

PASCOAG UTILITY DISTRICT - BOARD OF UTILITY COMMISSIONERS

MINUTES

The regular meeting of the Pascoag Utility District Board of Utility Commissioners was held on Monday, September 26, 2016 at 6:00 p.m. in the District office, 253 Pascoag Main Street, Pascoag, RI.

Members Present: Chairman Albert Palmisciano, Commissioners Richard Jenks, Michael Kogut

Members Absent: Doug Lees, Ann Polacek

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

Chairman Palmisciano opened the meeting at 6:00 pm.

- Pledge of Allegiance
- Public Comment
 - Mr. Palmisciano explained that a customer had requested for the Board to review a billing dispute at the Board meeting. The customer did not attend the meeting. Mr. Palmisciano expressed the report that was prepared for the Board with the Company's position on the dispute was excellent and presented very well.
- Committee comments
 - Finance Subcommittee

Mr. Palmisciano explained that the Subcommittee met at 5:15pm and went over the 2017 water budget. Management did an excellent job at keeping rates flat. It will be recommended to the full Board for approval in a later agenda item.
- Public Comment
- Good and Welfare of the District
 - A. Docket No. 1725 –

Ms. Round reviewed the customer shut off information. There were 24 standard customers, zero protected status customers and 1 financial hardship customer terminated in the month of August. Pascoag Utility District sent out 1,017 disconnection notices for customers whose past due balances were more than \$50.00. Motion to

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

B. Exxon Settlement Fund

Ms. 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 \$627,906.00. Motion to receive and file made by Mr. Jenks, seconded by Mr. Kogut. The vote in favor was unanimous.

C. USDA Water Main Cleaning/Lining Project

Mr. Kirkwood stated that the first contract, which was the project along Pascoag Main Street has been completed and the bypass water main has been removed. The cleaned/lined water main was recharged and chlorinated, passing all testing and brought back into service. Also, the bids have been received for project two. Two bids came in very close, both around \$2.2 million. There is \$1.6 million left with the loan for the project, so the project will be scaled back slightly and re-bid. Some money was saved on the first project but the new project is still \$600,000 over the available USDA financing amount, so therefore the change and scope new bids requested. PUD has been looking at what can be eliminated while still providing an improvement in water quality. A good loop of water main in the village area will still be cleaned/lined, but some small streets in between may not be done, and some new valves may be eliminated. The same three companies will rebid the scaled back project. This will help drive the price lower; each of the three will be able to see one another's first round bids. Improvements in the part of the system completed so far have already been reported.

D. Street Lights Update

Ms. Round was happy to report PUD has received another \$40,000 from the state OER allocation of RGGI funds for street lights. PUD will be doing a survey to see what is left to be done, and the entire system may be converted to LED's by the time the project is complete.

E. NISC Conference

Ms. Round reported that she and Ms. LaPorte went to the NISC conference. The District's software company puts on the conference each year. There were classes on

different topics regarding PUD's software. There were a lot of important training opportunities, and continuing education credits were available.

F. Water System Infrastructure Improvements-

Mr. Kirkwood reported that the District was having a tough time with rusty water on the east side of Irving Street. There was a valve that was stuck in a closed position on the end of Irving near Sayles Avenue making it a dead end for water flow. One customer in particular was greatly affected. That valve cover on that particular valve was out of place, so excavation was required to open the valve. It was thought to have been closed since it was first installed, which was before Mr. Lima was with the company. The crew excavated the location and used a valve exerciser and opened the valve. A nearby hydrant was flushed. This has made an immediate difference in that area. Additionally, Mr. Guertin has also been working on an issue reconnecting a pipe near IGA Marketplace at the Sayles Avenue bridge. Sixteen years ago there was a leak there. The leak was thought to be under the bridge, so it was deemed too expensive to fix and the water main had been closed down on each side of the bridge. Mr. Guertin directed the crew to excavate near the bridge, and they found they were able to make the repair without working underneath the bridge structure, and the result was immediate positive changes to the system. When the crew did normal maintenance flushing and valve exercising earlier this year they had noticed that the water was bubbling at the surface on Sayles Avenue south of the bridge, and not in the water. It was decided to excavate the street and the crew found there were two breaks in the water main in the road itself. The team was able to replace a small section of the old line and it worked perfectly during testing. The pipe was chlorinated, flushed and brought back into service. This has made a big improvement in system flows in the village area.

Mr. Palmisciano commended the crew on a job well done.

- Approval of Minutes
 - Regular BUC Meeting – August 29, 2016
Motion to approve the minutes with amended corrections made by Mr. Jenks, seconded by Mr. Kogut. The vote in favor was unanimous.
- Unfinished Business
- New Business

- 16-10 Action Item: Approval of 2017 Water Budget

Motion to approve 2017 Water Budget made by Mr. Kogut, seconded by Mr. Jenks. The vote in favor was unanimous.

- Financial Reports

- Electric Department - July 2016

Ms. Round reviewed the electric department financial report for year-to-date July 2016. She reported a total operating income of \$4,538,872 or 95% of budget. Purchased power is \$3,248,049 or 94% of budget. Total operations and maintenance is \$357,444 or 111% of budget. Total misc. general is \$30,102 or 54% of budget. Total customer account expense \$138,475 or 86% of budget. Total administrative and general is \$605,265 or 88% of budget. Total depreciation expense is \$136,293 or 102% of budget. Operating income (loss) excludes depreciation expense is -\$30,965 or 35% of budget. Total interest income is \$49,299 or 205% of budget. Total other income is \$127,566 or 416% of budget. Income (loss) before deductions is \$141,828.

- Water Department - July 2016

Ms. Round reviewed the water department financial report for year-to-date July 2016. The total operating income is \$515,512 or 103% of budget. Total operations and maintenance is \$269,162 or 95% of budget. Total administrative and general is \$192,801 or 88% of budget. Total other expenses \$3,044 or 95% of budget. Total other income (expenses) \$29,850 or 174% of budget. Operating income (loss) includes depreciation expense and is \$-981.

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

- Adjournment

- Mr. Kogut made a motion to adjourn, seconded by Mr. Jenks. The vote in favor was unanimous. The meeting was adjourned at 6:30pm.

Richard Jenks, Secretary
Board of Utility Commissioners

Morgan Williams, Recording Secretary