



**OFFICIAL MINUTES OF:**

Meeting of:	CEO Committee Meeting
Date:	May 11, 2005
Time:	9:00 a.m.

**MEMBERS PRESENT**

Vincent J. Meselella, NBC Chairman  
Paul Pinault, Executive Director  
John Giusti, CEO Chair  
John MacQueen  
Michael Salvatore  
Al Montanari

**MEMBERS ABSENT**

Angelo Rotella, Vice Chairman  
Robert Andrade, Treasurer  
Tom Perkins

**STAFF AND GUESTS PRESENT**

Jean-Marie Grossi, NBC,  
Richard Bernier, NBC  
Mark Thomas, NBC  
Paul Nordstrom, NBC  
Francie Brown, NBC  
Rich Harrigan, NBC  
E. Burman, EW Burman, Inc.

Tom Brueckner, NBC  
Karen Giebink, NBC  
Ray Marshall, NBC  
Jamie Samons, NBC  
Tom Uva, NBC  
Joseph Pratt, LBG

**1. Call to Order**

Recognizing a quorum, CEO Chair Giusti called the May 11, 2005 CEO Committee Meeting to order at 9:12 a.m.

**2. Approval of Minutes – April 6, 2005**

CEO Chair Giusti asked if all Committee members had a chance to review the minutes of the April 6, 2005 CEO Committee meeting. Commissioner Salvatore motioned to approve the April 6, 2005 minutes as written. Commissioner Montanari seconded the motion, and the vote taken by the Committee was unanimous. The motion carries.

**3. Items for Action**

A. *Review and Approval of Resolution 2005:15, Implementation of Phase I of NBC's Asset Management Plan*

Mr. Pinault stated that in June 2004 the CEO Committee and Board authorized the initial stage in the development of an Asset Management Plan for the NBC. An asset management plan develops a system for a utility to identify and evaluate all of their assets. In NBC's case, that includes all of our sewer lines, underground structures, pumping stations, treatment facilities and buildings, and to identify these assets to assess their condition and to put them on a schedule, similar to what we do with the Capital Improvement Plan, as far as planning ahead for repair or replacement and in an effort to reduce costs and to extend their useful life. Camp Dresser & McKee (CDM) completed their recommendation for the development of the plan, and they have recommended a several phase implementation program. Resolution 2005:15 authorizes NBC staff to negotiate a contract with CDM for a cost not to exceed \$350,000 to implement Phase I. Therefore, staff recommends approval of Resolution 2005:15.

With no comments, Commissioner MacQueen motioned to approve Resolution 2005:15, Implementation of Phase I of NBC's Asset Management Plan. Commissioner Salvatore seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

B. *Review and Approval of Resolution 2005:16, Award of Contract 01:302.14C, Field's Point Tunnel Pump Station, Supervisory Control System and OF-067 Facilities*

Mr. Pinault stated that back in February 2005, NBC received bids on this Contract. There were five bidders, and the low bid was submitted by Hart Engineering Corporation. Shortly after the bid opening, Hart Engineering Corp. identified that they had made an error in their bid of approximately \$6 Million. Rather than allow them to correct their bid, and after consulting with legal counsel, it was determined that the best way to resolve the matter would be to reject all bids and to re-bid the Project. Therefore, the Project was re-bid, bids were opened on April 19, and the low bidder, again, was Hart Engineering Corporation in the amount of \$54,185,000. Staff has reviewed their bid and recommends approval of Resolution 2005:16, Award of Contract 01:302.14C, to Hart Engineering Corporation, subject to the Department of Administration's approval of their MBE plan and satisfying EEO requirements. Mr. Pinault noted that this is the second largest contract in Phase I of the CSO Program after the actual tunnel, and this work is what wraps everything up. The completion date will be in the fall of 2008.

With no comments or questions, Commissioner Salvatore motioned to approve Resolution 2005:16, Award of Contract 01:302.14C, Field's Point Tunnel Pump Station, Supervisory Control System and OF-067 Facilities. Commissioner MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

C. *Review and Approval of Resolution 2005:17, Award of Bucklin Point Digester Siding, Paving and Roofing & Field's Point Grit Storage Pad, Contract 808C*

Mr. Pinault stated that the Bucklin Point Wastewater Treatment Facility is undergoing a major upgrade, but there were a number of miscellaneous items that we felt should also be done to complete the project, which include the siding on the digesters, miscellaneous paving, and repair and replacement of some roofs. In addition, at Field's Point, we need an area to store grit when the I&M Section cleans out catch basins and sump pumps, because the current area we use will be the site of the new dewatering building to be constructed by Synagro, our new sludge

vendor. This contract went out to bid and we received only one bid. The bid was from E.W. Burman. Staff has reviewed the bid and has found everything to be in order. Therefore, staff recommends the approval of Resolution 2005:17, Award of Bucklin Point Digester Siding, Paving and Roofing & Field's Point Grit Storage Pad, Contract 808C, subject to the RI Department of Administration's approval of their MBE plan and satisfying EEO requirements.

With no questions or comments, Commissioner Montanari motioned to approve Resolution 2005:17, Award of Bucklin Point Digester, Siding, Paving and Roofing & Field's Point Grit Storage Pad, Contract 808C. Commissioner MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

*D. Review and Approval of Resolution 2005:18, Approval of Fiscal Year 2007-2011 Capital Improvement Program*

Mr. Pinault stated that the NBC has been developing a five-year capital plan for a number of years. He noted that the Fiscal Year 2007-2011 CIP identifies approximately \$191 Million in capital projects over that five-year window, with another \$79 Million in FY2006.

Mr. Rich Harrigan gave a short presentation on the plan. He noted that as Paul Pinault mentioned earlier, the FY2007-2011 CIP identifies approximately \$191 Million in capital projects over the five-year window, which is a considerable decrease from last year. Last year's CIP was approximately \$276 Million. The decrease is attributed to the declining costs on the Bucklin Point Improvements project and the declining cost over this time period for the CSO Phase I Project. In addition to the costs in the five-year window, there's an additional \$79 Million in FY2006 and an anticipated \$407 Million to complete all scheduled projects, which includes CSO Phase II estimated at \$165 Million.

Mr. Harrigan noted that from a formatting prospective, staff kept the CIP the same as last year, but the major changes in projects costs were seven projects totaling \$26 Million that were completed since last year, including three CSO Phase I projects. Also, twenty-three projects totaling \$25 Million were added this year to the Plan. Of those twenty-three projects, the major projects were Nitrogen Removal at Bucklin Point and twelve new interceptor cleaning and inspection projects, which go out to FY2007 and will complete NBC's initiative to clean and inspect all of our interceptors by that time. Also, the design phase of NBC's Asset Management Plan was added to the CIP with a cost of approximately \$1.8 Million.

Mr. Harrigan stated that with respect to Expenditures by Major Contract, the costs for Bucklin Point Improvements are gradually starting to decline, the costs of our CSO Phase I Project will gradually start to decline, and then the costs for Field's Point Nitrogen Removal, Bucklin Point Nitrogen Removal and in the out years the cost for CSO Phase II. He noted that the costs in FY2005 and FY2006 are very substantial from a cost prospective. The status of the CSO Phase I Project from a cumulative expense point of view, the project began in FY2001, the Project is scheduled to end in FY2009, with a total cost of approximately \$340 Million. As of March 30, 2005, the Project is approximately 50% complete.

Mr. Harrigan noted that with respect to Debt as a Percentage of Revenue Requirement, NBC's total revenue requirement is projected to increase from approximately \$66 Million in fiscal year 2006 to approximately \$86 Million in fiscal year 2011. Of this amount, debt service is project to account for 43.8% of the total requirement in fiscal year 2006 and increase to approximately 46.8% of the total requirement in fiscal year 2011. At present, these two factors will drive the majority of the increase in annual revenue requirements over the five-year window cover by this CIP. He noted that effective July 1, 2005 NBC average residential rate will be \$284. When compared with the Massachusetts Water Resources Authority Board's (MWRA's)

2004 annual survey on residential sewer charges for major U.S. cities, NBC's average rate is approximately 8% below the national average.

After some discussion, Chairman Mesolella stated that he feels it would be prudent for the NBC to include a page which shows the average rates around the State before the CIP is finalized. Mr. Pinault suggested using information NBC just received from AMSA (now NACWA), who performs an analysis of the rates in every region in the country, and New England has had the highest increases, higher than inflation. He noted that NBC could use that information to project what the average rates will be for the other communities in the State.

After some discussion, Commissioner Montanari motioned to approve Resolution 2005:18, Approval of Fiscal Year 2007-2011 Capital Improvement Program and to include a summary of what NBC's average rates will be in 2011 as compared to those of other communities prior to the CIP document being finalized. Chairman Mesolella seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

Mr. Pinault noted that the CIP is a planning document, and each and every project comes back individually before the CEO Committee and the full Board for approval.

**4. Other Business**

None.

**5. Adjournment**

Commissioner Salvadore motioned to adjourn. Commissioner MacQueen seconded the motion, and the meeting adjourned at 9:37 a.m.

Respectfully submitted,



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Paul Pinault, *Secretary*