

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, August 29, 2016 at 6:00 p.m. in the District office, 253 Pascoag Main Street, Pascoag, RI.

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

Members Absent:

Also in Attendance: Michael Kirkwood, General Manager; William Bernstein, General Counsel, Robert Ferrari District, Water Consultant

Chairman Palmisciano opened the meeting at 6:01 pm.

1. **Pledge of Allegiance**
2. **Draft advisory opinion presentation**

Robert Ferrari president and owner of Northeast Water Solutions explained he was retained by Pascoag Utility District to provide an advisory opinion to Invenergy regarding the water for the Clear River Energy Center (CREC).

Ferrari explains it was being considered to use well 3/3A, which is contaminated with MTBE, to provide water to CREC. The concept was that Invenergy would purchase water from the district and would design a water treatment system that would treat the well from well 3/3A. The treated water would be pumped in a forced main up to the Invenergy plant. Principal issues involved are impact of withdrawal on the water shed, impact of withdrawals upon water quality, contaminant threats to new sources, design of GW system, pump station & transmission main, CREC wastewater discharge, contaminant threats, and contaminant plume transport along Clear River.

Mr. Ferrari's presentation explained that after retaining expert consultants and gathering information from many sources, PUD has concluded that use of the subject well for this proposed project poses too many significant risks to the environment and that the proposed treatment systems cannot ensure that the risks to the environment and public health will be eliminated. Therefore, Pascoag's Board of Utility Commissioners has voted to not supply the project with water.

3. **Public Comment**

Mr. Frank Silvia expressed his gratitude to the board. Silvia said it has been a thick and intense environment the last few months, but on behalf of the people he wanted to thank the board and PUD staff members. Silvia said the district can go back to focusing on getting the new well online.

Mr. Bernstein thanked Mr. Silva and the customers for helping Pascoag Utility and expressing any concerns.

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

- **Communications/Feedback from Customers**

Mr. Kirkwood explained the district has received a lot of positive feedback from customers regarding the decision to terminate the letter of intent with Invenergy. This included a full page ad from Keep Burrillville Beautiful in The Bargain Buyer and many Facebook posts. There had been one specific Facebook post that received almost 600 “likes” and reached over 3,000 people. Kirkwood expressed that thanking the staff and board for the actions that had been taken was very helpful. Motion to receive and file made by Mr. Jenks, seconded by Mr. Lees. The vote in favor was unanimous.

- **Docket No. 1725**

Ms. LaPorte reviewed the customer shut off information. There were 15 standard customers, zero protected status customers and 1 financial hardship customers terminated in the month of June. Pascoag Utility District sent out 623 disconnection notices for customers whose past due balances were more than \$50.00. Motion to receive and file made by Mr. Jenks, seconded by Mr. Lees. The vote in favor was unanimous.

- **Exxon Settlement Fund**

Mrs. Round reviewed the Exxon Settlement fund. The CD had a balance of \$512,106, reflecting no activity. The money market account had a balance of \$627,427.15. Motion to receive and file made by Mr. Jenks, seconded by Mr. Kogut. The vote in favor was unanimous.

- **USDA Water Main Cleaning/Lining Project**

Mr. Kirkwood was happy to report that the first part of the project has been completed. PUD was just running the first round of tests to bring everyone back on to regular service. He explained Biszko has done an excellent job. It's a massive amount of infrastructure; every valve and hydrant gets replaced as well as the pipe cleaning/lining. When the project is completed it will essentially be a new system in those areas. The bid for the next phase will take place on September 13th and this project will most likely be completed by fall of 2017.

- Canton Mountain Wind Project

Mr. Kirkwood explains that adding Canton Mountain Wind Project will be a no-carbon low cost power source. Wind can be provided at all hours unlike solar power which is only during daytime hours. Kirkwood added that PUD is already in a similar project but this will be a great piece to add to the portfolio.

- ISM Solar Farm

Mr. Kirkwood explains that a developer in town came to National Grid, and then Pascoag Utility, looking to put in a solar farm. The location is the corner of Lapham Farm and Route 102. There is a big open field, and the developer first went to National Grid but he found out it is in PUD's territory. The district never really wants to retain that much power from any specific project, so it had been decided to have them connect to PUD and also National Grid. Mr. Kirkwood said it will be good to have a local solar farm and PUD would receive a half a megawatt a year for about 10-15 years if the deal is concluded.

- Green Festival - September 10, 2016 –

Ms. Dolan said the Green Festival is celebrating its 10th anniversary. Planning had started off a bit shaky with collecting vendors. Dolan explained with the event only 2 weeks away there was close to 30 vendors signed up, not including the farmers market. A group called POW Science had signed up for an electricity workshop. The event will be held from 10am-2pm at Tinkham Lane in front of the Jesse Smith Library.

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

5. **Approval of Minutes**

- Regular BUC Meeting – July 25, 2016

Motion to approve the minutes with amended corrections made by Mr. Jenks, seconded by Mr. Lees. The vote in favor was unanimous.

- Special Meeting Minutes – August 19, 2016

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

6. **Unfinished Business**

7. **New Business**

8. **Financial Reports**

- Electric Department - June 2016

Ms. Round reviewed the electric department financial report for year-to-date June 2016. She reported a total operating income of \$3,859,023 or 94% of budget. Purchased power is \$2,733,573 or 92% of budget. Total operations and maintenance is \$307,200 or 111% of budget. Total misc. general is \$23,640 or 50% of budget. Total customer account expense \$122,327 or 88% of budget. Total administrative and general is \$524,540 or 89% of budget. Total depreciation expense is \$116,013 or 101% of budget. Operating income (loss) excludes depreciation expense is \$15,954 or 20% of budget. Total interest income is \$42,285 or 205% of budget. Total other income is \$120,430 or 458% of budget. Income (loss) before deductions is \$143,248.

- Water Department - June 2016

Ms. Round reviewed the water department financial report for year-to-date June 2016. The total operating income is \$384,796 or 89% of budget. Total operations and maintenance is \$177,512 or 73% of budget. Total administrative and general is \$163,869 or 87% of budget. Total other expenses \$2,650 or 96% of budget. Total other income (expenses) \$22,399 or 145% of budget. Operating income (loss) includes depreciation expense and is \$-6,434.

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

9. **Adjournment**

- Mr. Lees made a motion to adjourn, seconded by Mr. Jenks. The vote in favor was unanimous. The meeting was adjourned at 7:10pm.

Richard Jenks, Secretary
Board of Utility Commissioners

Morgan Williams, Recording Secretary