



OFFICIAL MINUTES OF:

Meeting of:	CEO Committee Meeting <i>and Open Call For Executive Session Pursuant to RIGL 42-46-5(a)(2) for Items 3.1 and 4.A</i>
Date:	June 14, 2006
Time:	9:00 a.m.

MEMBERS PRESENT

Vincent J. Mesoletta, NBC Chairman
Paul Pinault, Executive Director
Angelo Rotella, Vice Chairman
Tom Perkins
Al Montanari
Michael Salvatore, CEO Chair
John MacQueen
Jonathan Farnum

MEMBERS ABSENT

Robert Andrade, Treasurer
Patrick Caine

STAFF AND GUESTS PRESENT

Jean-Marie Grossi, NBC,
Ray Marshall, NBC
Thomas Brueckner, NBC
Thomas Lazieh, Commissioner

Mark Thomas, NBC
Thomas Uva, NBC
Joseph Pratt, LBG

1. Call to Order

Recognizing a quorum, CEO Chair Salvatore called the June 14, 2006 CEO Committee Meeting to order at 9:01 a.m.

2. Approval of Minutes – April 12, 2006

CEO Chair Salvatore asked if all Committee members had a chance to review the minutes of the April 12, 2006 CEO Committee meeting. Commissioner Farnum motioned to approve the April 12, 2006 minutes as written. Commissioner MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

3. Items for Action

A. *Review and Approval of Resolution 2006:12, Approval of Fiscal Year 2008-2012 Capital Improvement Program*

Ms. Francie Brown gave a brief presentation of the NBC's 2008-2012 Capital Improvement Program (CIP). It was noted that the 2008-2012 CIP identifies \$193 million in capital project costs over the five-year window and approximately \$83 million in costs for fiscal year 2007. She noted that although the CIP is being presented as a separate document for approval purposes, the CIP will be fully incorporated into the Operating Budget.

Ms. Brown stated that the overall presentation of this year's CIP is consistent with that of prior years with a few modifications. In terms of presentation, the individual project description sheets have been condensed and simplified through the reflection of all project phases on a single page and the elimination of specific finance source identification. In addition, a new section has been added to the CIP narrative that addresses NBC's overall capital financing strategy. The discussion of debt service and rate impacts will be addressed in the Operating Budget. She also noted that the table reflecting funding sources may be modified slightly once the Long-Term Debt Model is complete.

Chairman Mesolella noted that the CIP is one of the most important documents the Board will see. He noted that the projects are in no specific order and that each project will be brought before the Board for their consideration Board prior to any work.

After some discussion, Commissioner Rotella motioned to approve Resolution 2006:12, Approval of Fiscal Year 2008-2012 Capital Improvement Program. Commissioners' Farnum and MacQueen seconded the motion. Only Commissioner Perkins was opposed, and the motion carries.

B. *Review and Approval of Resolution 2006:13, Authority to Enter Into Contract Negotiations, Contract 304:38, Interceptor Easements*

Mr. Pinault stated that as part of the NBC's ongoing efforts to ensure the integrity of its interceptor sewer system, it is necessary to maintain access to areas served by easements through private property to perform routine inspections and maintenance. He noted that NBC's two interceptors in the Town of Cumberland were identified as the highest priority for evaluation of the easements. NBC staff prepared an initial assessment report for these NBC facilities in December 2005, which identified gaps in easement and manhole data and problems with access.

Mr. Pinault noted that following discussions with NBC staff, it was determined that further investigations and a summary of recommended improvements were needed in order to resolve the access issues. Among the issues that need to be addressed are completing research of existing easement documents to supplement the incomplete data presently available; resolving discrepancies between easement records and present property lines; locating manholes in access restricted areas; and developing recommendations for maintenance activities and other more substantial improvements involving assess.

Mr. Pinault stated that a Request for Qualifications/Proposals (RFQ/P) was developed and issued on February 12, 2006. The NBC received four responses to the RFQ/P. The respondents were:

1. Bryant Associates
2. Crossman Engineering
3. Pare/Charles H. Sells
4. VHB

Mr. Pinault noted that in accordance with NBC's Procurement Regulations, the Executive Director designated Thomas Brueckner, NBC's Engineering Manager, to coordinate a review committee to conduct a review and rating of the statements of qualifications. A summary of the ratings and cost of the four proposals is provided below:

	Rating	Cost
Bryant Associates	82.25	\$245,471
Crossman Engineering	57.25	\$623,174
Pare/Charles H. Sells	68.50	\$440,007
VHB	76.50	\$267,485

Mr. Pinault stated that based on these ratings, the review committee short-listed three firms: Bryant Associates, Pare/Charles H. Sells, and VHB to be interviewed. Crossman Engineering was not short-listed because they were the highest priced proposal and had the lowest rating. During the interviews, the review committee sought to compare deliverables to be provided on an equal cost basis, particularly for VHB and Bryant Associates, who submitted the lowest cost proposals. Based on the responses to our questions, Bryant Associates' equalized cost was \$470,000, while VHBs' equalized cost was \$313,000. Therefore, the review committee concluded that VHB would provide the level of services needed for this project at the best cost.

Mr. Pinault stated that for the reasons mentioned, NBC staff recommends that the Board approve Resolution 2006:13 authorizing staff to negotiate a contract with VHB for the interceptor easement project in an amount not to exceed \$268,000.

Commissioner Montanari motioned to approve Resolution 2006:13. Authority to Enter Into Contract Negotiations, Contract 304.38D, Interceptor Easements. Commissioner Farnum seconded the motion and the vote taken by the CEO Committee was unanimous. The motion carries.

C. Review and Approval of Resolution 2006:18, Award of Contract 116.00C, Miscellaneous Improvements to the Field's Point and Bucklin Point Facilities

Mr. Pinault stated that bids for construction Contract 116.00D, Miscellaneous Improvements to the Field's Point and Bucklin Point Facilities were received by the NBC's Procurement Section on May 30, 2006. Two bids were received for the Project: Hart Engineering Corporation in the amount of \$1,240,000 and R. Zoppo Corporation in the amount of \$1,617,500. He noted that NBC staff evaluated the bid proposals and qualifications of the low bidder for the purpose of establishing the firm's capability to successfully complete this construction project. Hart Engineering Corporation has successfully completed several multi-million dollar contracts for the NBC with work similar in scope to that included in this Contract. NBC's Construction staff estimated a cost of \$1,325,000 to complete this project. This Contract will be funded through Capital financing.

Mr. Pinault stated that staff recommends the approval of Resolution 2006:18, Award of Contract 116.00C, Miscellaneous Improvements to the Field's Point and Bucklin Point Facilities. Commissioner Rotella motioned to approve Resolution 2006:18. Commissioners' Farnum and MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

D. *Review and Approval of Resolution 2006:19, Award of Contract 304.46C, Cured-In-Place Sewer Liner at Dudley Street and Manhole Rehabilitation*

Mr. Pinault stated that bids for Construction Contract 304.46C, Cured-In-Place Sewer Liner at Dudley Street and Manhole Rehabilitation were received by the NBC's Procurement Section on May 30, 2006. Four bids were received for the Project. Insituform Technologies, Inc., submitted the lowest bid in the amount of \$198,547. He noted that this Contract was originally intended to include additional work on Dudley Street, as well as work on Hartford Avenue and Blackstone Street. The estimated cost was \$1,762,250. As the bid date came closer, staff was only satisfied with the scope of work on the portion of Dudley Street included in this Contract. The staff's adjusted cost estimate was \$277,000. The work that was originally anticipated, but not ultimately included in the projected scope of this contract will be included in future contracts when the exact scope can be better defined.

Mr. Pinault noted that NBC staff has evaluated the qualifications and bid proposal of the low bidder for the purpose of establishing the firm's capability to successfully complete this Contract. Therefore, staff recommends approve Resolution 2006:19, Award of Contract 304.46C, Cured-In-Place Sewer Liner at Dudley Street and Manhole Reconstruction, because staff has determined that they are the lowest, responsive, responsible bidder. This Contract will be funded through Capital financing.

After some discussion, Commissioner Farnum motioned to approve Resolution 2006:19, Award of Contract 304.46C, Cured-In-Place Sewer Liner at Dudley Street and Manhole Reconstruction. Commissioner Montanari seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

E. *Review and Approval of Resolution 2006:20, Authority to Advertise for Bids Contract 304.47C, Sheridan Street, Hartford Avenue and Oxford Street Sewer Repairs*

Mr. Pinault stated that NBC's Interceptor and Maintenance and Engineering Sections have determined that the sewers in Sheridan Street, Hartford Avenue and Oxford Street are in need of repair. The following outlines the problems and proposed solutions, although the scope could vary as the design develops:

Sheridan Street: *Problem*: There is a 6" elbow on the 8" connector pipe that is smaller in diameter than the regulator opening resulting in dry weather overflows when blockages occur. There have been numerous blockages in this area recently. *Proposed Solution*: Install a new 18" PVC connector pipe, abandon the existing connector pipes and sump, cut and remove sump manhole 3' below grade, and fill sump and connector pipes with flowable fill.

Hartford Avenue: *Problem*: There are invert bricks missing in at least three locations of the 44" outfall pipe, two catch basin pipes are broken and need to be re-attached to the outfall, there is mortar missing downstream in the invert of the outfall pipe, and missing bricks at protruding service connections and a sag in the 20" pipe. *Proposed Solution*: Conduct boring to determine soil condition, replace approximately 30' of 44" pipe with 48" diameter piping, install collar on manhole to re-connect the pipe replace 20' of 20" clay pipe, repair catch basin piping connections, podge the 44" sewer invert where mortar is missing and possibly replace the 44" and 20" pipes where the 20" is sagging. The 44" pipe is above the 20" pipe.

Oxford Street: *Problem*: The 8” clay sanitary sewer is collapsed 80’ downstream of the upstream sewer manhole. *Proposed Solution*: Dig and replace the 8” pipe section manhole-to-manhole.

Mr. Pinault noted that the design work will be completed in-house. The estimated construction cost for this project is \$425,000, and it proposed to take four months to complete. The Project will be funded with capital financing. He, therefore, recommended that Resolution 2006:20, Authority to Advertise for Bids, Contract 304.47C, Sheridan Street, Hartford Avenue and Oxford Street Sewer Repairs.

Commissioner MacQueen motioned to approve Resolution 2006:20, Authority to Advertise for Bids, Contract 304.47C, Sheridan Street, Hartford Avenue and Oxford Street Sewer Repairs. Commissioner Rotella seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

F. Review and Approval of Resolution 2006:21, Contract 103.02C, Demolition of Field’s Point Incinerator and Sludge Processing Facilities, Recommendation to Increase the Limit for Change Order Requests

Mr. Pinault stated that Costello Dismantling, Inc. was issued a Notice to Proceed on February 28, 2006 for Contract 103.02C, Demolition of the Field’s Point Incinerator and Sludge Processing Facilities. Included on the scope of work was the abatement of clearly defined areas and quantities of asbestos in the Incinerator and Filter Buildings. This asbestos was removed in April 2006 by Costello Dismantling Inc.’s subcontractor, Franklin Analytical. Costello Dismantling, Inc. then began interior hand demolition in both buildings. At that time, they identified a number of areas where they felt additional asbestos-containing materials may exist.

Mr. Pinault noted that Costello Dismantling Inc. hired Jacques/Whitford to perform a thorough survey of the areas to determine what asbestos-containing materials remained, and then quantify the materials. Numerous additional materials were identified as asbestos containing in each building, the most costly being boiler insulation in the Filter building and insulating brick lining in the North incinerator. Jacques/Whitford prepared new abatement plans and Costello Dismantling Inc. lined up abatement contractors to bid the work. While a scope and bid review has not been completed, it is anticipated that the work can be completed for a cost (including Costello’s markup) of \$175,000.

Mr. Pinault stated that based on this information, it is recommended that the Chairman and Executive Director be authorized to approve Change Order Requests for Contract 103.02C for an aggregate amount not to exceed \$175,000 above the 5% authorized limit , and recommend approval of Resolution 2006:21.

Commissioner MacQueen motioned to approve Resolution 2006:21, Contract 103.02C, Demolition of the Field’s Point Incinerator and Sludge Processing Facilities, Recommendation to Increase the limit for Change Order Requests. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

G. Review and Approval of Resolution 2006:22, Implementation of Phase II NBC’s Asset Management Program

Mr. Pinault noted that back in June 2004, the CEO Committee and Board authorized the initial stage in the development of an Asset Management Program (AMP) for the NBC with the approval of Resolution 2004:21. Subsequently, in May 2005 Resolution 2005:15 was approved for the continuation of this multi-year project. In summary, we requested approval to retain

Camp Dresser & McKee (CDM) as our consultant on the project in order to implement an effective AMP. CDM has performed well in their role and has produced reports and other work products detailing the results of their work and recommending the necessary steps to continue moving the project forward.

Mr. Pinault stated that the primary reason for adopting an asset management program is that it is a good business practice that provides short and long-term benefits to the NBC and its customers. Asset management programs results in better decisions by aligning management of infrastructure with strategic policies and direction that will support the long-term success of the NBC's mission, goals and objectives. It will also allow credible and effective communication with our Commissioners, ratepayers, elected officials, financial rating organizations and regulatory agencies.

Mr. Pinault further stated that there is a growing awareness within the wastewater industry that preserving the life and function of infrastructure assets will help optimize operations and maintenance and identify needed capital resources, thereby reducing funding gaps between future capital needs and available financial resources. He stated that the development of an AMP, like development of a comprehensive plan or master plan for the utility system, provides a long-term view and the engagement of the staff throughout the utility to make it an effective tool.

Mr. Pinault noted that CDM's report includes an Executive Summary with the recommendation being a phased approach to asset management implementation at NBC. The AMP being developed for NBC is focuses on improving the NBC's ability to project what its capital expenditures will be, to minimize the system failures, and to provide a long-term financial plan with repair and replacement needs fully identified. In the Phase I work, the following tasks were undertaken:

- Established an asset management implementation structure.
- Developed an asset hierarchy with critically and priority processed defined.
- Completed the Hansen CMMS implementation.
- Completed data collection and data entry for priority tasks.
- Conducted a condition assessment and risk assessment for identified priority assets.
- Reviewed and enhanced NBC maintenance practices.
- Established cost and replacement values for priority critical assets.
- Developed an enhanced repair/replacement plan for priority critical assets.

Mr. Pinault noted that the phased implementation program enables the NBC to build from the existing foundation that it has already created. The NBC has taken some critical steps to sustain asset management, including engaging the staff at all levels by encouraging their active participation in the program's development.

Mr. Pinault stated that the next key step will be to identify those wastewater treatment and collection assets that were not included in the first phase. CDM's recommended timeline for completion of the next phase of the project spans nine months, from August 2006 through April 2007. CDM's assistance during the next phase is estimated at \$200,000 to \$250,000. Therefore, staff requests to utilize CDM for "continuing service in subsequent phases provided acceptable performance is achieved and reasonable fees can be negotiated." Therefore, NBC staff request approval of Resolution 2006:22, Implementation of Phase II of NBC's Asset Management Program provided we are able to negotiate a scope of work and commensurate fees not to exceed \$250,000.

Commissioner Rotella motioned to approve Resolution 2006:22, Implementation of Phase II of NBC's Asset Management Program. Commissioners' Farnum and Montanari

seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

H. Review and Approval of Resolution 2006:23, NBC Project No. 117.00D, Architectural Services for the design of the Upgrade of the Field's Point Operations Building and Other Miscellaneous Improvements, Recommendation for Award of Contract.

Mr. Pinault stated that the Operations Building at Field's Point was designed and constructed during the early 1980's. It provides administrative space for the NBC management personnel, Environmental Monitoring staff, Pretreatment personnel, and houses the facility computer center, conference room, laboratory, lunch room and locker rooms. Modifications are needed to keep up with changes to the building codes, to comply with ADA and refurbish the lunch and locker facilities to accommodate the current needs of the employees. Additionally, an enhanced security system (ID card readers) for various buildings throughout the site is needed.

Mr. Pinault noted that in February 2006, NBC received RFQ/RFPs from five firms for Architectural Services for a report for the Upgrade of the Field's Point Operations Building and Other Miscellaneous Improvements. The staff recommended that the contract be awarded William Kite Architects. In March 2006 the Board approved the recommendation, and in April 2006 a Contract was signed with William Kite Architects to provide these services.

Mr. Pinault stated that during the development of the report, including several meetings with NBC staff, it became apparent that the improvements needed by the NBC would require an addition to the Existing Operations Building. William Kite Architects did consider several alternatives. The final concept includes an expansion of the west of the existing building, which will satisfy the needs and enhance the efficiency of the Operations, EMDA and Pretreatment employees for years to come. He noted that NBC staff was satisfied with the performance of William Kite Architects, staff recommends they be awarded a contract for the design phase of the work at a cost not to exceed \$327,300. This cost includes fees to develop the concepts for expansion, which were outside the scope of the initial report, as well as all services for the design, up to the production of the Contract Bid Documents. Therefore, staff recommends approval of Resolution 2006:23, NBC Project No. 117.00D, Architectural Services for the Design of the Upgrade of Field's Point Operations Building and Other Miscellaneous Improvements, Recommendation for Award of Contract.

After some discussion, Commissioner Farnum motion to approve Resolution 2006:23, NBC Project No. 117.00D, Architectural Services for the Design of the Upgrade of Field's Point Operations Building and Other Miscellaneous Improvements, Recommendation for Award of Contract. Commissioner MacQueen seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

The NBC Board skipped over to Item J before considering Item I, which will be discussed in Executive Session.

J. Review and Approval of Resolution 2006:25, Authorization to Amend Contract 109.01P, Facility Plan Amendment for Biological Nitrogen Removal and Other Improvements at the Field's Point Wastewater Treatment Facility

Mr. Pinault stated that NBC has been in negotiations with the RI DEM over the nutrient limits for our Field's Point facility for over a year. The draft Consent Agreement that we are negotiating with the RI DEM stipulates dates on when we will initiate and complete design and construction. As the Consent Agreement is currently drafted, Guertin-Elkerton, our consulting engineer, would have to complete the Facilities Plan by late summer 2006. We would then have eighteen months from when the RI DEM approved the Facilities Plan to complete final design. He noted that the Facility Plan recommendation will be that we proceed with an attached growth Integrated Fixed Film Activated Sludge (IFAS) type of system to achieve biological nutrient removal (BNR). In order to meet the design schedule in the proposed Consent Agreement, we need to begin the process of selecting an IFAS vendor as soon as possible.

Mr. Pinault, therefore, requested that the Board approve Resolution 2006:25, authorizing NBC staff to enter into negotiations with Guertin-Elkerton for an amount not to exceed \$50,000 for the development of an RFQ/P to procure an IFAS vendor for design and construction.

After some discussion, Commissioner MacQueen motioned to approve Resolution 2006:25, Authorization to Amend Contract 109.01P, Facility Plan Amendment for Biological Nitrogen Removal and Other Improvements at the Field's Point Wastewater Treatment Facility. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries.

At this time, the NBC Board sought to convene Executive Session pursuant to R.I.G.L. 42-46-5(2)(a) to discuss Items 3.I and 4.A. Chairman Mesolella motioned to enter into Executive Session. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous. The Board entered into Executive Session at 9:45 a.m.

Executive session ended and the Open Meeting resumed at 10:15 a.m. After some discussion, Commissioner Montanari motioned to approve Resolution 2006:24, Contract 01:302.06C, Main Spine Tunnel Recommendation to Increase the Limit for Change Order Requests. Commissioner Rotella seconded the motion, and the vote taken by the CEO Committee was unanimous. The motion carries. Commissioner MacQueen motioned to keep the Executive Session minutes sealed. Commissioner Farnum seconded the motion, and the vote taken by the CEO Committee was unanimous.

4. Other Business

A. Discussion of Proposed Consent Agreement Between the RI DEM and NBC for Nutrient Control at the Field's Point and Bucklin Point Treatment Facilities

This matter was discussed in Executive Session.

5. Adjournment

Commissioner Montanari motioned to adjourn. Commissioner MacQueen seconded the motion, and the meeting adjourned at 10:16 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Paul Pinault".

Paul Pinault, *Secretary*