

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

2

3

4 IN RE: MONTHLY BOARD MEETING OF THE COMMISSION

5

6

7 DATE: SEPTEMBER 27, 2006

TIME: 11:00 A.M.

8

NARRAGANSETT BAY COMMISSION

CORPORATE OFFICE BUILDING

9

ONE SERVICE ROAD

PROVIDENCE, RI 02905

10

11

12

MEMBERS PRESENT:

13

VINCENT MESOLELLA, CHAIRMAN

14

THOMAS LAZIEH

MICHAEL DiCHIRO, JR.

15

LESLIE GRAY, III

R. DAVID CRUISE

16

JOHN MACQUEEN

RICHARD BURROUGHS

17

LEO THOMPSON

ALAN NATHAN

18

BRUCE CAMPBELL

PATRICK CANE

19

AL MONTANARI

ROBERT ANDRADE

20

RICHARD WORRELL

PAUL PINAULT, SECRETARY

21

JOSEPH D'ANGELIS, ESQUIRE

22

23

RHODE ISLAND COURT REPORTING

25 SEA VIEW AVENUE

24

EAST PROVIDENCE, RI 02915

(401) 437-336

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

2 THE CHAIRMAN: If I can kindly ask
3 all commissioners to take their appointed seats so
4 we can begin the board meeting, the full board
5 meeting today. Good morning, everyone,
6 commissioners and guests. We will call the
7 meeting of the Narragansett Bay Board of
8 Commissioners to order on September 27, 2006 at 11:11.

9 First order of business is approval of
10 the previous minutes. Have all of our members had
11 an opportunity to review the previous minutes?
12 And if so, are there any comments, questions or
13 corrections regarding approval of the previous
14 minutes of June 14th?

15 MR. LAZIEH: Motion to accept the
16 minutes.

17 THE CHAIRMAN: We have a motion to
18 approve the previous minutes; is there a second?

19 MR. DICHIRO: Second.

20 MR. CAMPBELL: Second.

21 THE CHAIRMAN: Seconded by
22 Commissioner DiChiro and Commissioner Campbell.
23 Discussion? Hearing none, all of those in favor
24 of approval will say aye. Are there any opposed?

1 There are none opposed and the motion carries.

2 The next order of business, Approval,
3 Open and Approve the June 14, 2006 meeting
4 executive session. We have a motion.

5 MR. LAZIEH: Mr. Chairman, I make
6 a motion to open and then approve the executive
7 session minutes.

8 THE CHAIRMAN: We have a motion.

9 MR. DiCHIRO: Second.

10 THE CHAIRMAN: We have a second,
11 Commissioner DiChiro. Discussion? Hearing none,
12 all of those in favor will say aye. Are there any
13 opposed? There are none opposed and that motion
14 carries.

15 Next order of business is a Special
16 Board Meeting of the Commission of August 22,
17 2006. Commissioner Campbell.

18 MR. CAMPBELL: Move to approve.

19 MR. LAZIEH: Second.

20 THE CHAIRMAN: Discussion?
21 Hearing none, all of those that are in favor will
22 say aye. Any opposed? None opposed and the
23 motion carries.

24 Before we begin the process of our

1 agenda today, I would like to take this
2 opportunity to introduce to all of the
3 commissioners and our guests our newest
4 commissioner, Commissioner Richard Worrell.
5 Richard, you were recently appointed by the
6 Governor. I want to welcome you to the
7 commission. And we'll have plenty of reading
8 matter for you to absorb, as I'm sure you're
9 aware.

10 MR. WORRELL: A lot of homework.

11 THE CHAIRMAN: A lot of homework.

12 Well, welcome. Okay, moving right along.

13 Item No. 3 is Old Business. Is there
14 any old business to come before the commission
15 this morning? Old business? Hearing none, moving
16 right along to Item No. 4 which is a Resolution of
17 Appreciation for former Commissioner Tom Perkins.
18 For that matter, I would call upon Commissioner
19 Andrade to assist in presenting the Resolution of
20 Appreciation.

21 MR. ANDRADE: Thank you, Mr. Chairman.

22 The Resolution of Appreciation states, "Whereas
23 Tom Perkins was appointed by the Governor of the
24 State of Rhode Island to the Board of the

1 Narragansett Bay Commission on July 10, 1996;

2 And whereas, he has shown great support
3 for the Narragansett Bay Commission in its mission
4 to play a leadership role in the protection and
5 enhancement of Narragansett Bay and its tributaries
6 by providing safe and reliable wastewater
7 collection and treatment services to its customers
8 at a reasonable cost;

9 And whereas, he served on the
10 Narragansett Bay Commission's Construction,
11 Engineering and Operations Committee and as chair
12 of the Ad-Hoc Committee on Storm Water Rates and
13 has advocated for clean water through a variety of
14 initiatives;

15 Now, therefore, be it resolved that the
16 Narragansett Bay Commission shall extend its
17 sincere appreciation to Tom Perkins for his
18 service on behalf of the State of Rhode Island and
19 the ratepayers of the Narragansett Bay
20 Commission."

21 Presented on September 27th, and signed
22 by the Chairman Mesoletta and the Executive
23 Director Paul Pinault.

24 THE CHAIRMAN: Well, as is the

1 tradition, we'll present the citation. We also
2 present the coffee cup and the photograph. Quite
3 a handsome photograph, I might add. We'd like to
4 thank you, Tom, for all your years of service and
5 years of dedication.

6 MR. PERKINS: It's been an easy
7 job with the excellent management of the
8 commission. And I really was pleased to sit on
9 the board with all of these excellent
10 commissioners. Thank you.

11 THE CHAIRMAN: Item No. 5 is the
12 Executive Director's report. Do you have a report
13 for us today, Mr. Secretary?

14 MR. PINAULT: Yes, I do, Mr. Chairman.

15 THE CHAIRMAN: Proceed.

16 MR. PINAULT: Over the summer
17 months when we did not meet, I did mail the June
18 and July reports, and several of the commissioners
19 had questions on them. And I either met with them
20 or discussed those over the phone.

21 So if anyone has any additional
22 questions, I'd be glad to try and answer them.
23 Basically, I'd like to quickly go through the
24 report.

1 Plant operations. Both plants easily
2 met all major permit conditions, and the results
3 are summarized on page one.

4 On the bottom of page two, we did
5 receive a notice of violation regarding hold time
6 for wet weather fecal coliform samples and staff
7 is responding to that. And basically we feel that
8 DEM is not interpreting the federal rules
9 properly, and we are following procedures, and
10 that response will go out this week.

11 Page three, there were no dry weather
12 overflow events for the month of August.

13 Page six, under "Engineering" section,
14 "Fields Point." As you know, we entered into a
15 consent agreement with DEM on the nutrient issue
16 and our first requirement was to submit a
17 facilities plan no later than August 31, 2006.

18 We've done that. We wanted to hold a
19 public hearing to keep the ball rolling on
20 October 5th, but DEM asked us not to schedule the
21 hearing until they had a chance to at least review
22 the report first. So we're waiting for their
23 preliminary comments before we move ahead with the
24 hearing.

1 Page seven, Burrington Street/Grotto
2 Brook. This is a project that's been in the works
3 for a number of years. Basically the plans are
4 done. We're working with Coastal Resources to get
5 our permit and getting water quality certification
6 from DEM and we're also working on the easement
7 and hopefully we'll have those ready by next
8 month.

9 MR. LAZIEH: What community is
10 that?

11 MR. PINAULT: Providence. Grotto
12 Brook is along the Seekonk, off River Avenue. It
13 comes from Butler Hospital property, under the
14 Grotto Brook to River Avenue. And Burrington
15 Street is in the south end of Providence.

16 Page nine, under "Miscellaneous." We
17 noted through our inspections that under the
18 Manton Avenue Bridge there is some structural
19 damage under the bridge. We made DOT and the city
20 aware of it, because they are responsible for it.
21 And we're trying to work with them and cooperate
22 to make sure that it doesn't get any worse.

23 On construction, the demolition of the
24 incinerator building, the project is 67 percent

1 complete through the end of August. If you look
2 out there, all three of the stacks are gone and
3 half of the building is gone and the old filter
4 building is gone. So it's going to clean up the
5 site and open up that area.

6 Under the Bucklin Point Improvements,
7 Contract 116, that contract was just awarded and
8 they're just getting going.

9 Contract 117, which is the modifications
10 to the operations building at Fields Point, we're
11 working with Kite to finalize plans on that. That
12 was approved by the board at a previous meeting.

13 The construction of the tunnel project
14 is going well. It is 91 percent complete.
15 Essentially the whole 16,000 plus feet have been
16 lined, except for the last couple of hundred feet,
17 they're working on that.

18 We have noticed over the last couple of
19 weeks, 12 or so areas along the 16,000 feet where
20 the concrete has some cracks in it. And we're
21 working with the contractor to come up with a
22 repair, which is not unheard of because of the
23 expansion, so hopefully that will get resolved
24 quickly.

1 On the tunnel pump station, it's
2 11 percent complete and on schedule. Page 11, the
3 cured-in-place liner contract has been awarded and
4 they hope to get the work done in October.

5 Washington Highway and Omega Pond
6 pumping stations are 18 percent complete and on
7 schedule. The new force main is going in under
8 Omega Pond, and that's going well.

9 Bucklin Point improvement is essentially
10 done. We're just doing a punch list; also on
11 Contract 808, the digester siding improvements.

12 On Financial, as Karen mentioned in her
13 report, with 16.6 percent of the fiscal year gone,
14 we're responding at a 14.1.1 percent or spending
15 below budget.

16 Summary of the revenue bonds, bottom of
17 page 12. Personnel, filled positions versus
18 authorized is there.

19 On our permits, our permits expire for
20 both plants, I believe in February of next year,
21 so six months prior to that, we had to reapply.

22 And I'd like to thank Tom Uva and Paul Nordstrom
23 and their staffs for putting together the
24 applications. They were quite extensive and they

1 were submitted on time.

2 Staff is also updating our emergency
3 preparedness plans. Hopefully we never need them,
4 but if we do, they're there.

5 Page 15, we continue with nutrient
6 sampling in the bay and tributaries. And Tom Uva
7 participated in the Governor's Panel yesterday and
8 we can provide some copies of his presentation,
9 but basically we've done a lot of monitoring at
10 the boundaries where Massachusetts discharges into
11 Rhode Island and we've found that a good portion
12 of the load is coming in from Massachusetts and
13 our load is, is it 15 percent, Tom?

14 MR. UVA: We were 15 percent on
15 that week in May, Paul, that we did sampling over
16 five days and collected over 100 samples. We ran
17 700 parameter analysis and we were 15 percent of
18 the load to the Bay and Massachusetts was
19 approximately 85 percent. That was when
20 Massachusetts was having heavy flooding, the
21 sewerage plants were overflowing.

22 We did sample on another occasion and we
23 were a little greater percentage of the loading
24 and the point that we were trying to make at the

1 Governor's Bay Summit yesterday was they have to
2 do some funding and identify these other sources
3 in addition to just the Bay Commission having
4 limits of five. If we go to five and no one else
5 does anything, it's not going to have any effect
6 on the water quality of Narragansett Bay.

7 MR. PINAULT: That has been an
8 issue with Director Sullivan from DEM and the
9 Massachusetts Environmental folks. The concern is
10 if we do something and they do nothing, the Bay is
11 going to suffer. So, we're doing our part, so
12 hopefully, they'll be doing their part.

13 Page 17, the Lincoln Septic System. A
14 couple of years ago, we raised the rate and the
15 amount of septage we received went down. So we
16 went back to the PUC, reduced the rate, but the
17 amount of septage still hasn't gone up.

18 So we've been discussing in-house is it
19 worth continuing to keep this facility open
20 because, basically, we don't make money. If
21 anything, we probably lose some money. That will
22 be something to discuss in the future.

23 Trying to hit the highlights. We have a
24 lot of information here. Go to page 24, under

1 "Miscellaneous."

2 For those of you that have been on the
3 board for a number of years, we've talked to East
4 Providence on and off in the last probably five
5 years about the possibility of us acquiring their
6 facility and portions of their sewer system.

7 I noted last year in July of '05 they
8 had sent us a letter asking to get those
9 discussions going again. I tried to keep the
10 board apprised of that. We had a follow-up
11 meeting in late August and as a result of that,
12 they asked us to send them a letter of intent. So
13 we did that.

14 The board was copied, and basically it
15 was obviously conditional upon the board's
16 approval, city council approval, DEM would have to
17 approve it, and if we were to approve it, the PUC
18 would have to at least approve the rate. That
19 letter came back on Monday, and I would like to
20 pass that out, their response.

21 Basically, it paraphrases the letter I
22 had sent him a few weeks ago, item-by-item. And
23 if you recall, one of the things that we put in
24 the letter is that based upon our preliminary

1 analysis, it appears that we could possibly
2 abandon their plant in Riverside and tie it into
3 Fields Point. We have plenty of capacity in
4 Fields Point to accommodate their flows.

5 On Item 13, basically what they're
6 asking us to do is evaluate that, do a feasibility
7 study. And reading between the lines and in
8 talking to Richard Brown the city manager, if it
9 was cost effective to abandon the plant and tie
10 into Fields Point, then he's pretty confident that
11 we would go ahead with this.

12 On the flip side, if it was not cost
13 effective and we had to upgrade and expand the
14 plant, they may want to consider other options
15 such as privatizing the facility. And if they
16 were to do that and did not go ahead with us, they
17 propose here to reimburse us for any costs that we
18 incur to do this evaluation.

19 Other than that, basically everything is
20 what I proposed several weeks ago. So they just
21 sent this letter. It was dated the 22nd, but I
22 didn't get it until the 25th and I didn't send it
23 out because I figured we'd see you today.

24 THE CHAIRMAN: Thank you. You've

1 heard the executive director's explanations and
2 chronology of events regarding discussions with
3 East Providence. I think this would be a very,
4 very beneficial acquisition for the commission. I
5 think we would certainly realize some significant
6 economies of scale. To those ends, you all have a
7 copy. Has everyone had an opportunity review the
8 response from East Providence? If so,
9 Commissioner Andrade.

10 MR. ANDRADE: Mr. Commissioner, I
11 make a motion to authorize the executive director
12 to sign a letter of intent with the city of East
13 Providence.

14 THE CHAIRMAN: We have a motion by
15 Commissioner Andrade.

16 MR. DiCHIRO: Second.

17 THE CHAIRMAN: Seconded by
18 Commissioner DiChiro; is there any discussion
19 among the members? Commissioner Nathan.

20 MR. NATHAN: Just one thing. At a
21 meeting of Save the Bay's board on Monday night,
22 they were thrilled.

23 THE CHAIRMAN: And why not?

24 MR. NATHAN: They thought this was

1 very good for the Bay.

2 THE CHAIRMAN: Thank you. Thank
3 you. Nice to hear. Any other comments or
4 questions regarding the executive director
5 executing the letter of intent to the city of East
6 Providence?

7 MR. GRAY: Just for clarification,
8 how does the rate work in a situation like this?

9 MR. PINAULT: How does the rate
10 work?

11 MR. GRAY: The utility rate.

12 MR. PINAULT: Well, right now, we
13 already serve about a third of the city. The
14 Rumford area goes to Bucklin Point and what
15 happens is years ago they never had a separate
16 sewer use fee. It was built into the tax rate.

17 When we inherited the BVDC in 1992, they
18 had always compiled all of the bills for the 3,500
19 or so customers, sent them to the city and the
20 city paid us. We've continued to do that.
21 Recently, over the last few years, the city
22 established their own rate and they bill their
23 customers in the Riverside area and they also have
24 a contract agreement with Barrington and they bill

1 them separately.

2 Basically, when we took over BVDC, they
3 had a separate rate structure and a separate rate
4 and we only had six months, we were mandated by
5 the General Assembly to take them over.

6 So in the short-term, the PUC approved
7 two rates. We had one district, two rates, we had
8 two separate budgets. It was very cumbersome and
9 over a couple of years, we folded them in and went
10 one district, one rate.

11 My recommendation would be to file one
12 district, one rate, and just basically absorb them
13 into our rate structure. That would be the
14 recommendation.

15 THE CHAIRMAN: I also think the
16 PUC would require us to make sure that all of our
17 customer base is paying at the same rate. I
18 believe that's true. Karen, want to speak to that
19 issue?

20 MS. GIEBINK: They just want to
21 demonstrate that there's no cross-subsidization
22 occurring. As was mentioned with BVDC, they don't
23 want -- assuming we'd go through the same exercise
24 and then over time allow us to go to one district,

1 one rate, to demonstrate that right up front.

2 MR. GRAY: So for economies of
3 scale then, that would be applied to all the
4 ratepayers?

5 MR. PINAULT: Yes.

6 THE CHAIRMAN: Exactly. I think
7 this is a tremendous opportunity, but we're going
8 to move forward with some kind of feasibility
9 study and make a determination.

10 MR. CAMPBELL: If the plant in
11 East Providence is closed, what effect does that
12 have on any employees and unions and so forth that
13 are involved?

14 THE CHAIRMAN: Paul can speak to
15 this, but essentially I think one of the things
16 that will be an issue, something that we really
17 need to discuss, is the fact they have an
18 operating union which is the Steelworkers. I
19 don't understand it, but we'll get our arms around
20 that.

21 And I think what we would try to avoid
22 is having to deal with a third union. If we could
23 avoid that, I think it would be advantageous to us
24 and there are a number of methods where we can

1 deal with it, whether through attrition or they
2 can absorb some of their steel worker employees
3 into some other aspect of operations of city
4 government. We don't have all of the details, and
5 that's part of what we'll be doing as a
6 feasibility analysis.

7 MR. PINAULT: They don't have many
8 staff to begin with. They really only staff
9 during the day, and off shifts have minimal
10 staffing. It's not like our facility where we
11 operate 24/7 with a staff. Their pretreatment
12 program has one person.

13 So basically, I think we've proposed, I
14 think there's 19 people. And if it was feasible
15 to abandon the plant and tie it in here, it would
16 still probably be at least three years, I would
17 think, to continue to run that facility.

18 And through attrition, as the chairman
19 said, obviously we would absorb them, and it would
20 work out. We absorbed a hundred people when we
21 took over Blackstone Valley and that has been
22 reduced over time.

23 THE CHAIRMAN: It was a pretty
24 smooth transition as well, even for Blackstone

1 Valley. Commissioner Lazieh.

2 MR. LAZIEH: Mr. Chairman, what
3 would be the, upon approval of this letter of
4 intent, what would be the tentative time schedule
5 of full acquisition?

6 MR. PINAULT: Well, I believe the
7 city would like to do it November 1st, which is
8 the beginning of their fiscal year. We're good,
9 but we're not that good.

10 I would like to do it July 1st because
11 that is the beginning of our fiscal year, but the
12 bottom line is it's probably going to be in the
13 order of six months, at least, minimum.

14 The reason we ask for the letter of
15 intent is we've been down this road before with
16 other cities. And we've spent a lot of time and
17 effort spinning our wheels, and then they do what
18 they want to do after. And we want to make sure
19 that they're serious about this, which I think
20 they are, and that we're both committed.

21 And we're either going to evaluate it
22 and do what we have to do to bring it to our
23 boards and council for approval or not. We have
24 to make a commitment.

1 And that's the intent of this, is to get
2 that commitment, that we option something, they
3 give it to us in timely manner. And we do our due
4 diligence, they do theirs, and at the end of the
5 day, a decision will have to be made.

6 So, that's basically the purpose of it.
7 It doesn't bind us to anything. We have to reach
8 full agreement on all issues. And even if the
9 city council approves it and our board doesn't or
10 vice versa, obviously we spent some time and
11 effort putting the evaluation together.

12 The only costs we're looking at now,
13 out-of-pocket, would be bringing in someone to do
14 this feasibility study, how would you get the flow
15 across the river, directional drilling, order of
16 magnitude.

17 They've already had a facility plan done
18 and they have to spend, I believe in the order of
19 35 million dollars over the next five to seven
20 years to upgrade their sewer system. And if they
21 maintain -- upgrade the nutrient removal, plus
22 just general upgrades to the plant because the
23 plant hasn't seen a lot of rehab in a long time,
24 and obviously that's the reason they're talking to

1 us, because they have other issues with police and
2 fire and roads and trash and schools.

3 MR. LAZIEH: Besides the legal
4 requirements, would there be any legislative
5 actions that would be necessary?

6 THE CHAIRMAN: We're authorized
7 under our current legislation to acquire by mutual
8 agreement with the facility being acquired, we
9 have that authority. Commissioner Caine, do you
10 want to weigh in on this, or do you have anything
11 that you want to add?

12 MR. CAINE: From the city's
13 perspective, clearly the two biggest issues that
14 we're faced with is the 35 million dollars to
15 upgrade the plant.

16 The discussions that we've been having
17 from the city council's perspective is that the
18 cost of upgrades for us, which is estimated today
19 at 35 million, we think it might be 50 million in
20 the future just to operate that plant, just from
21 the time value.

22 The executive director has come up with
23 a great solution, why don't we ship it across the
24 river, in essence, and have it handled here?

1 And from our perspective, that would
2 save ratepayers, whether they're ours in existence
3 or the NBC's, 40 million dollars from an upgrade
4 perspective, in my mind. I think the value is
5 probably about 10 million. Paul will figure that
6 out at some point in time with the help of
7 engineers and consultants.

8 But from the city council's perspective,
9 we've got a very small base. Obviously, the order
10 of magnitude issue, if you've got 35 to 50 million
11 dollars that you're spreading over a limited
12 number of ratepayers, that's going to be very
13 expensive.

14 Our rates are finally, since I've gotten
15 on the city council, they're actually close to
16 NBC's. They're about half of that from two years
17 ago when I first got on there, and there just was
18 not enough funding in order to cover some of the
19 costs that we have.

20 We also have, obviously, the DEM issue
21 of nutrient removal and from the city's perspective
22 with 19 employees, it's very difficult for us to
23 have the expertise to take a look at that sort of
24 nutrient removal, complying with DEM regulations

1 today and into the future and certainly the NBC,
2 you're the experts at it, we're the experts at it
3 now.

4 And from my perspective, it's one of
5 those things that I think will help the city in
6 the long run, not having to have that expertise on
7 hand at all times. And frankly from a
8 consultant's perspective, we pay consultants to
9 assist us. And half of, I think that bill, would
10 go away based on the expertise that's here at the
11 NBC.

12 So I think from a cost effective
13 perspective, both from the NBC's perspective and
14 from the city's perspective, it makes sense to do
15 it. Certainly, one of the issues we need to
16 satisfy on the city council's side is to make sure
17 it makes sense from a ratepayers' perspective.

18 And one particular member is looking at
19 the -- taking a look at whether a private entity
20 could do it for less. I'm not sure how that
21 happens, frankly, from my calculations, but that's
22 something that we need to address.

23 At minimum, we need to take a look at
24 the feasibility study and find out whether it

1 makes sense to do that, and whether because of the
2 capacity that's here, whether it makes sense,
3 frankly, to ship it across to the pumping station
4 and close down that plant. I think that would
5 help everybody.

6 The plant in Riverside is an old plant.
7 It needs some upgrades, certainly. And if it
8 could be closed down, frankly, from our
9 perspective, it's another piece of waterfront that
10 we could potentially do something with at some
11 point in time.

12 THE CHAIRMAN: You also have some
13 older issues affiliated with that plant as it
14 exists today, correct?

15 MR. CAINE: Absolutely. I think
16 we need to spend in the next year, at least
17 \$100,000 just to upgrade some electrical systems
18 frankly, to take a look at it. And we'll be doing
19 that, but in the long run, I'm not sure we want to
20 continue to spend money to upgrade electrical
21 systems from the '60s, somewhere in that time
22 frame if it makes no sense, just to service
23 two-thirds of East Providence.

24 THE CHAIRMAN: Thank you.

1 Commissioner Gray.

2 MR. GRAY: You said your capacity
3 at Fields Point to handle this, roughly what
4 percentage of capacity and also current flow would
5 this represent?

6 MR. PINAULT: Right now Fields
7 Point is designed for an average flow of 65
8 million gallons a day and a peak of 200. We
9 presently put about 40, 42 million on an average
10 day, and the current flows, Paul, for East
11 Providence are what?

12 MR. NORDSTROM: I wish I knew. I
13 don't have those numbers.

14 MR. PINAULT: I think it's in the
15 order of 5 to 7 million.

16 MR. GRAY: 15 percent of the
17 current.

18 THE CHAIRMAN: Commissioner Campbell.

19 MR. CAMPBELL: The capital expense
20 for putting this link between East Providence and
21 this plant, where would that come from, a bond
22 issue or some capital project?

23 MR. PINAULT: If we were to take
24 this over, any of their capital improvements,

1 whether it be sewer system, treatment plant,
2 pumping stations would be rolled into our capital
3 plan and it would be part of our long-term capital
4 financing. And obviously we would seek low
5 interest loans through the state revolving fund
6 first before we went to open market, just like we
7 do with any other projects.

8 THE CHAIRMAN: And, of course, we
9 would be doing the economics of that as well
10 because we have a -- we're starting off with a
11 revenue base, the users in East Providence, and my
12 common sense tells me that it's going to be
13 feasible, but, of course, we can't always rely on
14 my common sense, but we'll go through that process
15 and we'll go through all the economic analysis and
16 I think our assumptions will prove to be correct.
17 Further discussion on this matter? Commissioner
18 Thompson.

19 MR. THOMPSON: How much interest
20 is there in privatizing it?

21 MR. CAINE: One member wants to
22 make a comparison.

23 MR. THOMPSON: A competitive
24 bidding situation?

1 MR. CAINE: I'm not sure how a
2 private entity could compete if the feasibility
3 study shows that we can actually pump it across
4 the river. The difference is, as Paul has pointed
5 out, if it's 10 million to upgrade the pumping
6 station and pump it across, or even 20 million,
7 that's a whole lot less than 50 million.

8 So whether we put the money into the
9 plant or whether a private entity puts it into the
10 plant, in my mind it just makes no sense in the
11 long run because this is a nonprofit entity. Any
12 entity that comes in from a privatization
13 perspective is going to look for a return. The
14 same costs are going to be out there. Maybe
15 there's some savings somewhere along the way, but
16 even on the bonding rate --

17 THE CHAIRMAN: Just on the cost of
18 borrowing alone.

19 MR. CAINE: I think we're talking
20 about two-and-a-half percent.

21 MR. MONTANARI: I have a question
22 for Commissioner Caine. Would a change in
23 administration have any effect on this?

24 MR. CAINE: Personally, I don't

1 think so. I think that the costs that are
2 associated with us continuing the operation of the
3 plant over the next 10 to 20 years, again, it
4 depends on the feasibility study certainly, but if
5 we can save our ratepayers 40 million dollars,
6 that's a significant savings and I'm not sure how
7 anybody can say no to that.

8 And if they do, I would think there
9 would be, frankly, other motives potentially that
10 are behind that. I just look at ratepayers and
11 really try to make sure that ratepayers are in the
12 best situation possible.

13 MR. MONTANARI: I was just
14 wondering how long this is in effect, the
15 agreement, the letter of intent that you people
16 will agree to?

17 THE CHAIRMAN: I think the letter
18 of intent will bind future administrations to the
19 intent, I mean.

20 MR. CAINE: There's been a vote on
21 that from the city council's perspective. So the
22 letter of intent perspective, as soon as Paul
23 signs it, from the city's perspective, we've
24 agreed to move forward with the feasibility study

1 to take a look at it. And the other members that
2 are on the city council are serious about it as
3 well because it is a looming issue for us.

4 THE CHAIRMAN: Commissioner Campbell.

5 MR. CAMPBELL: Just a comment.

6 The only thing, political bodies have been known
7 to make decisions based on other than common
8 sense.

9 THE CHAIRMAN: Really?

10 Commissioner Lazieh.

11 MR. LAZIEH: There is an another
12 community that would be involved, and that is,
13 looking at the letter of intent, Barrington. How
14 much of the town of Barrington utilizes East
15 Providence?

16 THE CHAIRMAN: Minimal flow.

17 Paul, do you have those numbers?

18 MR. NORDSTROM: No.

19 MR. LAZIEH: All of it?

20 MR. PINAULT: The whole sewerred
21 portion of Barrington comes to East Providence,
22 Riverside.

23 MR. CAINE: I believe that's

24 included in that number, five or six.

1 THE CHAIRMAN: It's a minimal
2 amount.

3 MR. LAZIEH: So it's the entire
4 community of Barrington?

5 MR. PINAULT: The sewerred portion.

6 MR. CAINE: Two-thirds of East
7 Providence.

8 MR. LAZIEH: So it's a new
9 community that we're going to be going into?

10 MR. PINAULT: Right.

11 THE CHAIRMAN: Yes. Okay. If
12 there's no further discussion, we have a motion
13 and a second authorizing the executive director to
14 execute the letter of intent with the city of East
15 Providence. Further discussion? Hearing none,
16 all of those that are in favor will say aye. Are
17 there any opposed? There are none opposed and the
18 motion carries. Further report?

19 MR. PINAULT: I'm passing out now
20 a portion of the PUC's order on our last rate
21 filing. We were supposed to get this no later
22 than June 30th, but it didn't come in until about
23 a-week-and-a-half ago.

24 It's basically operating expenses. We

1 had filed for rate relief last November, and they
2 granted the relief, but there was some costs that
3 were disallowed. It was a vote of two-to-one and
4 what I'm handing out is the dissenting opinion of
5 the chairman of the PUC, Elia Germani.

6 You don't have to read it now, but
7 basically he talks about his opinion as to why he
8 feels there was a split decision and, I guess, the
9 politics behind it.

10 THE CHAIRMAN: If you don't read
11 anything else, just read the first paragraph, and
12 it gives you a flavor for the difference in
13 objectivity between the chairman and the other
14 members.

15 MR. PINAULT: I have one last item
16 that is, as you recall, about two years ago the
17 board approved a hybrid, what we called a hybrid
18 retirement plan for the non-union employees
19 basically continuing with the defined contribution
20 plan but at half the contribution rate they had
21 done historically. And then creating a defined
22 benefit plan for the other half, and having the
23 employees contribute to that.

24 You know, the PUC took exception to that

1 or they raised some questions and what they did is
2 they hired Deloitte Consulting about a year-and-a-half
3 ago. They spent about \$20,000 to have an
4 independent analysis done of our plan and the
5 six-page report finally came out.

6 I would just like to read the conclusion.
7 "Based on our review of the information provided,
8 we believe that the figures reported by NBC did
9 not appear to be unreasonable. We believe that
10 while a parallel evaluation may not produce
11 identical results, any differences would not be
12 significant." So that's the conclusion. Karen
13 will be working Peter McGinn, legal counsel, to
14 ask them to close this docket over the next few
15 weeks.

16 THE CHAIRMAN: And the other
17 thing, if you go on to read the dissent, you
18 really talk to the general attitude of the certain
19 commissioners of the Public Utility Commission and
20 their non-objectivity toward this agency. It is
21 truly unfair and I appreciate very much the
22 chairman's comments. Any further report,
23 Mr. Secretary?

24 MR. PINAULT: I'm all done,

1 Mr. Chairman.

2 THE CHAIRMAN: Okay. Moving right
3 along, Committee reports and Action Items
4 Resulting, Finance Committee; do you have a report
5 for us today, Commissioner Andrade?

6 MR. ANDRADE: Yes, I do,
7 Mr. Chairman. The Finance Committee met earlier
8 this morning. There were actually five items or
9 resolutions that were discussed in great detail,
10 brought before most of the members present, but we
11 could go through one at a time and both Paul and
12 Karen are available for any questions or further
13 information that the board would like.

14 First item is Review and Approval of
15 Resolution 2006:26. Authority to borrow an amount
16 not to exceed 30 million dollars and issue an
17 amount not to exceed 30 million dollars in revenue
18 bonds (State Revolving Fund Pool Loan 10.)

19 I would move approval of that resolution,
20 Mr. Chairman.

21 THE CHAIRMAN: We have a motion to
22 approve Resolution 2006:26. Authority to borrow;
23 is there a second to the motion?

24 MR. CAINE: Second.

1 THE CHAIRMAN: Commissioner Caine
2 seconds the motion. Discussion on Resolution
3 2006:26? Many of the commissioners were already
4 here for the presentation.

5 MR. PINAULT: I think everyone was
6 here, except Commissioner Worrell.

7 THE CHAIRMAN: Do you need us to
8 go through a complete explanation of this?

9 MR. WORRELL: I've looked at this
10 fairly well.

11 THE CHAIRMAN: Is there further
12 discussion regarding Resolution 2006:26? Hearing
13 none, all of those that in favor will say aye.
14 Are there any opposed? There are none opposed and
15 the motion carries. Further report, Mr. Chairman?

16 MR. ANDRADE: Yes, Mr. Chairman.
17 The next Resolution is 2006:27. Authorization to
18 approve the Comprehensive Annual Financial Report
19 for fiscal year 2006. I move approval of the
20 resolution, Mr. Chairman.

21 THE CHAIRMAN: We have a motion to
22 approve Resolution 2006:27, the Comprehensive
23 Annual Financial Report; is there a second?

24 MR. CAMPBELL: Second.

1 MR. CAINE: Second.

2 MR. DiCHIRO: Second.

3 THE CHAIRMAN: Commissioner
4 Campbell, Commissioner Caine, Commissioner
5 DiChiro. Discussion on Resolution 2006:27?
6 Discussion? Hearing none, all of those that are
7 in favor will say aye. Are there any opposed?
8 There are none opposed and the motion carries.
9 Proceed.

10 MR. ANDRADE: The next resolution,
11 Mr. Chairman is 2007:28 -- 2006:28?

12 THE CHAIRMAN: There is a typo in
13 the agenda. It's 2006:28.

14 MR. ANDRADE: 2006:28, I move
15 approval of that resolution, Use of environmental
16 enforcement funds.

17 THE CHAIRMAN: Approval of
18 2006:28. Approval of the use of environmental
19 enforcement funds for the Met School in the amount
20 of \$2500. We have a motion.

21 MR. MONTANARI: Second.

22 MR. THOMPSON: Second.

23 THE CHAIRMAN: Second Commissioner
24 Montanari, Commissioner Thompson. Discussion?

1 Hearing none, all of those in favor will say aye.

2 Are there any opposed? There are none opposed,
3 and the motion carries. Proceed.

4 MR. ANDRADE: The next resolution,
5 Mr. Chairman, is Resolution 2006:32, Authority to
6 issue revenue bonds and notes in an amount not to
7 exceed 30 million dollars to finance Narragansett
8 Bay Commission's Capital Improvements. I move
9 approval of the resolution.

10 THE CHAIRMAN: We have a motion to
11 approve Resolution 2006:32, authority to issue
12 revenue bonds; do we have a second?

13 MR. DiCHIRO: Second.

14 MR. MONTANARI: Second.

15 MR. LAZIEH: Second.

16 THE CHAIRMAN: Seconded by
17 Commissioner DiChiro, Commissioner Montanari,
18 Commissioner Lazieh. Do we need a further
19 explanation on that, what appears to be
20 duplication, for anyone's benefit?

21 MR. WORRELL: Yes.

22 THE CHAIRMAN: In the event that
23 the PUC is untimely in our approving our request,
24 we're going to issue \$30 million at market rate in

1 anticipation of approval. Karen, want to explain
2 that?

3 MS. GIEBINK: This is an
4 either/or. The intention is to borrow 30 million
5 dollars from the Rhode Island Clean Water Finance
6 Agency. In order to do that, we would need rate
7 relief. Typically, the PUC has issued bench
8 decisions in a timely fashion. What this
9 resolution contemplates is if the PUC were to not
10 issue the rate relief in a timely fashion, we
11 would issue short-term notes and/or revenue bonds
12 in open market.

13 THE CHAIRMAN: Okay.

14 MR. WORRELL: That's fine.

15 THE CHAIRMAN: We have a motion
16 and a second to approve Resolution 2006:32.
17 Discussion? Further discussion? Hearing none,
18 all of those that are in favor will say aye. Are
19 there any opposed? There are none opposed and
20 that motion carries. Further report, Mr. Chairman?

21 MR. ANDRADE: Mr. Chairman, the
22 last resolution that the Finance Committee
23 approved is Resolution 2006:33, authorization to
24 file a compliance filing for rate relief related

1 to debt service with the Rhode Island Public
2 Utilities Commission. I move approval of
3 Resolution of 2006:33.

4 THE CHAIRMAN: We have a motion.

5 MR. CAINE: Second.

6 MR. LAZIEH: Second.

7 THE CHAIRMAN: And a second from

8 Commissioner Caine, Commissioner Lazieh.

9 Discussion on 2006:33? Discussion? Hearing none,

10 all of those that are in favor will say aye. Any

11 opposed? There are none opposed, and that motion

12 carries; do you have a further report?

13 MR. ANDRADE: That completes the

14 report of the Finance Committee, Mr. Chairman.

15 THE CHAIRMAN: Would you care to

16 comment on the presentation of the Comprehensive

17 Annual Financial Report?

18 MR. ANDRADE: The presentation was

19 done excellently by Tammy Nolo from Bachelor,

20 Frechette, McCrory, Michael, and I think I forgot

21 somebody, but the most important thing I think I'd

22 like to mention is that this is another year where

23 no manager letter was issued, and how many years

24 in a row is that?

1 MR. PINAULT: Ten, I believe.

2 MR. ANDRADE: Ten years in a row
3 with no management letter, I think is quite an
4 accomplishment. Also, an award for the financial
5 report for the third or fourth year in a row.

6 THE CHAIRMAN: Fourth year in a
7 row, correct.

8 MR. ANDRADE: Quite impressive.

9 THE CHAIRMAN: And I would also
10 like to thank our staff and our auditors for the
11 magnificent effort in the preparation of this
12 document. It is magnificent. So, moving right
13 along.

14 Next committee reporting is the CEO
15 Committee. Commissioner Salvadore was unable to
16 attend. The Chairman presided over that meeting.

17 The first order of business was Item A,
18 Review and Approval of Resolution 2006:29, which
19 is authority to advertise for bids for Contract
20 01:302.13C, for regulator modifications, leading
21 to completion of our CSO project, routine
22 modification to our instruments. Motion to
23 approve?

24 MR. CAINE: So moved.

1 THE CHAIRMAN: Motion from
2 Commissioner Caine.

3 MR. MACQUEEN: Second.

4 MR. MONTANARI: Second.

5 THE CHAIRMAN: Seconded by
6 Commissioner MacQueen and Montanari. Further
7 discussion? Further discussion? Hearing none,
8 all of those that are in favor will say aye. Any
9 opposed? There are none opposed and the motion
10 carries.

11 Item B is review and approval of
12 Resolution 2006:30. A recommendation for approval
13 of Amendment No. 1 for Contract 01:302.03RS, CSO
14 phase one, construction related services. Change
15 order in the amount of 5.7 million plus for
16 additional services required during this project.

17 The Executive Director reports to us
18 that even with this change order for additional
19 services in unforeseen circumstances, that the
20 project still appears to be running under its
21 budget.

22 We had a complete explanation of the
23 nature of the change order. It was approved by
24 the committee, and the chair will accept a

1 recommendation for approval of 2006:30.

2 MR. CAINE: So moved.

3 THE CHAIRMAN: There's a motion by
4 Commissioner Caine.

5 MR. LAZIEH: Second.

6 THE CHAIRMAN: Seconded by
7 Commissioner Lazieh. Discussion on the change
8 order? Hearing none, all of those that are in
9 favor will say aye. Are there any opposed? There
10 are none opposed, and the motion carries. The
11 next committee reporting is the Personnel
12 Committee. Commissioner Campbell.

13 MR. CAMPBELL: The only item to
14 come before the Personnel Committee was Item A,
15 Review and Approval of Resolution 2006:31. An
16 amendment to the Narragansett Bay Commission
17 non-union defined benefit plan.

18 THE CHAIRMAN: Basically an
19 amendment that brings us to the compliance issue;
20 are you making a motion?

21 MR. CAMPBELL: I move that we
22 approve this resolution.

23 THE CHAIRMAN: We have a motion to
24 approve Resolution 2006:31.

1 MR. CAINE: Second.

2 MR. GRAY: Second.

3 THE CHAIRMAN: Seconded by
4 Commissioner Caine and Commissioner Gray. For
5 discussion? Commissioner Worrell.

6 MR. WORRELL: The question I had
7 was what was the previous requirement for accruing
8 years of service?

9 MR. CAMPBELL: There was none.
10 And this is just inserting a requirement of 1000
11 hours.

12 THE CHAIRMAN: 1000 hours,
13 correct. Discussion? Further discussion?
14 Hearing none, all of those in favor of approval of
15 the resolution will say aye. Are there any
16 opposed? There are none opposed, and the motion
17 carries. Next committee reporting is the
18 Legislative Committee.

19 MR. PINAULT: Everyone has a
20 summary of the 2006 legislative session called
21 "Final Report" from Joanne Maceroni, Government
22 Affairs Manager. This is the status of all the
23 bills approved and how it will effect us, if at
24 all.

1 THE CHAIRMAN: Does anyone care to
2 discuss any of this? Moving right along. Item
3 No. 4 is "A." Commissioner Gray has asked that we
4 put the matter of the discussion of the Separation
5 of Powers legislation on the agenda for discussion
6 on the matter.

7 Before we begin the discussion,
8 Commissioner Gray, I've asked Joanne Maceroni to
9 prepare a chronology of the issue, just for
10 everyone's edification, so we all get on the same
11 page, as to the travel of the Separation of Powers
12 issue, from its -- from the referendum through the
13 legislative process, and then we can begin the
14 discussion. Joanne, why don't you come up here?

15 MS. MACERONI: Thank you,
16 Mr. Chairman, members of the commission. Just to
17 give you a brief summary of the history of
18 Separation of Powers. In 2003, during the
19 legislative session, the General Assembly passed
20 joint resolutions which proposed amendments to the
21 State Constitution that dealt with Separation of
22 Powers. Those resolutions passed, and the passage
23 of them meant that the amendments would be placed
24 on the ballot in the November 2004 election.

1 During the General Assembly session in
2 2004 prior to the general election, Senator
3 Lenihan, in anticipation of the passage of
4 Separation of Powers introduced an omnibus bill
5 which amended the status of various boards and
6 commissions, and among those boards and
7 commissions was the Narragansett Bay Commission.

8 And what that legislation did was it
9 took the legislators off all boards and
10 commissions. With regard to the NBC, we had four
11 legislators; we had two senators, two
12 representatives. It proposed to take those
13 legislators off and have our number go from 23 to
14 19. That bill passed the Senate, but it did not
15 make it any further than that.

16 In November of that year, 2004, the SOP
17 Constitutional Amendments were approved by the
18 voters of the state of Rhode Island. Those
19 amendments became effective January 1, 2005.

20 Now, we go to 2005. As of January, our
21 legislators were off our board, and during that
22 legislative session there were numerous bills that
23 were introduced relative to Separation of Powers.

24 Initially, Senator Lenihan on the Senate

1 side and Representative Menard on the House side
2 reintroduced the bill that was introduced in 2004,
3 the Omnibus bill. During the session, a lot of
4 legislation was introduced that dealt specifically
5 with each board and issue rather than having it
6 all in one omnibus bill.

7 As a result of that, there was a House
8 bill by Representative Codierre and a Senate bill
9 by Senator DaPonte which proposed to clarify the
10 NBC statute as a regional, I'm reading from the
11 legislative summary that was on the bill,
12 "Proposed to clarify the NBC status as a regional
13 sewer district and proposed to maintain the
14 composition of the board through municipal
15 appointment."

16 The House version passed the House on
17 the last night of session and did not go any
18 further. The Senate bill did receive a hearing,
19 but again, that did not go any further.

20 2006, Representative Codierre
21 re-introduced the bill that she had introduced the
22 year before, again clarifying the NBC statute as
23 "A regional sewer district and maintaining the
24 composition through municipal appointment." That

1 bill passed out of the Separation of Powers
2 Committee, but it did not -- it was not considered
3 by the full House. That's where we stand now.

4 So now that we are approaching a new
5 session of the General Assembly, with potentially
6 new elected officials, all the bills that died in
7 2006 are dead. We now have to look forward to
8 2006 to see what bills will be introduced relative
9 to NBC.

10 THE CHAIRMAN: Okay. Just for the
11 edification of the board and remind the board, and
12 I suppose that is why this is on the agenda today,
13 in the past, the commission has never taken a
14 position either way regarding the legislative
15 action regarding the Narragansett Bay Commission,
16 we just didn't take any position at all. So
17 having said that, Commissioner Gray.

18 MR. GRAY: The reason I called
19 Paul was, I don't know if anybody else read it,
20 but a few months ago, there were a couple of
21 articles in the Journal which were reporting on
22 this bill.

23 And reading it as both a board member
24 and a citizen of Rhode Island, I thought it was

1 devastating to NBC. My interpretation of the
2 bill, as reported in the Journal I have to say,
3 was that this was an attempt to take NBC and put
4 it back to an organization of the good old days
5 before 20 years of work went into it.

6 And it wasn't clear why this was going
7 on, and the fact that NBC had no opinion on it,
8 made it look like NBC was basically okay with it.

9 So there were, I think on two separate
10 days, articles on this, and both of them put NBC
11 in a bad light. I thought that this actually got
12 to the issue of philosophy and mission; what is
13 the mission of the NBC? And what is your
14 philosophy regarding both the products you receive
15 and the products you discharge?

16 And so, I thought it would be something
17 if it is going to come up again, NBC should have a
18 position on it. And it might be reasonable for
19 the legal staff to sit with the executive group
20 and come up with a position as opposed to saying,
21 "We don't really care, whatever you guys decide is
22 fine." Let me ask Paul to clarify that. That was
23 my opinion reading the articles.

24 MR. PINAULT: There are many

1 bills, as Joanne reports every month, that we
2 don't take positions on. And this particular
3 bill, what's happened is the Governor has taken a
4 position, apparently, that he gets all 19
5 appointments and he does not have to consult or
6 appoint anyone from within the district. The
7 cities and towns have been on the board, along
8 with Governor's appointment for 25 years.

9 On the other hand, the General Assembly,
10 at least one of their versions was the Governor
11 has no appointments, it's all municipal. We've
12 discussed this many times over the 25 years I've
13 been here, that politics have been put aside;
14 whether you're Republican or Democrat or
15 Independent, or whether you're a Governor's
16 appointment or a legislator when we had them or a
17 municipal appointment, the board has always worked
18 together for the best interests of the ratepayers.

19 So if we support the Governor's position
20 that there should be no municipal appointments,
21 only the Governor's appointments, and none of them
22 have to even live or work in the district, I
23 assume that would upset municipal appointees and
24 the mayors and the reps. and senators.

1 On the other hand, if we support the
2 General Assembly's position that the Governor
3 should have no appointments, obviously upset his
4 appointments. So I mean, that's just why we
5 haven't taken a position because we really have no
6 say. And whatever happens, happens, and we live
7 with it. Joanne, did you want to add anything?

8 MS. MACERONI: Just one thing.
9 It's my understanding that the other boards and
10 commissions that have had to go through this and
11 are still going through this, I have yet to see a
12 board or commission who has come out and taken a
13 position, one way or another. So it's not that
14 we're not in the norm, we're not -- our silence is
15 not different from other boards.

16 MR. GRAY: Unfortunately, I think
17 it lumps NBC and I think the pool of those
18 divisions who are still fighting are the Gambling
19 Commission, Coastal, and NBC. So it's not good
20 company.

21 THE CHAIRMAN: Well, I would just
22 like to say that I've been chairman for a number
23 of years and I've been on this board for a lot of
24 years. I think it's 28 years now. This agency,

1 and this board in particular, has really worked
2 very harmoniously through the years.

3 I certainly understand the argument of
4 Separation of Powers and the Governor's assertion
5 of his authority and you have to weigh that
6 against the municipality of arguments that "Guess
7 what? We're paying the tab."

8 So if we're going to pay the tab for an
9 extremely high capital improvement program, then
10 our community, through appointments, through the
11 appointing authority should be represented. We
12 understand the issue.

13 It really did come to light when the
14 legislators were removed through the legislation
15 which took all legislators off commissions and
16 boards, and some of the legislators that were
17 removed from the board were representative of
18 their community -- not only the General Assembly,
19 but also from the districts and communities that
20 we serve.

21 So our position, and everyone can speak
22 for themselves, is basically let the General
23 Assembly act in its infinite wisdom. And, to wit,
24 I was a significant part of at one time, and to

1 continue in a very harmonious way doing the
2 business of the Narragansett Bay Commission.

3 I think it was a consensus that the
4 commission should remain neutral in that
5 discussion. That does not mean to say that any of
6 the members of this commission can't express their
7 open personal views on the issue of Separation of
8 Powers, there is nothing to restrain them from
9 doing so, but that has been the position of the
10 board, I think a consensus of the board, in the
11 past.

12 If someone felt it appropriate to offer
13 a motion, then the board is obviously -- would
14 consider such a motion, as to whether or not the
15 board should weigh in on the Separation of Powers
16 issue. But until such time as there is an
17 official motion, I don't know that the board, the
18 executive director, the chair has the right or
19 authority to take any position.

20 MR. GRAY: Would it make sense
21 that the executive director and the legal group
22 investigate this internally? Because, I mean,
23 it's one thing to say "I don't care, whatever you
24 guys decide is fine."

1 But the other thing, if you have a
2 mission which says, "We have an obligation to
3 ratepayers," you have an obligation to the rest of
4 the state because they receive our product, then
5 you might, you know, want to say our board should
6 represent a balance between what's good for the
7 state of Rhode Island.

8 It looks a lot better than the Journal
9 calling up and saying we have no opinion, no
10 statement to make on this.

11 THE CHAIRMAN: I think our
12 position is, from my perspective -- no one has
13 ever called me, incidentally, from the Journal
14 Bulletin to ask for a comment, but my comment
15 would be that the board has worked harmoniously
16 throughout the years and we're going to abide by
17 the will of the General Assembly or any statute
18 that is passed.

19 I can't speak for -- I can only speak
20 for myself. Commissioner Campbell, do you care to
21 weigh in on this?

22 MR. CAMPBELL: Somewhere, I can't
23 remember where I got this idea, but somewhere
24 there seems to have been a compromise position

1 discussed or proposed where the Governor made the
2 appointments, but he gave consideration to the
3 municipalities in those, you know, in a certain
4 portion of those appointments. I'm not sure where
5 that came from, but that would make the Governor
6 happy, I would think, and make the municipalities
7 happy.

8 THE CHAIRMAN: Commissioner Cruise?

9 MR. CRUISE: I think what Paul
10 said earlier was very important, that the board
11 has worked together since its inception, evenly
12 divided between gubernatorial appointments and
13 municipal appointments.

14 The problem with the position is that
15 the Governor has taken the position that he gets
16 all the appointments, that he does not have to
17 make them from the member communities. When he
18 drew the line in the sand in that manner, it
19 forced the assembly to say, "We'll make it a
20 municipal board."

21 But if this goes to a vote, you're going
22 to have a board split down the middle between
23 municipal appointees and gubernatorial
24 appointment. There has been discussion about

1 compromise. It's been discussed for three years.

2 One of them was to make several
3 gubernatorial appointments, but make them have to
4 come from member communities. There has been all
5 kinds of compromises that have been routinely
6 rejected by the Governor's office, so the reaction
7 of making it a municipal authority made up solely
8 of the member communities, I think, was a reaction
9 to the line in the sand drawn by the Governor.

10 MR. GRAY: Is anyone in the
11 organization working with these legislators on
12 this whole thing, or it was out of the blue?

13 THE CHAIRMAN: We have basically
14 not taken a position. The board has not voted to
15 take a position.

16 MR. PINAULT: The only thing that
17 we've given an opinion on is to at least change
18 the quorum. Because when we were 23, the quorum
19 was 12. When we got reduced to 19, the quorum
20 stayed at 12.

21 We recommended that if it's 19, we
22 should change it to 10. That's the only thing,
23 and that was just a verbal recommendation, and we
24 haven't taken a position on the other issue.

1 MR. D'ANGELIS: The General
2 Assembly at the last session, or the House, I'm
3 not sure if it was both branches, I did request of
4 the Supreme Court an advisory opinion on the
5 Coastal Resources Management Council issue as it
6 relates to Separation of Powers, and it is
7 expected that the Supreme Court will issue that
8 opinion before the next session.

9 And while it's not directly affecting
10 this agency, there may very well be some language
11 within that decision which may give us some
12 further advice in terms of what the Supreme Court
13 thinks about the Separation of Powers issue.

14 THE CHAIRMAN: I would just like
15 to add one thing, and I think it's important that
16 we recognize this, Narragansett Bay Commission is
17 only one of how many agencies?

18 MR. PINAULT: There are 19 plants.

19 THE CHAIRMAN: That is 17
20 different owners, 19 facilities. As a practical
21 matter, we're no different agency, this agency is
22 really no different, albeit larger, than all of
23 the others, and many of them service multiple
24 communities.

1 There's been no discussion about how
2 those -- how their representation on those boards
3 is being dealt with as a practical matter. We're
4 no different, Narragansett Bay Commission, we're
5 just bigger, and more efficient, I might add.

6 It's a very difficult position for me as
7 chairman to be in to advocate because we've had
8 such a wonderful and harmonious relationship
9 between the Governor's appointments and municipal
10 appointments.

11 So I think I would prefer, my preference
12 is, that we continue with that harmony and let the
13 General Assembly act, again, in its infinite
14 wisdom, but it's only a personal opinion.

15 MR. MONTANARI: And again, only a
16 personal opinion, if it's not broken, why fix it?

17 THE CHAIRMAN: Commissioner Lazieh.

18 MR. LAZIEH: Mr. Chairman, I've
19 had the good fortune to make appointments as a
20 mayor to this board and ultimately be appointed by
21 a mayor to this board. My duty to this board is
22 to the entire state and to the entire district
23 that we serve.

24 Sometimes it is better not to address an

1 issue prematurely and let it be resolved through
2 the process than to get involved in the fight,
3 whether we are supportive of mayoral appointments
4 or not supportive of it, we are going to be
5 labeled that if we take a stand on either side.

6 Personally, I would side with mayoral
7 appointments continuing. There are benefits to
8 that process and that's how it's been established,
9 but the ultimate duty of everyone on this board is
10 to serve the board.

11 And I think addressing it any further
12 than that may not be in our best interest. And
13 let the General Assembly go through the process
14 and let the process decide, after legal opinions
15 are rendered and the legal system is pursued, we
16 will ultimately, as we have always done, abide by
17 whatever the law is. I think that's the way we
18 should continue.

19 MR. GRAY: My point was if NBC had
20 a statement like that, that said -- because in the
21 article from the ProJo, when you read it, it did
22 not make NBC look good. And so to have an
23 official statement, that "Our obligations are to
24 the entire state, both the producers and

1 recipients of our product, regardless of who the
2 board is, we expect to address all of those
3 diverse needs," is a whole lot better than "We
4 have no comment."

5 THE CHAIRMAN: Again, I want to
6 clarify --

7 MR. GRAY: In the article, they
8 said there was no comment from NBC. I don't know
9 if they called somebody.

10 MR. PINAULT: They didn't call me.

11 MR. LAZIEH: That's involving
12 ourselves in a political squabble that is taking
13 place, above and beyond.

14 MR. GRAY: Hats off to the
15 politicians.

16 THE CHAIRMAN: I have a question,
17 Commissioner, the articles to which you're
18 referring, was that an editorial?

19 MR. GRAY: No. There were two --
20 I wish I had brought them. Did anyone else?

21 THE CHAIRMAN: There are a number
22 of articles written.

23 MS. SAMONS: I do recall the
24 articles that you're referring to, and in one

1 instance, we weren't contacted for comment.

2 In any instance that we were contacted
3 for comment, I can tell you what I told the media
4 was that our first responsibility is to fulfill
5 our mission to preserve and protect Narragansett
6 Bay's water quality by delivering reliable
7 wastewater collection, treatment services to our
8 ratepayers at a reasonable cost.

9 And, that our responsibility was to
10 continue doing that work, regardless of what
11 legislation said, we would continue to do that. I
12 can probably tell you that that was never printed.
13 That is my understanding of our position and that
14 will continue to be what I tell the media.

15 MR. GRAY: Next time they call,
16 get on them about that.

17 MS. SAMONS: You know, Commissioner,
18 it works so well when I get on them.

19 THE CHAIRMAN: So, I mean, your
20 comment's well taken and perhaps we should get
21 together with Jamie and Joanne and maybe talk
22 about a generic response. If the issue is brought
23 up again, maybe raise the issue among the members
24 here.

1 MR. GRAY: It's certainly a PR, a
2 big PR issue.

3 THE CHAIRMAN: The point is well
4 taken. I think that perhaps is a good idea.

5 MR. CAINE: Mr. Chairman, if I
6 may, just one brief comment, and it's really kind
7 of off the issue. I think, if I can follow up to
8 some degree, I think what seems to be missing
9 sometimes is the rest of Rhode Island doesn't
10 understand what the NBC's about, how great of an
11 organization it is, and what they actually do.

12 So we end up being lumped with others.
13 And maybe from a PR perspective, and you may be
14 right, in my mind, a position on a particular
15 legislation, I think half of it is people just
16 don't understand what the NBC has accomplished
17 over the last 20 years through obviously your
18 efforts.

19 If you talk to the average person on the
20 street, I mean, at least in my district, and they
21 flush the toilet and don't think about it, but
22 they don't understand kind of what the process is,
23 what really goes into what you do.

24 Nobody wants to think about it, but I

1 don't think anybody really understands from a PR
2 perspective the quality and how NBC should be
3 separated, frankly, from a lot of the other
4 organizations that are out there. I'm not sure
5 how you do that. That's sort of the underlying
6 theme that I'm hearing.

7 MR. THOMPSON: May I add, from a
8 PR standpoint, we're not that attractive to the
9 media. So the option is an advertising budget and
10 we go out and tell our story.

11 THE CHAIRMAN: I was just going to
12 ask Commissioner Thompson, maybe you could assist
13 in generating a response, if you'll call it
14 that --

15 MR. THOMPSON: My recommendation
16 would be paid advertising.

17 THE CHAIRMAN: Then I think that
18 is something we should consider.

19 MR. THOMPSON: Utility companies
20 get by with it, with the PUC.

21 THE CHAIRMAN: I think it is
22 something we should consider. Then can I ask you
23 to assist in that regard?

24 MR. THOMPSON: Yes.

1 THE CHAIRMAN: Thank you very
2 much. Further discussion on this issue?

3 MR. GRAY: Thank you very much.

4 THE CHAIRMAN: Thank you. Moving
5 right along then. Rules and Regs.

6 MR. LAZIEH: Mr. Chair, the
7 committee met. It had one item that it acted on.
8 It was review of Revised Rules and Regulations for
9 Use of Wastewater Facilities within the
10 Narragansett Bay District. The committee voted to
11 accept the draft.

12 The process that is followed now is
13 advertising and public hearing on these draft
14 rules and regulations. Once they are finalized,
15 it will be brought back to the Rules and
16 Regulations Committee, and ultimately if approved,
17 come before the full board.

18 THE CHAIRMAN: Thank you. There
19 is no report from the Ad Hoc Storm Water Rate
20 Committee. Harold, I know I missed my mark. I
21 know you keep copious notes on how long it takes
22 to adjourn the meeting, but proceed.

23 MR. GADON: In regard to the
24 Separation of Powers, it was noted on June 20th on

1 page two of the Providence Journal, that article
2 regarding the Separation of Powers, and since we
3 were not meeting, we sent an email to the CAC
4 members who were supportive of the commission
5 continuing as it is and it was suggested that they
6 personally contact their legislators, indicating
7 their preference on what they would want them to
8 do.

9 The CAC meeting was held on September
10 20th, with 15 present. We did receive the staff
11 report by Jamie. We discussed the pending
12 resignation of Paul Pinault and passed a
13 resolution expressing our regret at his departure
14 and expressing our appreciation and recognition of
15 his fine work and accomplishments at NBC.

16 CAC member Ames Colt has been appointed
17 chairman of the new position at DEM, Governor's
18 Waters that feed into Narragansett Bay. Now that
19 nitrogen has been resolved with the DEM, we again
20 issued an invitation to DEM Director Sullivan to
21 address us.

22 It was also noted that Massachusetts,
23 they seem to have a very lackadaisical attitude
24 about nitrogen, whereas NBC was planning to spend

1 millions of dollars to correct that situation. As
2 explained by Tom Uva, we had the unfortunate
3 happening of having a big fish kill occur in Rhode
4 Island, so that put the pressure on us, but it's
5 our understanding that EPA will be attend to their
6 duties more so in Massachusetts.

7 We do welcome you, Commissioner Worrell,
8 and that concludes my report. Next meeting will
9 be October 18th. Thank you.

10 THE CHAIRMAN: Thank you, Harold.
11 The next committee reporting is the Executive
12 Committee. The Executive Committee did not meet.
13 But I'll include this as part of the chairman's
14 report, collectively, the executive committee,
15 along with Commissioner Campbell as chair of the
16 Personnel Committee and Commissioner Salvador did
17 meet on -- a couple of weeks ago, with regard to
18 our search for a replacement for Executive
19 Director Paul Pinault.

20 We set out a schedule, and responses to
21 our add and solicitations are due by October 13th.
22 Once those responses are received, we'll cypher
23 through them, develop some sort of a short list
24 process, review those, the committee will then

1 meet again and discuss potential candidates, make
2 a selection, and come back to the board for
3 consideration.

4 We'll give you a further report on that
5 at the October 18th meeting, but it is our intent
6 to make a recommendation to the board for their
7 consideration at the November meeting. And I
8 don't know how many responses we've received. It
9 hasn't been a lot, six, seven.

10 MR. PINAULT: That was as of last
11 Monday, Tuesday; seven as of Tuesday.

12 THE CHAIRMAN: We've had seven
13 responses as of last Tuesday. So having said that
14 the next meeting is scheduled for October 18th,
15 and the chairman has no further report; is there
16 any new business to come before this commission?
17 New business? Any other business? Other business
18 of any kind? Okay.

19 I know it's 12:30. We did have a
20 presentation from Cynthia Morrisette on the Water
21 Shed Shield Explorer Program. I know it's 12:30,
22 I know we had a little bit of a long agenda
23 because we had some lengthy discussion today,
24 which was great, perhaps we'll put that off until

1 next month, or it's the board's pleasure.

2 MR. PINAULT: Commissioner Salvadore
3 had requested it, but he's not here today.

4 THE CHAIRMAN: In that case, I'll
5 make a recommendation that we postpone it until
6 next month; is that okay with the rest of the
7 board? Okay. We'll postpone that.

8 We'll do the same for Paul Nordstrom as
9 well, his presentation on the Operating Division.

10 Beyond that, the next order of business up is Item
11 No. 9, motion for adjournment. Commissioner Lazieh.

12 MR. LAZIEH: So moved, Mr. Chairman.

13 MR. MONTANARI: Second.

14 THE CHAIRMAN: Motion moved by
15 Commissioner Lazieh, seconded by Commissioner
16 Montanari; all in favor? Any opposed? None
17 opposed, and the meeting is adjourned. Thank you
18 all very much for your patience.

19 MR. PINAULT: I would like to
20 recommend that these presentations, especially the
21 Operation's Division, we tried to do that when we
22 did the retreat for the commissioners back in, I
23 believe it was June, and we ran out of time, so
24 Paul Nordstrom has been very patient, and it was

1 asked that they be put on the next agenda which we
2 did do.

3 And so, I apologize to him, but I would
4 recommend that we do that at the beginning of the
5 meeting in October to make sure that the
6 presentations do get in. They have worked hard in
7 putting them together. And I don't think it's
8 appropriate to wait until the end of the meeting.

9 THE CHAIRMAN: Good point. Okay,
10 we'll do it. We're adjourned. Thank you all.
11 Appreciate your patience and your attendance
12 today.

13 (ADJOURNED AT 12:27 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 8th day of October, 2006.

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