened thus far prevented the roads from being repaved. Demelim was concerned because Pascoag Utilities' project of relining the pipe lines was not listed as one of the possible projects or delays. He was wondering if the town knew of the project. Mr. Kirkwood responds stating the town and the state does know about the water main project and the District is hoping to not delay the town any further.

**3. Committee Comments - none**

**4. Good and Welfare of the District**

**A. Docket No. 1725**

Ms. LaPorte reviewed the customer shut off information. There were no standard customers, protected status customers or financial

hardship customers terminated in the month of February. Pascoag Utility District sent out 335 disconnection notices for customers whose past due balances were more than \$200.00. Motion to receive and file made by Mr. Jenks, seconded by Mr. Kogut. The vote in favor was unanimous.

#### **B. Exxon Settlement Fund**

Mrs. Round reviewed the Exxon Settlement fund. The CD has a balance of \$512,106, reflecting no activity. The money market account has a balance of \$759,230. Motion to receive and file made by Mr. Lees, seconded by Mr. Kogut. The vote in favor was unanimous.

#### **C. APPA Rally**

Mr. Kirkwood and Mr. Palmisciano attended the annual APPA legislative rally. The team was able to visit all four of the congressional offices of the two U.S. Representatives and Senators Reed and Whitehouse. All four meetings were good. They were able to discuss topics that really matter for public power. Mr. Kirkwood states it is not just always about reliability of the company, but keeping costs down for customers is equally as important. Mr. Kirkwood and Mr. Palmisciano were able to thank Reed and Whitehouse personally for helping Pascoag Utility directly while applying for the District's USDA water grant.

Mr. Palmisciano wanted to express the importance of attending this trip. He states being able to obtain a relationship directly with Senator Reed and Senator Whitehouse pays dividends as the fight for public power interests is constant.

Mr. Kirkwood adds he and Mr. Palmisciano were even featured in a

photo on Senator Whitehouse's twitter page.

#### **D. February 5, 2016 Storm fund Update**

Ms. Round states she has submitted a request to the Rhode Island Public Utilities Commission to take money out of the Pascoag Utilities storm fund. The district spent \$16,179.24 during the February storm. There is deductible of \$2,500 which makes the final request \$13,679.24. This will reimburse the district for storm expenses. The crew and office staff worked a total of 239 hours during the storm.

#### **E. Tangent Update**

Mr. Kirkwood states that Pascoag Utility is still in process of working out a deal with tangent to place a one megawatt gas fired generator to lower the District's demand during peak times of the month and year. Doing so will help control transmission and capacity costs. Mr. Kirkwood is working with Tim Hebert from Energy New England from a power supply perspective. Kirkwood is also working with John Coyle from a power contract standpoint, using both resources to assure it makes sense for the project to move forth. Mr. Kirkwood states both gentleman supplied good input on the project thus far. Pascoag Utility was hoping to have the generator in place for the upcoming summer months' peak period, but there is a significant permitting process that will first need to be completed.

#### **5. Approval of Minutes**

- **Regular BUC Meeting-February 22, 2016**

Motion to approve the minutes as submitted made by Mr. Kogut, seconded by Mr. Jenks. The vote in favor was unanimous.

#### **6. Unfinished Business**

## **7. New Business – None**

- **16-04 Action Item: Approval to participate in a special board meeting to discuss potential merger with Harrisville Water Department.**

**Mr. Jenks made a motion for approval to participate in a special meeting on April 19 to discuss the potential merger with Harrisville Water Department. Motion was seconded by Mr. Kogut. The vote in favor was unanimous.**

- **16-05 USDA Loan Agreement**

**Mr. Kirkwood discussed the USDA loan agreement which will provide funding for the water main cleaning/lining project. The Loan Resolution is one of the required steps to receive this USDA funding.**

- **16-06 Action Item: Approval of USDA Water and Waste System Grant Agreement**

**Mr. Jenks made a motion to empower the general manager to sign an agreement for the USDA Water and Waste System Grant. Motion seconded by Mr. Lees. The vote in favor was unanimous.**

- **16-07 Action Item: Approval of Loan Resolution**

**Mr. Jenks made a motion to empower general manager to sign an approval of the Loan Resolution. Motion seconded by Mr. Lees. The vote in favor was unanimous.**

## **8. Financial Reports**

### **A. Electric Department - January 2016**

**Ms. Round reviewed the electric department financial report for January 2016. She reported a total operating income of \$796,863 or 117% of budget. Purchased power is \$535,331 or 109% of budget. Total operations and maintenance is \$51,857 or 113% of budget. Total**

misc. general is \$1,809 or -23% of budget. Total customer account expense \$19,952 or 86% of budget. Total administrative and general is \$109,540 or 87% of budget. Total depreciation expense is \$18,711 or 98% of budget. Operating income (loss) excludes depreciation expense is \$55,882 or -137% of budget. Total interest income is \$3,529 or 103% of budget. Total other income is \$2,436 or 56% of budget. Income (loss) before deductions is \$61,201 or 181% of budget.

#### **B. Water Department - January 2015**

Ms. Round reviewed the water department financial report for January 2016. The total operating income is \$69,227 or 96% of budget. Total operations and maintenance is \$36,416 or 90% of budget. Total administrative and general is \$29,021 or 91% of budget. Total other expenses \$394 or 86% of budget. Total other income (expenses) \$-67 or -2% of budget. Operating income (loss) includes depreciation expense is \$-8,200 or 215% of budget.

**Motion to receive and file made by Mr. Lees, seconded by Mr. Jenks. The vote in favor was unanimous.**

#### **9. Adjournment**

**• Mr. Jenks made a motion to adjourn, seconded by Mr. Lees. The vote in favor was unanimous. The meeting was adjourned at 5:30pm.**

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**Richard Jenks, Secretary**

# **Board of Utility Commissioners**

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**Morgan Williams, Recording Secretary**