

1 STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
2 NARRAGANSETT BAY COMMISSION

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IN RE: :

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MONTHLY BOARD MEETING :

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DATE: SEPTEMBER 28, 2005

TIME: 11:00 A.M.

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PLACE: ONE SERVICE ROAD

PROVIDENCE, RI 02905

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BOARD MEMBERS PRESENT:

11

VINCENT J. MESOLELLA, CHAIRMAN

ANGELO S. ROTELLA, VICE CHAIRMAN

12

PAUL PINAULT, SECRETARY

JOHN GIUSTI

13

MICHAEL A. SALVADORE

JOHN MacQUEEN

14

MICHAEL DiCHIRO

BRUCE D. CAMPBELL

15

JONATHAN FARNUM

AL MONTANARI

16

DR. RICHARD H. BURROUGHS

JOSEPH KIMBALL

17

DAVID CRUISE

THOMAS LAZIEH

18

PATRICK CAINE

JOSEPH D'ANGELIS, ESQUIRE

19

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21

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RHODE ISLAND COURT REPORTING

25 SEA VIEW AVENUE

24

EAST PROVIDENCE, RI 02915

(401) 437-3366

1 (COMMENCED AT 11:17 A.M.)

2 THE CHAIRMAN: Recognizing a
3 quorum, we will call the September 28, 2005
4 meeting of the Narragansett Bay Commission to
5 order at 11:17.

6 First of all, good morning and welcome
7 back, everyone. I hope everyone had a great
8 summer. The first order of business is the
9 approval of the previous minutes of June 15, 2005.
10 Have all our members had an opportunity to review
11 the previous minutes? And if so, are there any
12 comments, corrections or deletions?

13 MR. LAZIEH: Motion for approval.

14 THE CHAIRMAN: Hearing none,
15 Commissioner Lazieh moves for approval of the
16 previous minutes.

17 MR. CAINE: Second.

18 THE CHAIRMAN: Commissioner Caine
19 seconds the motion. Discussion on the previous
20 minutes? Hearing none, all of those that are in
21 favor will say "aye." Any opposed? There are
22 none opposed and the motion carries.

23 Next order of business is old business.
24 Any old business to come before the commission

1 today? Old business?

2 MR. SALVADORE: I have some old
3 business, Mr. Chairman.

4 THE CHAIRMAN: Proceed.

5 MR. SALVADORE: During the summer
6 we received updates on the activities of the
7 commission in the absence of our meetings and I
8 got a bunch of them here. For example, the
9 request from the city of East Providence, Paul,
10 about meeting and taking over their sewer system.
11 Where are we with that issue?

12 MR. PINAULT: We received a letter
13 from the city manager, Bill Fazioli, I guess at
14 the request of the city council, which
15 Commissioner Caine is a member of the council, so
16 he may want to elaborate, asking us whether or not
17 it was feasible for the Bay Commission to assume
18 ownership and operation and maintenance of the
19 treatment facility and maybe portions of their
20 sewer system.

21 I responded back to them saying we would
22 be glad to meet with them. We did have one
23 meeting. And at the meeting, we followed up with
24 a letter requesting a lot of information. And

1 basically, it was the same letter that we had sent
2 Paul Lamont back in, I think, 2003. You know,
3 financial information, copies of the union
4 contracts, the permit, consent agreement, things
5 of that nature.

6 I have since run into Bill once or
7 twice. He assures me that they're meeting
8 in-house, compiling the information, and as soon
9 as he's got it together, he's going to forward it
10 to us and we'll start evaluating it. And we feel
11 that this will take, obviously, a number of
12 months. We'll keep the board posted. I assume
13 he'll keep his council posted. And then we'll see
14 how things transpire. At this point, it's too
15 early to tell.

16 I just wanted to put the board on notice
17 that we had received the request formally and, you
18 know, we will work with them. And whether or not
19 it's in our mutual best interest, time will tell.

20 THE CHAIRMAN: Commissioner Caine?

21 MR. CAINE: Mr. Chairman, I'm on
22 the city council in East Providence and one of the
23 issues from our perspective is, in essence, a
24 third of our system is already owned, operated and

1 maintained by the Narragansett Bay Commission.
2 And one of the concerns that I have as a
3 councilman, it's my first time on the city
4 council. I've been there since the last election,
5 since November, but should we be in that business
6 at all in the sense of expertise, machinery,
7 equipment? What's the cost benefit, really from
8 the city's perspective? And can it be operated
9 more efficiently by someone like the Narragansett
10 Bay Commission?

11 And one of the issues and one of the
12 concerns from my perspective was at least to
13 propose it. Take a look at it and see if it makes
14 sense, both from the city's perspective and
15 Narragansett Bay's perspective to really take over
16 and operate the remaining two-thirds of the city
17 of East Providence. It may not. We don't know,
18 but the issue from my perspective is looking at it
19 from a cost savings perspective.

20 Clearly, you know, there's operations a
21 whole lot bigger than two-thirds of the city of
22 East Providence. The expertise level that I've
23 found here is significantly above and beyond what
24 we have, frankly. And that, in and of itself,

1 would be a significant cost savings. We've spent
2 an awful lot of money on consultants and there's a
3 lot of things that Narragansett Bay Commission
4 does in-house for its systems that it operates.

5 Again, you know, from my perspective,
6 and I think the other city council people's
7 perspective, it's worth taking a look at it again.
8 I think it was raised in 2003 without really the
9 consent, I'm the sure, of the city council at that
10 time, but this time I wanted to make sure it was
11 formal.

12 There was a formal letter that was sent
13 and hopefully over the next several months we can
14 at least make a determination, both from
15 Narragansett Bay Commission's perspective and the
16 city of East Providence's perspective whether it
17 makes sense or not, but I think it's certainly
18 something that we in the city of East Providence
19 need to take a look at.

20 MR. SALVADORE: I think going back
21 in time, those are exactly the feelings of the
22 predecessor, Paul Lamont.

23 MR. CAINE: I agree. I don't
24 think he necessarily -- it wasn't the same city

1 council at that time. So I think from my
2 perspective, I own and operate some businesses,
3 and I think it makes sense to take a look at where
4 the expertise, where the potential cost savings
5 are.

6 I mean, we rent equipment all the time
7 and spend a lot of money on stuff that you guys
8 have in-house, that you're already paying for and
9 is already part of the budget.

10 So really the question is whether
11 there's any benefit to the city of East
12 Providence, and frankly, in the long run, whether
13 there's benefits to the Narragansett Bay
14 Commission. And obviously it's got to be mutual
15 in order to make that determination on a going
16 forward basis, but it certainly makes sense for me
17 to take a look at it.

18 THE CHAIRMAN: Thank you. Are
19 there other matters?

20 MR. SALVADORE: Well, there was
21 the matter of the stay on the nutrients. In the
22 letter to the board of commissioners on
23 August 1st, request from stay from final RI DEM
24 permit modification for nutrient discharge.

1 THE CHAIRMAN: I think that might
2 be part of your report today?

3 MR. PINAULT: Yes. I can address
4 it now quickly. As you recall, back in late
5 December, we received proposed permits for Field's
6 Point and Bucklin Point to include nutrient
7 removal to five milligrams per liter. We, along
8 with the city of Woonsocket, had the same limit of
9 five and all other plants in the state had a limit
10 of eight. We commented extensively, had 45 pages
11 of comments from the February 8th public hearing.

12 And basically in the summer, DEM came
13 out, didn't accept any of our comments, issued the
14 permits as drafted in December and basically said
15 they were going go into effect. We had to be in
16 compliance as of August 1st. Obviously, even if
17 we agreed with the limits, we couldn't rebuild the
18 plant in two weeks or both plants. So we had to
19 appeal it and ask for a stay.

20 Woonsocket did that. And also East
21 Providence's permit was issued at the same time
22 with a limit of eight. And we also coordinated
23 with them, our legal counsels, and they also
24 requested a stay and appealed the permit.

1 Basically, now we've had a couple of
2 conference hearings with legal counsel. Also
3 staff, technical staff, have met with DEM several
4 times. And in the meantime, Clean Water Action
5 has intervened on the permit and their party. And
6 Save the Bay has tried to intervene and we've
7 objected -- Conservation Law Foundation, sorry.

8 We have a meeting this afternoon
9 in-house with Laurie and our technical staff.
10 We're trying to work out a consent agreement prior
11 to going to hearing. Whether or not we can do
12 that, I don't know, but if we can't, we feel very
13 strongly about our arguments and we will go to
14 hearing. And legal staff is preparing witnesses
15 and what-have-you. So, we'll keep you posted.

16 MR. SALVADORE: And lastly, I
17 think that congratulations are certainly in order,
18 Vin and Paul, for whoever was involved, and I
19 think everyone is involved, in the Standard and
20 Poore's confirming our NBC A-plus rating. That's
21 fantastic.

22 MR. PINAULT: Thank you.
23 Obviously administration and finance division,
24 everyone has a part in it, but we're very pleased

1 with that. It helped us get a good rate on the
2 money that we borrowed, 45 million.

3 THE CHAIRMAN: Anything else, old
4 business? Moving right along, the next order of
5 business is the Executive Director's report; do
6 you have a report for us, Mr. Secretary?

7 MR. PINAULT: Yes, I do. Again,
8 it was a very long, hot summer. A very busy
9 summer. Just following up on Commissioner
10 Salvadore's comments, I did try to keep the board
11 informed throughout the summer. I sent you the
12 June and July monthly reports. I sent you two
13 legislative reports; one on June 22nd, one on
14 July 6th, talking about the status of all
15 legislation. And we have a further update today
16 under the new Legislative Committee. We sent out
17 copies of the CSO video. Hopefully you've all
18 received a copy and looked at it.

19 MR. LAZIEH: No.

20 MR. PINAULT: You haven't. Okay,
21 I'll check on that. You should have received a
22 copy. Jaime's away. She'll be back tomorrow.

23 I also sent a memo we had a problem at
24 Bucklin Point late June with a storm with a power

1 outage. And we tried to explain what was
2 happening there because it did hit the press, but
3 it's been resolved.

4 MR. LAZIEH: Excuse me. Was this
5 the sewer overflow on 195 that you're referring
6 to?

7 MR. PINAULT: No. That was just
8 last week. That was June 30th. There was a power
9 outage in Blackstone Valley and all the generators
10 didn't kick on and it caused a bypass. That since
11 has been resolved.

12 Also, a copy of the final CIP was
13 distributed on August 1st. And the other items
14 that were mentioned by Commissioner Salvadore, the
15 East Providence request, and the S & P
16 reaffirmation.

17 Your monthly report is here. We have a
18 fairly heavy agenda. I'd just like to touch on a
19 few things. Basically the treatment plants are
20 rung well. We did have, as I said, a very dry
21 period and then we did have some very heavy rains
22 back in the end of August.

23 The flows at Field's Point went from 62
24 million gallons to 173 million gallons a day

1 within a two-hour period. And overall, the plant
2 handled it well. We did have our first permit
3 violation for coliform that day on our maximum
4 limit, which is 400. We had 489, even though we
5 were chlorinating to the maximum level required.

6 Bucklin Point, the upgrades for nutrient
7 control are still six months ahead of schedule.
8 We're looking at starting that up within the next
9 two weeks. Scheduled to go on-line in March or
10 April and we'll go on-line probably the first or
11 second week of October.

12 We have on Financial, we're 16.6 percent
13 of the fiscal year gone by. We're spending at a
14 rate of 13.6 percent which was mentioned in the
15 finance committee. On Construction, the main
16 spine tunnel, I handed out and you should have
17 received this graphic. Basically we are right
18 outside the Cheesecake Factory at the intersection
19 of Francis Street and Hayes Street.

20 Last week my son left for Sacramento and
21 I took him out to dinner and we sat on the outside
22 of the Cheesecake Factory and I said, "Little does
23 anybody know that 260 feet below us, they're
24 working right now." And I think that's one of the

1 beauties of the project. Going across 195,
2 they're scheduled to complete mining sometime
3 during the month of November, prior to
4 Thanksgiving, and things are going well.

5 Also, this graphic shows the seven side
6 tunnels, the status of all of those. Some of them
7 are complete, completely blasted and lined, others
8 are in the process of being blasted. There's only
9 one that has not been done and that's the one on
10 the bend which goes up towards Delta Dental on
11 Smith Street. That will be starting any day.
12 That project is going well. It's about 71 percent
13 complete.

14 It's still 300 days behind schedule,
15 which happened at the beginning of the project
16 when they had problems with the freeze wall and
17 soil to get down to rock. We had a claim
18 associated with that which we've talked about in
19 the past. That has been officially denied by us
20 and now the ball's in the contractor's court as to
21 whether or not he wants to appeal that to the
22 dispute resolution board or drop it.

23 Other projects, the O 32 facilities are
24 85 percent complete. That's the project along

1 Charles Street. All of the micro-tunneling is
2 done. They've done half of the paving and hope to
3 be out of there by the beginning of November.

4 The Woonasquatucket River interceptor is
5 one hundred complete. We turned the parking lot
6 at the Foundry back over to the Foundry.
7 Everything's been paved and we've reconstructed
8 Promenade Street. The tunnel pump station fit out
9 is ongoing. It's only two percent complete. We
10 just started that a couple of months ago, but
11 they're gearing up and that's going well.

12 Harold Street regulators, they finally
13 opened up the road last week and they hope to be
14 out there of next month. It's a fairly short
15 duration. It's on the corner of Valley and Harold
16 Street.

17 Washington Highway - Omega pumping
18 station. We have a number of bidders that have
19 taken out plans. We were hoping to bring that to
20 the board today for an award, but because of the
21 number of questions from the bidders, we've
22 extended the bid date to October 4th. And we'll
23 bring a recommendation to the board at the October
24 meeting.

1 Bucklin Point improvements, again, I
2 mentioned we're 96 percent complete, six months
3 ahead of schedule. That's going well. Nutrient
4 removal, I touched on that. We'll keep you posted
5 once we meet with DEM.

6 Environmental monitoring put on a half
7 day workshop on August 18th. We had over 60
8 people attend, including Channel 10. We had very
9 good coverage by Channel 10. We had a number of
10 people here showing them what we've been doing as
11 far as monitoring in the bay, the sewer system,
12 and all the various studies that we're doing,
13 modeling and the work with nutrients. And we hope
14 to make that an annual event.

15 We got a call from Save the Bay. They'd
16 like us to give an abbreviated presentation to
17 their board of directors because they found that
18 we're doing an excellent job in that area. Things
19 that DEM should be doing, but because of budget
20 cuts, haven't been able to do.

21 Sewer connection permits are up since we
22 made the modification to our ordinance. We had 90
23 permits approved during the month of August alone,
24 which is a significant increase from the past. So

1 there's a lot of construction going on in the
2 district.

3 There's a summary of enforcement
4 activities in there. The fall lien sale has been
5 scheduled for November 17th. We've identified 243
6 accounts. That was about \$350,000 and we're
7 working on those.

8 I met with the new director of DEM,
9 Michael Sullivan, to brief him a couple of weeks
10 ago and to make sure that he was aware of all of
11 our activities. And the meeting went very well
12 and we hope to continue an open dialogue.
13 Attached is a summary of the monthly financials
14 and the project schedules. If anyone has any
15 questions, I'll be glad to try and answer them.

16 THE CHAIRMAN: Any questions of
17 the executive director pursuant to his report?
18 Any questions? Commissioner Campbell?

19 MR. CAMPBELL: I noticed in the
20 summary at the end of all of the projects, a
21 contract amount increase for the main spine tunnel
22 that was a three-and-a-half million increase which
23 from the last report, I remember it was quite a
24 bit less than that. I was just curious about the

1 three-and-a-half million.

2 MR. PINAULT: In the past, that's
3 net, but I believe the bid amount was 165 million.
4 We had some credits which brought it down to 163
5 and then it's gone back up. So basically it's two
6 percent over the bid amount at this point. Those
7 changes were miscellaneous change orders that were
8 approved, including additional grouting that had
9 to be done to control water, increasing the
10 pumping system for ground water, and things of
11 that nature.

12 We're carrying a ten percent contingency
13 of about \$16 million, so we're 71 percent complete
14 with 2.15 percent. So we're still well within the
15 budgeted amount for the overall project.

16 MR. CAMPBELL: Okay.

17 THE CHAIRMAN: Any other questions
18 of the executive director pursuant to his report?
19 Okay. Moving right along, the next item is
20 Committee Reports and Action Items Resulting. The
21 first committee reporting is the joint Long Range
22 Planning and Finance Committees.

23 In the absence of Chairman Andrade, I
24 convened the meeting and presided. There are four

1 items for action. Item A is Review and Approval
2 of Resolution 2005:23 which was authorization to
3 approve the Annual Comprehensive Financial Report.
4 We had a presentation by Tammy Novo and Paul
5 Frechette, auditors. It was a clean report. The
6 report is in your packet. I hope you had an
7 opportunity to review it. I think most of the
8 members were present during that presentation.
9 It's a clean report with no footnotes, no
10 management letter.

11 And I don't know if there are any
12 questions, if you had an opportunity to review it.
13 If there are any questions on the report, I think
14 Paul and Tammy are still here somewhere. I don't
15 see them, but I think they're here. There they
16 are, back there. Are there any questions on the
17 annual audit report?

18 If not, the committee moves to approve
19 Resolution 2005:23. We would like to have the
20 full board pass a resolution.

21 MR. CRUISE: So moved.

22 THE CHAIRMAN: We have a motion by
23 Commissioner Cruise, seconded by Commissioner
24 Lazieh; is there any discussion on the matter?

1 Further discussion? If not, all of those that are
2 in favor will say "aye." Are there any opposed?
3 There are none opposed and the motion carries.

4 Before we go on to Item B, I'd just like
5 to say thank you to Karen and Leah Foster for
6 working with the auditors to prepare such a good
7 report and such a comprehensive report, which I'm
8 sure is well-received by the Public Utility
9 Commission who will be reviewing it in the future.
10 Job well done. Thank you very much.

11 MR. LAZIEH: Mr. Chairman, is it
12 my understanding that the report has to be
13 submitted by October 1st?

14 THE CHAIRMAN: September 30th.

15 MR. LAZIEH: It's done on time.

16 THE CHAIRMAN: Do you know of
17 anyone else who submits their report on time?

18 MR. LAZIEH: No.

19 THE CHAIRMAN: All right.

20 MR. PINAULT: I don't want to jinx
21 us, but we haven't missed one yet.

22 THE CHAIRMAN: Item B, Review and
23 Approval of Resolution 2005:24 which is Authority
24 to Borrow an Amount not to Exceed \$30 million.

1 There was a presentation on that. The committee
2 on Finance and Long Range Planning recommends
3 approval of Resolution 2005:24. Do we hear a
4 motion?

5 MR. SALVADORE: So moved.

6 MR. GIUSTI: Second.

7 THE CHAIRMAN: I have a motion by
8 Commissioner Salvatore and a second by
9 Commissioner Giusti to approve Resolution 2005:24;
10 is there any discussion? Any discussion?

11 MR. PINAULT: I just wanted to
12 note as noted in the memo, this \$30 million will
13 continue to go to finance our capital plan, mostly
14 the CSO, phase one, and wrapping up the Bucklin
15 Point improvements.

16 As Karen noted in her memo, we
17 anticipate that fifty percent of the money will be
18 at zero percent interest, the other fifty percent
19 will be at the standard subsidized rate of
20 one-third off the market rate. So we hope it
21 would be less than two percent, but it will be
22 whatever the market is when we price it in a few
23 weeks. We do not need any rate relief. We have
24 enough debt capacity to fund this with proper

1 coverage.

2 THE CHAIRMAN: I have a motion and
3 a second; discussion?

4 MR. LAZIEH: What is the maximum
5 allowed to be borrowed per year from Clean Water
6 Finance?

7 MR. PINAULT: There's no maximum,
8 other than what their capacity is over the years.
9 One year we borrowed 57 million. Historically
10 we've been borrowing, last year it was 40 million.
11 This year they only have 30 million available.

12 They get money from the federal
13 government and for every dollar they get, they
14 have to match it with 20 percent. And the feds
15 have been cutting back on the amount of
16 capitalization grants they're giving states. So
17 because of the need in the state, they just have
18 less capacity rate now.

19 So basically this year it's the 30
20 million we're borrowing from them and we went out
21 a couple of months ago and borrowed 45 million in
22 revenue bonds in the open market.

23 MR. LAZIEH: And we're at a zero
24 balance with the State, my understanding?

1 MR. PINAULT: Yes. All of our
2 State debt from the Bay Bonds that were authorized
3 in 1980 were done at the end of June. That was
4 approved by the board on June 15th. And that was
5 mentioned in the audit report. We basically have
6 paid off the State debt, in advance.

7 MR. LAZIEH: Thank you.

8 THE CHAIRMAN: Okay. Further
9 discussion? If there is no further discussion,
10 all of those that are in favor will say "aye."
11 Are there any opposed? There are none opposed and
12 the motion carries.

13 Next order of business is item C, Review
14 and Approval of Resolution 2005:25 which is
15 Authorization to file for Rate Relief at Rhode
16 Island Public Utilities Commission. And the
17 Finance Committee and Long Range Planning
18 Committee recommended passage of the resolution.
19 Is there a motion? Is there a motion on Item C,
20 approval to file for Rate Relief?

21 MR. CAMPBELL: So moved.

22 THE CHAIRMAN: Commissioner
23 Campbell moves that we approve Resolution 2005:25,
24 and it's seconded by Commissioner Farnum?

1 MR. FARNUM: Yes.

2 THE CHAIRMAN: Discussion?

3 MR. PINAULT: Again, this was
4 discussed at the Finance Committee and outlined in
5 the memo. Because the method of sludge disposal
6 will change at Field's Point December 1st, our
7 costs will go up.

8 And although we can absorb it in this
9 year's fiscal '06 budget, in fiscal '07 we don't
10 think that we can, so we're looking at a rate
11 increase between two-and-a-half to six percent
12 between increased sludge disposal costs at Field's
13 Point, plus increased operating costs of mostly
14 utility costs; electric, gas. And in order to get
15 the rates in effect July 1st of next year, we have
16 to file by December 1st of this year.

17 THE CHAIRMAN: We have a motion
18 and second; further discussion? Is there further
19 discussion? Hearing none, all of those that are
20 in favor will say "aye." Any opposed? None
21 opposed and that motion carries.

22 Last item is Item D, Review and Approval
23 of Resolution 2005:26, which is the use of
24 Environmental Enforcement funds. The joint

1 committee is recommending an appropriation from
2 the fund of \$5,000 for the Shellfishermen
3 Association which shall be used to fund, help
4 fund, a shellfish seeding transplant program.

5 And the resolution was amended to
6 increase the amount to the Leonard Walker
7 Scholarship Fund from \$500 to \$1,000. The
8 Committee recommends approval of that
9 authorization. Do we have a motion?

10 MR. MONTANARI: Moved.

11 THE CHAIRMAN: Mr. Montanari moves
12 that we approve Resolution 2005:26 as amended.

13 MR. GIUSTI: Second.

14 THE CHAIRMAN: Seconded by
15 Commissioner Giusti. Discussion on the motion?
16 Is there any discussion on the motion?

17 MR. SALVADORE: Mr. Chairman, I
18 would like to get this on the agenda for some
19 future time, on this Leonard Walker Scholarship,
20 that we revisit it on a yearly basis.

21 THE CHAIRMAN: Sure. I don't
22 think we're confined by time for any
23 recommendation of use of Environmental Enforcement
24 funds.

1 MR. SALVADORE: I know I made the
2 recommendation for \$1,000, but in retrospect, I'm
3 sitting here cooking it and I don't think it's
4 enough. So that's why I ask.

5 THE CHAIRMAN: It's certainly your
6 right as a commissioner to raise the issue at any
7 time you think it's appropriate. So when you see
8 fit to revisit the matter, just make a motion.

9 MR. SALVADORE: All right.

10 THE CHAIRMAN: Having said that,
11 all of those that are in favor will say "aye."
12 Are there any opposed? There are none opposed and
13 the motion carries. And that concludes the report
14 of the Finance Committee.

15 The next committee reporting is the
16 Construction, Engineering and Operations
17 Committee.

18 MR. GIUSTI: We did not have a
19 meeting this morning, Mr. Chairman.

20 THE CHAIRMAN: No meeting.
21 Legislative Committee? Personnel? Personnel
22 Committee, there it is. Personnel Committee did
23 meet. Commissioner Montanari was not available.
24 I presided over the meeting. There was one matter

1 before the committee which was an amendment to the
2 organizational plan -- sorry. An amendment and
3 restatement of the Narragansett Bay Commission
4 Non-Union Defined Contribution Plan. Paul?

5 MR. PINAULT: This plan has been
6 in effect for a number of years. We had it
7 reviewed recently when there were a number of
8 changes proposed to clarify some language, add
9 some definitions, and make it in conformance with
10 federal law and also to tie into our trust
11 agreement. It basically makes it easier to read
12 and easier to administer.

13 So the plan has been modified. And we
14 recommend approval of Resolution of 2005:27.

15 MR. MACQUEEN: So moved.

16 THE CHAIRMAN: We have a motion by
17 Commissioner MacQueen.

18 MR. LAZIEH: Second.

19 THE CHAIRMAN: Seconded by
20 Commissioner Lazieh. These are not substantive
21 changes, just housecleaning clarification.
22 Discussion? Discussion?

23 MR. LAZIEH: Mr. Chairman, I was
24 unable to make the earlier Personnel Committee

1 meeting; is this going to, I would say --

2 THE CHAIRMAN: These changes were
3 non-substantive clarifications. There was no
4 changes in the plan.

5 MR. LAZIEH: My only concern was
6 is this going to create another PUC review of the
7 same program?

8 THE CHAIRMAN: I don't think it's
9 another review. I think it's the same one.

10 MR. PINAULT: Their concern was
11 with the Defined Benefit Plan, the other half of
12 the plan. This is the Defined Contribution Plan
13 which is the profit-sharing plan which we've had
14 in effect for a number of years. It didn't appear
15 that they had a problem with that. We're not
16 modifying the defined benefit piece which is the
17 piece that they've been looking at.

18 MR. LAZIEH: And they've been
19 notified of this meeting?

20 MR. PINAULT: Yes. They received
21 copies of the agenda, plus all backup items for
22 every meeting.

23 THE CHAIRMAN: They're actually
24 represented here. The division is actually

1 represented here.

2 MR. LAZIEH: Thank you.

3 THE CHAIRMAN: All in favor will
4 say aye. Are there any opposed? There are none
5 opposed and the motion carries. I guess there was
6 some distribution on the Legislative Reports and
7 Action and there was no committee meeting. Rules
8 and Regulations?

9 MR. PINAULT: No report.

10 THE CHAIRMAN: Ad Hocs?

11 MR. PINAULT: No report.

12 THE CHAIRMAN: Citizens Advisory,
13 Harold?

14 MR. GADON: Thank you, Mr. Chairman.

15 The CAC meeting was held on September 21st with 17
16 in attendance. We welcomed a new member, an
17 alternate, Andrew Knoff, a safety and
18 environmental engineer at Hasbro.

19 We did again review the limits NBC is
20 negotiating with DEM and I hope that NBC prevails.
21 Amos Colt, a CAC member from URI Sea Grant did say
22 that some scientists have mentioned that too much
23 nitrogen reduction could effect the ecology of the
24 bay, indicating that all science is not exact.

1 Jaime did present with us the DVD, which
2 is really an excellent DVD, titled, "The Biggest
3 Project You Will Ever See." We were pleased that
4 CAC member Bill Holmes, a former shellfisherman
5 had a prominent part in that presentation.

6 We have received comments concerning NBC
7 from the community and have referred them to the
8 staff involved. Our next meeting is October 12th.

9 THE CHAIRMAN: Thank you, Harold.
10 Next committee reporting is the Executive
11 Committee. The committee did meet earlier this
12 morning. It's the first time the executive
13 committee met in quite sometime. And the Records
14 Committee, their item for discussion was the
15 update of the Narragansett Bay Commission, NBC
16 Retirement Plans.

17 Specifically, the items that were
18 discussed were the union retirement plan as a
19 result of certain measures that were taken at the
20 general assembly this past year. The contribution
21 to the plan was reduced from 16.96 percent to
22 14.84 percent. This has resulted in a projected
23 reduction in the union pension expense for FY 2006
24 by about \$96,000, or \$95,949 to be exact.

1 Other items discussed were the Non-Union
2 Retirement Plans. The Non-Union Employee
3 Contribution Plan or the Profit-Sharing Plan was
4 reviewed by outside legal counsel and it was
5 amended and restated. There were no substantive
6 changes. It was reported to the Personnel
7 Committee and the board for approval. Outside
8 legal counsel had provided a more detailed
9 modification memo. That is in your packet and can
10 be reviewed at any time as part of our agenda and
11 is in the packet.

12 Other items discussed were the overall
13 funding of the Non-Union Defined Contribution and
14 Defined Benefit. It's ten percent of the budgeted
15 non-union salary, I'll give you a better
16 description of what exactly that means in a
17 moment, and the wages on an annual basis.

18 The current Defined Benefit Plan
19 enrollment is 103 and participants are making a
20 five percent contribution. The NBC is funding the
21 Defined Benefit Plan by biweekly deposits of five
22 percent, and we'll go into that description in a
23 moment, of the total budgeted non-union salaries
24 and wages.

1 Additional deposits shall be made during
2 the course of the year funds are available to the
3 overall budget. I just want to get clarification
4 on biweekly, what that actually means. We had
5 quite a protracted discussion about that. There's
6 a difference of opinion, but basically the
7 contributions are being made once every two weeks.

8 MR. PINAULT: So 26 times a year.

9 THE CHAIRMAN: Or 26 times a year.

10 MR. PINAULT: Coincides with the
11 pay periods.

12 THE CHAIRMAN: Exactly. Actually
13 wanted to make a reminder that those contributions
14 are based on ten percent of the budgeted annual
15 salaries.

16 MR. PINAULT: Salaries and wages.

17 THE CHAIRMAN: Salaries and wages.

18 So it's really a clarification of the Non-Union
19 Pension Retirement Plans. It was productive and
20 brought us a better understanding of what we're
21 dealing with. That's the Executive Committee
22 report. The Chairman's Report, there's nothing to
23 report except that the next meeting is
24 October 19th. Is there any new business to come

1 before the commission? New business? Other
2 business of any kind? In that case, Commissioner
3 Rotella?

4 MR. ROTELLA: I'll move to
5 adjourn.

6 THE CHAIRMAN: I have a motion to
7 adjourn.

8 MR. SALVADORE: Second.

9 THE CHAIRMAN: We have a second.
10 All in favor will say aye. Any opposed? None
11 opposed. Motion carries. Thank you very much for
12 attending today.

13 (CLOSED AT 12:00 P.M.)

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CERTIFICATE

I, Claudia J. Read, Notary Public, do hereby
certify that I reported in shorthand the foregoing
proceedings, and that the foregoing transcript
contains a true, accurate, and complete record of
the proceedings at the above-entitled hearing.

IN WITNESS WHEREOF, I have hereunto set my
hand this 10th day of October, 2005.

CLAUDIA J. READ, NOTARY PUBLIC/CERTIFIED COURT REPORTER
MY COMMISSION EXPIRES NOVEMBER 2, 2008.