

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

3
4 IN RE:
5 MONTHLY BOARD MEETING OF THE COMMISSION

6
7
8 DATE: APRIL 16, 2008
9 TIME: 11:00 A.M.
10 PLACE: NARRAGANSETT BAY COMMISSION
11 ONE SERVICE ROAD
12 PROVIDENCE, RHODE ISLAND 02905

13 BEFORE: VINCENT MESOLELLA, CHAIRMAN
14 RAYMOND MARSHALL, EXECUTIVE DIRECTOR
15 JOSEPH DEANGELIS, ESQUIRE
16 DR. RICHARD BURROUGHS
17 BRUCE CAMPBELL
18 DAVID CRUISE
19 JONATHAN FARNUM
20 LESLIE GRAY
21 JOSEPH KIMBALL
22 JOHN MACQUEEN
23 AL MONTANARI
24 ALAN NATHAN
25 ANGELO ROTELLA
MICHAEL SALVADORE
RICHARD M. BROWN
LEO THOMPSON
RICHARD WORRELL

26 ALLIED COURT REPORTERS, INC.
27 115 PHENIX AVENUE
28 CRANSTON, RI 02920
29 (401) 946-5500

1 ALSO PRESENT:
2 KAREN MUSUMECI
3 TOM BRUECKNER
4 KATHRYN KELLY
5 PAUL NORDSTROM
6 THOMAS UVA
7 JOHN ZUBA
8 STEVE WHITNEY
9 HAROLD GADON
10 JOANNE MACERONI
11 STEPHEN MACERONI
12 JAMIE SAMONS
13 JENNIFER HARRINGTON
14 DIANE BUERGER
15 AMES B. COLT
16 DEBORAH SAMSON
17 HOWARD SCHACHTER
18 SHERRI ARNOLD
19 JOE PRATT
20 KAREN GIEBINK
21 CYNTHIA MORISSETTE
22 CARMINE GONECONTE
23 LAURIE HORRIDGE

24
25

1 (COMMENCED AT 11:02 A.M.)

2 MR. CHAIRMAN: Good morning, everyone.
3 Recognizing a quorum, we will call the April 16 Board
4 meeting of the Narragansett Bay Commission, Board of
5 Commissioners to order. The first order of business
6 is the approval of the March 5, 2008 meeting. Have
7 all of our members had an opportunity to review the
8 previous minutes, and if so, are there any comments or
9 corrections regarding the previous minutes?

10 MR. ROTELLA: Motion to accept.

11 MR. CHAIRMAN: We have a motion to
12 approve the previous minutes of March 5. Is there a
13 second? Seconded by Commissioner Kimball and
14 Commissioner Campbell. All in favor will say aye.

15 (VOICE VOTE TAKEN)

16 MR. CHAIRMAN: Are there any opposed?
17 There are none opposed, and the motion carries. Next
18 order of business is Item Number 3, which is old
19 business. Is there any old business of any nature to
20 come before the Commission this morning? Old
21 business? There is no old business. Next order of
22 business is Item Number 4, which is the election of
23 officers. For that matter, the Chair will turn over
24 the gavel to the Secretary, Ray Marshall, for
25 consideration.

1 MR. MARSHALL: In conjunction with our
2 enabling legislation as well as our bylaws, we are
3 required to elect officers, and you are required to
4 elect officers at the April meeting of every year, and
5 if you need the specific references, I can give you
6 those. And with that, I'd like to open the floor to
7 nominations.

8 MR. SALVADORE: Mr. Secretary, I took
9 some time this morning to go around the Board here to
10 see if an opposing slate could be developed, and I got
11 some very colorful responses.

12 MR. MARSHALL: I'm sure you did.

13 MR. SALVADORE: Which cannot be
14 mentioned, of course, across these tables. So not
15 able to come up with an opposing slate, and of course,
16 not able to find any possible candidates, I would
17 propose that one vote be cast for Vincent Mesolella
18 for Chairman, Angelo Rotella for Vice Chairman, and
19 Robert Andrade for Treasurer.

20 MR. MARSHALL: There's been a
21 nomination for a slate of officers. Is there a
22 second?

23 (MULTIPLE SPEAKERS SECOND THE NOMINATION)

24 MR. MARSHALL: Most everyone seconded.
25 Are there any other nominations? Hearing none, the

1 Secretary casts one vote in favor of this slate. So
2 moved.

3 MR. CHAIRMAN: Thank you.

4 (APPLAUSE)

5 MR. CHAIRMAN: Before we begin the
6 meeting, I would just like to thank all the
7 Commissioners for your vote of confidence again this
8 year, and as always, I commit to you the 101 percent
9 effort on behalf of accomplishing our mission as we
10 move forward with, I'm sure, what's going to be a very
11 exciting year, and which we're going to be talking
12 about later on in the meeting. So thank you very
13 much. Okay. Moving right along, next order of
14 business is Item Number 5, which is the Executive
15 Director's report. Mr. Secretary, do you have a
16 report?

17 MR. MARSHALL: Yes, I do,
18 Mr. Chairman.

19 MR. CHAIRMAN: I'm sorry. Excuse me
20 just one second. Before we begin, let me just take a
21 moment to introduce our newest Commissioner, Richard
22 Brown from East Providence. He is replacing
23 Commissioner Caine, who served with distinction on
24 this Board, and we appreciate all of his efforts, and
25 we welcome Mr. Brown today to be with us, and I'm sure

1 you'll find it's a very interesting Commission, and
2 the associations you'll make here will be very
3 enjoyable, I'm sure.

4 MR. BROWN: Thank you.

5 MR. CHAIRMAN: Mr. Secretary, proceed
6 with your report.

7 MR. MARSHALL: Okay. Mr. Chairman,
8 you actually have two reports from me, one for
9 February, one for March. I'm only going to go over
10 the one for March. I'm sure you're all relieved to
11 hear that. On Page 2 of the March report, we
12 summarize our effluent data, and March was a very high
13 flow month. You probably remember last summer, fall,
14 we had very low flows. We're approaching the other
15 end of the spectrum, but everything is working out
16 well. Field's Point, we're seeing 60 MGD. During
17 those low periods, we were about 35 MGD. That's
18 million gallons per day. And at Bucklin Point, we're
19 now at almost 30, or were for March, and last summer,
20 we were probably around the 15 or 16 million
21 gallon-per-day range.

22 So you can see that the flows have changed
23 substantially with the change in the weather, the
24 rain, the snow melt, et cetera. But the plants are
25 operating well. We're getting good results, and

1 that's a testament to the operation and maintenance
2 staff, who work hard to keep the plants in tip-top
3 shape, trying to be ready for anything that Mother
4 Nature throws at us.

5 On Page 3, our sludge removal quantities continue
6 to be steady at about 24 dry tons per day. That's an
7 important number that we keep track of. And we had
8 one really major maintenance activity that we
9 undertook, and we did this proactively, where we went
10 in and removed from the Ernest Street Pumping Station
11 a Screenings Washer Monster. I'm sure that's an
12 interesting title to you. If you want the description
13 on what it does, I'll be happy to give it to you. My
14 recommendation is you don't really want the gory
15 details on it. In any event, the guys really did a
16 great job. It was a huge undertaking, and that was
17 all done in-house.

18 A little further down the page, I outline one of
19 the meetings that we had with DEM officials. Paul
20 Nordstrom and his staff met with representatives from
21 DEM to go over the operation of the new CSO tunnel and
22 the tunnel pump station. It's not quite as simple as
23 the tunnel fills, you flip the switch, the pumps go
24 on, you empty the tunnel, and you wait for the next
25 storm. It's actually much more complicated than that,

1 and they're trying to bring DEM online so that they
2 understand exactly how we'll need to operate the
3 tunnel.

4 Starting on Page 4, we outline what's going on at
5 Bucklin Point. Suffice it to say that everything is
6 going well. Nothing unusual occurred in the last --
7 in the last month.

8 Page 5, we start to address interceptor
9 maintenance, and you'll notice that there were five
10 overflow events at identified overflow points.
11 They're all permanent points. It's a result of the
12 rain and the problems that the rains bring us as they
13 wash materials into our system, and then they tend to
14 plug the regulators. We have 129 regulators, which I
15 note at the bottom of Page 5, and moving on to the top
16 of Page 6, during the month of March alone, we did, in
17 the two systems, Field's Point and Bucklin Point, 305
18 inspections on those regulators. We're out there all
19 the time checking on them. We have -- some of them
20 are set up so we'll get Tel-Log notices when we have
21 overflow, so that we can go out and check problems or
22 potential problems. Sometimes we just get some false
23 readings, but at least we're out there trying to
24 address them, even if we think we have a problem.

25 In addition, the sampling that EMDA does helps us

1 keep track of fecal coliforms in the receiving waters,
2 which sometimes tips us off that there might be
3 something going on. We're trying to develop a
4 comprehensive system on how to make sure we're
5 minimizing overflows in our system, which is actually
6 designed to allow overflows.

7 On our pump stations, which are noted on the
8 bottom of Page 6, everything went well during the
9 month. Just routine inspections. And on Page 7, we
10 had 252 trucks come into the Lincoln septage receiving
11 station and discharge 777,000 gallons of septage,
12 which then makes its way to Bucklin Point for
13 treatment after we pretreat it. In general, the
14 interceptors are running well. A lot of cleaning
15 contracts that we have going on seem to be paying
16 dividends for us. During the heavy rain storm on
17 March 8, no pump stations went into alarm mode, and no
18 calls were received for sewage backups or flooding in
19 any areas that we normally experience those in.

20 So the status of those inspection and cleaning
21 contracts are noted on Page 8. We have three that are
22 active, two are essentially complete, one is
23 three-quarters of the way. So our plan to clean all
24 the interceptors over the several year period of time
25 is working out well, and we'll have more work of that

1 nature beginning this year.

2 In Engineering, they're working hard on the
3 Field's Point biological nutrient removal contract,
4 and we made some modifications to the contract to try
5 to step up the schedule a little bit on that effort so
6 that we keep DEM happy. And we also had the kickoff
7 meeting for the new operations building that we're
8 going to build at Field's Point. You approved the
9 modification to SEA's contract last month. We're also
10 trying to wrap up the water quality modeling that
11 we've been doing in the Bay, or at least this phase of
12 it. That's noted on Page 9, just down from the top,
13 and we feel that probably about the 4th of July we
14 should have that pretty much completed.

15 At the bottom of Page 9 we start addressing CSO
16 Phase II facilities. We've been working very hard to
17 locate the drop shaft for the Woonasquatucket
18 interceptor, and we've been looking at alternate
19 alignments through the Olneyville area of Providence.
20 These are projects or pipelines that will be within 20
21 or 30 feet of the surface. It will be somewhat
22 disruptive to the areas that we work in, and we're
23 trying to find the best alignment to minimize -- there
24 is no way of really eliminating, but minimizing the
25 inconvenience that we're going to cause once we begin

1 this work. So we spend a lot of time working on that.

2 On the sewer separation portion of Phase II,
3 which is, again, at the top of Page 10, around the
4 Miriam Hospital area, we will be doing sewer
5 separation in one sewer shed, and a combination of
6 sewer separation and rerouting on the other side that
7 flows down toward Hope Street. The Seekonk River
8 interceptor, which is the third component of Phase II,
9 is well under way, and we've pretty much nailed down a
10 routing for that interceptor. It's just a matter of
11 where we terminate it at this point.

12 Middle of Page 10, we talk about Louisquisset
13 Pike and the sewer system evaluation we're doing.
14 We're going to be doing some dye studies in Lincoln,
15 North Providence, and Providence, and the Branch,
16 Douglas, Louisquisset interceptors. So we're sending
17 out letters to all the mayors, and our contractor will
18 coordinate with the police departments and the public
19 works departments so that when we get out there and
20 start doing this work, people don't wonder what we're
21 doing out there, and why everything is turning red or
22 green or whatever color they happen to be using for
23 dye at that particular time. Sounds like a small
24 thing, but those are the types of things that unless
25 you give people a heads up can cause some significant

1 confusion and concern.

2 On Page 11, I note that under asset management
3 we're really beginning to integrate that system into
4 our interceptor work, and is, along with the cleaning
5 and TVing, is paying dividends in terms of better
6 understanding what we actually have going on in the --
7 under various conditions.

8 Page 13 talks about the Construction Division,
9 the work at Bucklin Point, their renovations of that
10 operations building there. It's about a quarter of
11 the way through, so it's progressing well. The
12 Woonasquatucket River interceptor project, which has
13 been completed for a couple of years now, we have a
14 pending arbitration with the contractor, who's Walsh
15 Construction, and that is supposed to be moving into
16 the arbitration phase in the month of May. We have
17 had some recent inquiries as to whether or not we'd be
18 willing to potentially settle that matter, and we're
19 considering that now, and trying to get a handle on
20 what exactly they had in mind. So we will report back
21 to you on that if anything comes to pass.

22 There are two CSO contracts for Phase I still
23 left, a small job, regulator modification. We're
24 almost done, about 82 percent complete. Then moving
25 on to the top of Page 14, the pump station. When you

1 came down here today, you probably saw the overhead
2 crane that has been erected since the last time you
3 came down here. They're making great progress, and
4 we're about 80 percent done on that work. There's a
5 number of items that they're doing inside the pumping
6 station, which you, of course, can't see unless you
7 actually venture inside, but they're really in the
8 wrap-up phase now. The main work we have left to do
9 is we need to jack a 108-inch pipe, which is nine feet
10 in diameter, from Ernest Street over to essentially
11 the drop shaft of the tunnel, and that will start
12 probably in the next couple of weeks, and will take
13 several weeks to complete. And that actually brings
14 the largest overflow in the system into the tunnel
15 complex for retention and then treatment.

16 The other project that was active, is now
17 90 percent complete, is Grotto Brook and Burrington
18 Street. Those are all done except the final
19 restoration work. That's good news.

20 Most of you were here -- if you look on Page 16,
21 Administration and Finance starts on that page. Most
22 of you were here when Karen went through her report,
23 and essentially, we're at 75 percent of the year,
24 71 percent of the budget, so we're underspending,
25 which is always a good thing. Employment levels are

1 about 97 percent, 246 out of 254 budgeted. Our user
2 fee billings are around 76 percent. That's at the top
3 of Page 17. And then we have a receivables aging
4 summary for you, and on Page 18, we note that the cash
5 and investment balances as of the end of March was \$57
6 million, \$57.5 million. And on Page 18, we talk about
7 our notes, bonds, and loans, and where we are in terms
8 of our -- the rates we're faring on the variable rate
9 loans. They have dropped in the past week or two from
10 a high of six percent. They are around three percent,
11 three and a half percent at this point, so things seem
12 to be stabilized at this point. There's an action we
13 will ask you to take in a resolution which will come a
14 little later, which will just put us in a position to
15 react favorably or favorably to the Bay Commission
16 should the markets take another turn again. That's
17 about it on finance.

18 There's a number of -- statement of net assets,
19 and the status of our budget, line items on our
20 budget, which run through Page 27. That you can look
21 at, and if you have any questions, you can give us a
22 call. We'll be happy to answer those for you.

23 Page 28, policy, planning, and regulation, we're
24 happy to report that the Permits Section won an award
25 for -- a national environmental achievement award for

1 our stormwater mitigation program. That will be
2 accepted in the middle of this year at the next NACWA
3 meeting. That is the program by which we are removing
4 stormwater from our system. I report that just about
5 every month. We have some project, and we're removing
6 water that would normally end up in the tunnel, so
7 we're essentially increasing the effectiveness of the
8 CSO program by providing more room in the tunnel than
9 what we had originally anticipated. So we're happy to
10 report that to you.

11 We have a shellfish transplant effort that we
12 work with DEM on every year, and the dates are listed.
13 I believe those are all Wednesdays, April 30 through
14 May 20, and we work with DEM to -- under their
15 supervision along with the Shellfishermen's
16 Association to take quahogs out of polluted areas and
17 move them to clean areas, which are then roped off by
18 DEM, and they sit there for six months and self-purify
19 until they can be harvested right before the holidays
20 in the November-December time period. That's been
21 very successful, and we're going to continue it again
22 this year.

23 We have a river cleanup scheduled for April 22,
24 which is next Tuesday. If you need to have more
25 information on that, talk to Tom Uva or John Zuba.

1 Right now we have about 225 volunteers, which is the
2 largest group ever to volunteer for participation in
3 that event, which has become annual. It's part of the
4 Chairman's river program that was started many years
5 ago. It's been very successful.

6 Page 29, I outline some of the emergency
7 preparedness planning activities we've been involved
8 in. Taken a leadership role in a couple of those.
9 Page 30, I -- we address what pretreatment has been
10 involved in, and primarily, they completed their
11 annual report, which that annual report makes my
12 monthly reports look like a one-page bulletin
13 submission. It's huge, takes a tremendous amount of
14 work, and again, they did a great job, and got it in
15 on time, and very comprehensively well done.

16 Let's see. If you go all the way to Page 33, the
17 program we just won the award for, we outline some
18 additional removal that we've done in terms of
19 stormwater. 60,000 gallons, Field's Point; 50,000
20 gallons, Bucklin Point. So moving to the next page,
21 you'll see that the total for the year is over a
22 quarter of a million -- just for this year, over a
23 quarter of a million for Field's Point, which would
24 normally end up in the tunnel, and a total of 313 for
25 the entire combined system. So I think if you go

1 back, right from the beginning, we're probably
2 approaching three million gallons of flow that would
3 now be eliminated during a storm rather than go into
4 the tunnel. It's going into on-site systems that the
5 developers have cooperatively worked with us to
6 install.

7 Environmental Monitoring is busy as usual, taking
8 nearly 2,000 samples. That's noted on Page 35, and
9 then jumping all the way to the lab, you can see how
10 many analyses they've been doing. Over 8,700 just for
11 the month of March, and these are the same types of
12 numbers that you are now, I believe, accustomed to
13 seeing.

14 The other good news we have is on Page 38,
15 there's -- where it says, PP & R grant activities, I
16 got a call from Bob Varney, who is the regional
17 administrator for EPA, to let us know that our
18 application for their innovation program entitled
19 Sustainable Energy Management Practices in Rhode
20 Island has been accepted and given a \$275,000 grant.
21 This is a national program, and our title was focused
22 on Rhode Island, or our efforts were focused on Rhode
23 Island. Only one of three in the entire country that
24 received this, so we're really honored that they
25 picked us. We will work cooperatively. We have

1 partners in this. DEM is one of those partners as
2 well as URI, and everyone has their role to play, and
3 we should be getting the paperwork on that in the next
4 several days, which we'll promptly fill out and send
5 back to them. So that was a nice phone call to get.
6 You usually don't get a lot of friendly phone calls
7 from EPA. That happened to be one of them. So that
8 was a good thing for the people on our staff who have
9 been working hard on this, Jim McCaughey and Barry
10 Wenskowicz. So another good step forward.

11 And one of the Commissioners asked me on the wind
12 energy project how the wind speeds were looking. On
13 Page 39, in the middle of the page, it's a little
14 table there. It gives you an indication of what the
15 wind speeds have been, and how many kilowatt hours we
16 would have generated if it had actually been in place
17 during those months, and you can see it's running
18 somewhere around \$30,000 per month that we would save
19 by having that online. We have submitted our
20 application to the FAA to see if they'll approve the
21 tower that we're proposing. We have not heard back
22 from them yet, and we'll keep you apprised on that,
23 on that front.

24 Page 40, the Executive Division, the Ethics
25 Commission has sent everyone their financial

1 disclosure forms. They're due next Friday, April 25.
2 I just wanted to remind you of that. If you did not
3 receive one, talk to either Laurie or Jen. They can
4 probably help you follow up on that, and if you need
5 any help in terms of submitting those, we can also
6 provide assistance, but they're due next Friday to the
7 Ethics Commission. Just a reminder.

8 Getting down toward the bottom of that page, the
9 Providence land acquisition. We were on the agenda
10 for the State Properties Committee on April 1, and the
11 Chairman, I think, might bring you up to date on what
12 we plan to do. They asked us to go back and work with
13 the City to try to come to a resolution, so we'll
14 report to you a little later in the meeting as to
15 where we stand on that.

16 Other than that, we did receive, on Page 42 --
17 this is actually very notable. We received approval
18 from the State Archivist's Office on our records
19 retention policy. We've been working on this for
20 three or four years, at least, trying to get their
21 approval on how long we had to retain records for, and
22 for every type of record there seems to be a different
23 window of when you can actually eliminate those, and
24 so we finally received approval, so that was quite an
25 accomplishment, one that we're glad to put behind us.

1 On Page 45, somebody asked about the lien sale
2 earlier. It is on May 1. We started with 315
3 accounts totaling \$560,000 of outstanding user fees.
4 We've removed 186 of those, and collected about
5 \$256,000, and these numbers change all the time. So
6 approximately 129 remain with about \$300,000 left to
7 collect. So I'm sure that in the next several weeks
8 those numbers will become more positive, and
9 hopefully, we'll only have a few that will actually go
10 to lien sale. However, there are a number that have
11 gone into foreclosure, which reduces our chances of
12 getting anything on those.

13 We also heard from Rhode Island Housing. They
14 now have a full-time position that was created to
15 handle tax and lien sales. You might remember some
16 legislation that was passed a couple of years ago that
17 Rhode Island Housing was given the authority to step
18 in and help some of these people who have a hard time
19 paying their tax bills or our user fee bills. Rhode
20 Island Housing was a little short staffed and unable
21 to physically dive into that program. Now it appears
22 that they'll be able to do it. So that's a very
23 positive development, as far as we're concerned.

24 Finally, on Public Affairs, we have the rain
25 barrel distribution event on Sunday, April 27. If

1 you're interested, it appears to be one of the largest
2 that the company has ever done. I mentioned the river
3 cleanup earlier. The Woon Watershed program, the kids
4 are all getting out into the field now, getting to
5 actually work on the receiving waters, or alongside
6 the receiving waters. There will be a big conference
7 in May that Cynthia is working on.

8 And for Government Affairs, which is at the
9 bottom of Page 46, 2,100 pieces of legislation that
10 we've been reviewing and determining their
11 applicability to us, whether it has to do with
12 collections or payment of outstanding debt, taxes,
13 ethics, probate, immigration. So that's been keeping
14 Joanne busy, and the last few items, which I just --
15 I'm going to note here, they're not actually as part
16 of your report.

17 We received an administrative order from EPA a
18 week ago, which directs us to work with North
19 Providence to resolve a longstanding problem at one
20 specific location in North Providence. So we've been
21 actually working at this for ten years. It's actually
22 on the City of -- the Town of North Providence's line,
23 not too far from our interceptor, so EPA figured
24 they'd bring us in on solving the problem, and
25 hopefully, we can get it done in the next several

1 weeks, if not a couple of months. Then there is a
2 much larger study that needs to be done on the Town's
3 system, but that is a Town responsibility. But they
4 included it in the same administrative order for some
5 reason, and we're discussing that fact with them, and
6 we would like to get, have them bifurcate it, but I
7 don't think that they're necessarily amenable to that,
8 but they will clarify what our responsibility to the
9 Town is.

10 The CIP will come before you in May. That's the
11 capital improvement program. We'll have a
12 presentation on that in May, the budget in June, and I
13 sent you all an E-mail, which lets you know that the
14 ProJo submitted a records request for all our staff
15 salaries. Actually, all the quasis, and I'm sure
16 there will be an article in the paper sometime. Could
17 be a few weeks, could be a few months. Who knows? I
18 just wanted to give you a heads up on that, in case
19 anything came out before I had a chance to appear
20 before you today to let you know about that. Finally,
21 I'm done, Mr. Chairman.

22 MR. CHAIRMAN: Are there any
23 questions?

24 MR. SALVADORE: I have a question,
25 Mr. Chairman.

1 MR. CHAIRMAN: Thank you.

2 MR. SALVADORE: It was back around
3 Page 14, third paragraph down. The last sentence is,
4 they have submitted a differing site condition claim.

5 MR. MARSHALL: Yes.

6 MR. SALVADORE: Is that a change
7 order?

8 MR. MARSHALL: Yes. It will end up
9 being a change order. We're evaluating the merits of
10 their claim, so --

11 MR. SALVADORE: So what was the total?
12 Do you recollect what the total amount of that
13 contract is, and about what the differing site
14 condition claim would be?

15 MR. MARSHALL: We're talking about the
16 tunnel pump station now, right? That's the contract?

17 MR. SALVADORE: Field's Point tunnel
18 pump.

19 MR. MARSHALL: Yes. Let's see. The
20 tunnel pump station, the bid price was \$54.2 million.
21 And so far, we've had about \$800,000 in change orders.
22 This would be the second to last page on your, on the
23 monthly report I just reviewed with you. I don't
24 believe we have an estimate of the amount of the cost
25 of that differing site condition should it prove to be

1 valid at this point.

2 MR. SALVADORE: Well, whatever the
3 claim is, is it a negotiated claim?

4 MR. MARSHALL: Yes, it is.

5 MR. SALVADORE: Okay. That's my
6 question.

7 MR. CHAIRMAN: Are there further
8 questions? Commissioner Rotella?

9 MR. ROTELLA: Ray, more substance
10 than -- more form than substance, I should say. Thank
11 you, of course, for the report, but I am noticing that
12 there are still a whole bunch of papers at our places.
13 Are we making arrangements, or do we have a date that
14 we will no longer have these as a general rule? I'd
15 like to suggest that maybe we might want to keep a few
16 on hand for a Board member that's forgotten them, or
17 doesn't have their computer, but the idea was to save
18 paper, and save time and administrative time in
19 printing and copying all this stuff, and if we have it
20 here on the computer, we probably want to do away with
21 this. I don't know if there is a date. Again, I'm
22 not putting anything in the form of a motion. I'm
23 just looking for info.

24 MR. MARSHALL: Right. We have five or
25 six Commissioners who have already said, don't send me

1 any more paper, and we did print these out today,
2 because we didn't know that you had them in time on
3 the Board site to actually have a chance to review
4 them. If you definitely do not want any more paper,
5 just let Karen Musumeci know. She'll remove you from
6 the paper train, and you won't even receive anything
7 in the mail. You know, like you used to receive with
8 all the agendas. We'll just notify you through E-mail
9 when everything is up on the web site.

10 Our goal is hopefully by this -- the end of this,
11 I'll call it Commission year, if you will, June, after
12 June, starting next fall, we will have very little
13 paper. We will have some paper available for anybody
14 who needs it. We don't totally expect to walk away
15 from it, but in general, we know that more and more of
16 you are becoming comfortable with this approach, and
17 we would love to only make five copies rather than 25
18 copies or whatever Karen is making these days. So if
19 you definitely want no paper, let Karen know.

20 MR. CHAIRMAN: I think the original
21 target date was June, end of June, so I think we're
22 approaching that. Excuse me. Commissioner Nathan?

23 MR. NATHAN: Just, as I went through
24 your report on the computer, my first thought was, I
25 can't wait to get here to see a printed copy, because

1 when you get big ones, it's harder to read it on the
2 computer, or I get turned off by it. So I may be one
3 of those five that wants one when we get here.

4 MR. ROTELLA: Again, my suggestion is
5 that as you can see, we do have some extra copies
6 here. Maybe we don't need that many, but we certainly
7 should have some available.

8 MR. NATHAN: I have a very slow
9 printer.

10 MR. WORRELL: I'm with you.

11 MR. CHAIRMAN: Commissioner Worrell?

12 MR. WORRELL: I had a comment, I
13 think, on your comments about the wastewater, the
14 pressure that you're putting on developers with regard
15 to wastewater treatment and reduction of wastewater.
16 That's going to become increasingly a bigger and
17 bigger issue nationally. I think you're on to
18 something great when you -- the efforts that you're
19 making in negotiating with developers in requiring
20 them to explain what they're going to do by way of
21 wastewater mitigation, stormwater mitigation. And a
22 couple of comments. One, I think we ought to -- you
23 ought to make a really strong effort, from a public
24 relations point of view, to take some credit for what
25 you've accomplished here, and that's going to do two

1 things. One, it's going to feather our collective
2 nest a little bit, and good for us, but two, I think
3 it will deliver a message to some of the less
4 environmentally conscious regulating authorities
5 throughout the state, namely, cities and towns, that,
6 hey, this is very serious. You want to take a look at
7 your building codes. You ought to call in your
8 developers, and hold them to account, and the
9 developers are not going to like this, but I think
10 environmentally, it's a really excellent move that
11 you've been able to accomplish, we've been able to
12 accomplish, and I think we ought to get publicity for
13 it, and push it.

14 MR. MARSHALL: Thank you very much.

15 MR. CHAIRMAN: We'll work on that.

16 Further comments, questions, regarding the Executive
17 Director's report this morning? Thank you, Ray. Next
18 order of business is Item Number 6, committee reports
19 and action items resulting. The first committee
20 reporting, from the Construction, Engineering, and
21 Operations Committee, Commissioner Salvadore. Do you
22 have a report today?

23 MR. SALVADORE: Yes, we do,
24 Mr. Chairman. Thank you. The CEO Committee met
25 earlier this morning. We have one item for

1 consideration by the Board of Commissioners this
2 morning, and that is review and approval of Resolution
3 2008:12, authorization to enter into Contract
4 08:705.00D with Pare Corporation for design of
5 improvements to the Central Avenue pump station.
6 That's in Johnston. And to relocate the force main,
7 and Mr. Chairman, we move passage.

8 MR. CHAIRMAN: We have a motion to
9 approve Resolution 2008:12. Second? Commissioner
10 Farnum, Commissioner Rotella, Leo?

11 MR. THOMPSON: Yes.

12 MR. CHAIRMAN: Commissioner Thompson.
13 Further discussion on Resolution 2008:12? Hearing
14 none, all of those that are in favor will say aye.

15 (VOICE VOTE TAKEN)

16 MR. CHAIRMAN: Are there any opposed?
17 There are none opposed, and the motion carries. Do
18 you have further report, Commissioner Salvadore?

19 MR. SALVADORE: That concludes our
20 report, Mr. Chairman. We're slacking off. It's
21 getting near summer.

22 MR. CHAIRMAN: Thank you very much.
23 Next committee reporting is the Finance Committee. In
24 the absence of Commissioner Andrade, the Chair
25 presided over the meeting. There were two items for

1 consideration. Item A, which is review and approval
2 of Resolution 2008:13, which is the selection of
3 investment banking services. Basically, there were
4 four firms interviewed. Morgan Stanley was selected
5 as the preferred investment banker. Out of an
6 abundance of caution, and to be prudent, all -- there
7 were three others which were qualified, in the event
8 that a very volatile financial market required that we
9 look at other firms. And I would move at this time
10 passage of Resolution 2008:13. Do I have a second?
11 Commissioner Cruise, Commissioner Brown. Discussion
12 on Resolution 2008:13? Hearing none, all of those
13 that are in favor will say eye.

14 (VOICE VOTE TAKEN)

15 MR. CHAIRMAN: Are there any opposed?
16 There are none opposed. The motion carries. Item B,
17 which is review and approval of Resolution 2008,
18 Number 14, which is a clarification on an amendment to
19 a previously passed resolution, which provides that
20 the Executive Director and the Chair will have the
21 authority to very quickly react to market conditions
22 regarding refinancing of existing debt. And the Chair
23 moves passage of Resolution 2008:14. Is there a
24 second? Commissioner Montanari, Commissioner Farnum,
25 and Commissioner Thompson. Discussion on Resolution

1 2008:14? Hearing none, all of those that are in favor
2 will say aye.

3 (VOICE VOTE TAKEN)

4 MR. CHAIRMAN: Are there any opposed?
5 There are none opposed, and that motion carries. That
6 concludes the report of the Finance Committee. Moving
7 right along, Personnel Committee?

8 MR. MARSHALL: I have no report.

9 MR. CHAIRMAN: No report. Legislative
10 Committee. Joanne, is there anything going on at the
11 State House that the Board needs to be apprised of?

12 MS. MACERONI: I updated my March
13 legislative report, and the bills at the beginning
14 show new introductions since that report. Everything
15 is still moving along. Nothing has come out of
16 committee that we're following, as yet.

17 MR. CHAIRMAN: Any questions of
18 Joanne? Okay. Rules and Regs, I don't believe there
19 was any Rules and Regulation Committee meeting, so
20 there is no report. Long-Range Planning. No report.
21 Okay. The Citizens' Advisory Committee. Harold? Do
22 you have a report for us today?

23 MR. GADON: Yes, and I'll try to speak
24 close enough to the mike for the benefit of Madam
25 Reporter. The CAC meeting was held on 4/9 with a very

1 good attendance. Kerry Britt, Pretreatment Manager,
2 did an excellent job in presenting the annual
3 pretreatment report. We did have two welcome and
4 surprising visitors join our meeting, which was in
5 progress, Chairman Mesolella and Joanne Maceroni. The
6 Chairman responded to our inquiries and gave us an
7 insight in the Providence Water System for sale
8 proposal, the separation of powers present position in
9 regard to NBC, and possible sewer authorities
10 consolidation in Rhode Island, all very interesting
11 possibilities.

12 We again discussed the water filter bottle, which
13 was originated by our own Howard Schacter, who I'm
14 sure you'll hear from today. I think Karen's going to
15 like this proposal, because then we'll refill the
16 bottle with NBC water rather than Maine water, so that
17 should help their revenue.

18 We have recommended Michelle Zwerver to be
19 appointed to CAC by Chairman Mesolella. We welcome
20 Commissioner Brown, and invite him to any of our
21 meetings. We do have vacancies on our committee which
22 prospective members may be interested in, since CSO
23 Phase II planning is now going on. Our next meeting
24 is scheduled for May 14. Thank you.

25 MR. CHAIRMAN: Thank you very much,

1 Harold. In keeping with that, we have a guest today.
2 I'd like to call on Howard Schacter, who is a member
3 of the CAC, and previous chairman, and he wants to
4 explain to us what he brought today. He's the
5 inventor of the Live Pure bottle, and it's
6 manufactured right here in Rhode Island, and he's
7 going to explain to us exactly what it is. Welcome.

8 MR. SCHACHTER: It's like a traveling
9 road show. Actually, what we have here today --
10 actually, it's not a pitch. It's a gift on behalf of
11 the CAC, which I've been a member of for, going on
12 24 years, and maybe in the 24 years accomplished
13 something. But everybody will have one. And I'll
14 make it very simple. This is not a -- it's a trend,
15 and it's a way of life. It's sweeping the country.
16 It's a Rhode Island product, and everybody will
17 have -- you can pass these out.

18 MR. CHAIRMAN: Thank you.

19 MR. SCHACHTER: And every Board person
20 will have a unit today, and I also got enough for
21 staff. If I run out, Jamie will have the inventory,
22 and anybody who doesn't get one today will have them
23 within the next 24 hours. It's very simple. So you
24 don't have to open the package. We'll pass them out.
25 And what happens here is every bottle is going -- has

1 the ability -- very simple. Tap water. It has a
2 filter. The only certified water bottle in the entire
3 world. It's been certified by NSF and WQA. It took a
4 lot of months to get it done. This is the creation.
5 Actually, this is my design. And it actually can be
6 filled 500 times. Replaces 500 bottles from the
7 landfill. And 56 billion bottles are going into the
8 landfills every year, and we are making our attempt to
9 replace those plastic bottles. It's sweeping the
10 country.

11 City by city, slowly, from the mayor's office
12 down, are outlawing the use of plastic bottles. You
13 can't bring -- San Francisco started it, and they're
14 eliminating plastic bottles from entering any city
15 building, office building, and they're all set up for
16 security. While they're set up for security to check
17 everything else, they're now checking that no water
18 bottles are brought into the buildings. That doesn't
19 mean that this bottle will replace it. However, it's
20 very simple. You fill it. And it takes 500 times,
21 and you keep count, and if you calculate filling it,
22 say, twice a day. It's leakproof. You can carry it
23 anyplace with you at any time, and you dispense very
24 simply. Pressurized. All the water that you're going
25 to want to drink, and even in the open mode, there is

1 no spillage. So it's a minor pressure, less than five
2 PSI pressure releases the water.

3 And that filter is good for 500 fills. If you
4 calculate that out, and most of the staff is already
5 calculating, it's 75 gallons. 75 gallons, and they're
6 getting into private labelling. This happens to be
7 one. This is a joint venture with Avon and Curves,
8 and these kind of bottles are being generated on a
9 daily basis. It's a Rhode Island product, originated
10 here, and it is making -- it's a pace setter across
11 the country. Being sold in retail outlets. This is
12 not a sales pitch. It's a way of life, and it's a
13 trend that is sweeping. It's only 30 days old.

14 It took about eight months for NSF and WQA to
15 certify it. This bottle, it's the only one in
16 existence in the world. Only one. And it has -- it's
17 here to stay. Obviously, it's doing a great -- it's
18 performing a great effort for our planet, and
19 everybody who happens to have a desire for water. Any
20 tap water, any well water, will pass through, and the
21 filter has the ability to remove excessive chlorine,
22 and it's anti-microbial for any types of bacteria, and
23 the beauty of it is with the anti-microbial concept,
24 we're not breeding bacteria, so anything that's in
25 that bottle, it's inhibiting the growth of bacteria,

1 so you can have it in your car. You can have it with
2 you. We've got miniaturized units coming out, so that
3 depending on the type of effort you need, for a
4 workout purpose, and it holds 20 ounces of water, and
5 the plastic is also -- we've got an anti-microbial
6 top, so that's also inhibiting the growth of bacteria
7 in and around the spout. And that's also part of the
8 certification, which WQA and NSF have fully certified,
9 and you'll see in the literature that that stamp of
10 approval is on it. So it's here to stay. Rhode
11 Island product. And our pleasure is to have everybody
12 here a recipient of a bottle.

13 MR. CHAIRMAN: Thank you.

14 MR. SCHACHTER: It has -- could have
15 some potential from a sales standpoint. It could have
16 great potential for -- rather than open them up, you
17 see how it performs, and then there's an instructional
18 with the sheet that you have. I personally feel that
19 at some point in our history and development, we may
20 get rid of hats and shirts and replace it with --
21 there's another batch here. Jamie is the keeper of
22 the batch, and what we'll do is there's enough here
23 for staff, and if we've forgotten anybody, just sign
24 up with Jamie, and we will make sure everybody gets
25 one. It is a gift from the CAC, of which I have been

1 a member for many, many years, and it's a pleasure to
2 be part of this. We feel it is a trend, and it's
3 definitely here to stay, and it works.

4 Anybody who knows what it means to get something
5 certified by NSF or WQA, we're talking months and
6 months and months, and that was my role, was to
7 develop the filter, and oversee the certification, and
8 I know for a fact that there'll never be another one.
9 Nobody is going to take the time or energy to develop
10 this, but it is here. It just set a record. It's
11 being sold. All the mass merchandisers are taking it
12 on. It's only 30 days old, but it set a record at
13 Home Shopping Networks. Sold 3,000 in seven minutes,
14 a seven-minute slot, and it kind of moved way, way up
15 over what's being done today. So people around the
16 world are becoming aware that this is a trend.
17 Certainly, something that I feel that, when I think of
18 these things, I think of NBC. Probably the landfill
19 should be thinking about it, too, but we won't get
20 into that. There's a time and place for that comment.
21 But it's here to stay, and we're sure that
22 everybody -- did everybody get a --

23 MR. ROTELLA: I think so.

24 MR. SCHACTER: Last one.

25 MR. DEANGELIS: What's the retail on

1 this?

2 MR. SCHACHTER: Retail, it's price
3 protected at \$9.95, and it can be bought
4 over-the-counter, and it will be available, by the
5 way, NBC, at a very, very good discount. So I can
6 arrange all that.

7 MR. CHAIRMAN: Great.

8 MR. SCHACHTER: Replacement filters
9 will be two for \$7, and they're also sold over the
10 counter. You will probably find them within the next
11 two weeks, three weeks, Targets, Bed Bath Beyond,
12 those are the kind of locations where it's already
13 been ordered. Whole Foods. These are the locations.
14 GNC. But it is sweeping the country, and about 15,000
15 retailers are going to be carrying it within the next
16 three or four months.

17 MR. ROTELLA: Thank you.

18 MR. CHAIRMAN: Thank you. Thank you
19 so much.

20 (APPLAUSE)

21 MR. CHAIRMAN: We wish you all the
22 best with this. Wonderful, wonderful product.

23 MR. SCHACHTER: It started here.

24 MR. CHAIRMAN: That's good news.

25 MR. SCHACHTER: 24 years ago.

1 MR. CHAIRMAN: Thank you. And I think
2 it might be noteworthy, I note that this doesn't come
3 under the conflict of interest, but it's under \$25, so
4 you do not have to include it when you submit your
5 ethics report. Thank you. Thank you, Howard, so much
6 for this. Really appreciate it, and all the best.
7 Thank you. Commissioner Montanari?

8 MR. MONTANARI: Are we part of this?

9 MR. CHAIRMAN: I didn't know how many
10 were going around, but we have them, and Howard is
11 going to give them to you right now.

12 MR. MONTANARI: Thank you so much.

13 MR. CHAIRMAN: Thank you. Thank you
14 so much.

15 MR. WORRELL: You were absent when we
16 gave them out. You weren't here.

17 MR. MONTANARI: I was here.

18 MR. MARSHALL: Al, I think it was
19 because you were so quiet today.

20 MR. CHAIRMAN: No commotion today from
21 you. Or MacQueen. You guys were very quiet today.
22 Okay. Moving right along, the Executive Committee did
23 not meet. Ad Hoc Committee is scheduled to meet on
24 April the 30th; is that correct, Commissioner Kimball?

25 MR. KIMBALL: Yes.

1 MR. CHAIRMAN: Okay. And that
2 Compensation Committee meeting is being held at noon
3 on April the 30th, correct?

4 MR. KIMBALL: Correct.

5 MR. CHAIRMAN: Okay. There was no
6 meeting of the Internal Ethics Committee. We've
7 already had a little bit of a discussion on the
8 paperless Board issues, targeting the end of this
9 fiscal year, which is the end of June, to go
10 paperless. The Chairman's report. I'd just like to
11 say, again, Howard, thank you so much for your
12 presentation, and all the best.

13 As the Executive Director told you, he mentioned
14 action of the State Properties Committee. I did not
15 attend the State Properties Committee meeting, but
16 Laurie Horridge Bissonette, Executive Affairs, did.
17 And who else was at the meeting?

18 MS. HORRIDGE: Anthony Bucci.

19 MR. CHAIRMAN: Anthony Bucci, counsel
20 regarding the acquisition of the properties that we're
21 discussing for our expansion. The State Properties
22 Committee did not act. They did encourage our staff
23 to continue working with the City of Providence on
24 this acquisition. It's only been five years since we
25 were able to get some conversation going. I did meet

1 with the Mayor of the City of Providence yesterday
2 with regard to this particular issue. His preference
3 is that we do this as a friendly acquisition. I have
4 explained to him that the Narragansett Bay Commission
5 is a very successful agency, because we're not
6 accustomed to crisis management, and we're making the
7 necessary preparations to meet our nitrogen removal
8 mandates so that we're not confronted with a crisis
9 sometime in the future.

10 There is a meeting scheduled for the 21st of
11 April between our staff and staff at the City of
12 Providence, in which we hope there's going to be some
13 progress made. The Mayor is now personally engaged in
14 this matter, and we hope to have a resolution to
15 report to you, hopefully by our next Board meeting.
16 At the meeting, I did mention to him our interest, or
17 the Board's interest, in at least being apprised and
18 having a discussion with regard to, and I know that
19 Commissioner Salvadore has called me on this several
20 times this past month, with regard to an article that
21 you've all read about, which is the City Council's
22 interest in disposing of the Providence Water Supply
23 Board.

24 I don't know how many of the present
25 Commissioners were on the Board approximately 12 years

1 ago. Was it about 12 years ago, Ray?

2 MR. MARSHALL: Yes.

3 MR. CHAIRMAN: I know Commissioner
4 Salvadore was not only on the Commission but part of a
5 committee that was formed along with members of the
6 Providence City Council, members of the Mayor's
7 administration. At that time it was Mayor Cianci's
8 administration. We actually did come and arrive at an
9 agreement to acquire the Providence Water Supply
10 Board. At the very eleventh hour, the underwriter,
11 which at that time was Smith Barney, had indicated
12 that they did not feel comfortable in floating the
13 necessary debt without a specific authorization from
14 the General Assembly regarding that acquisition.
15 We -- the measure never passed the General Assembly,
16 for a number of reasons which the paper alluded to,
17 but the fact of the matter is, subsequent to that, we
18 did further research and learned that -- I believe
19 that Counsel may be part of that. I don't remember,
20 but there was no specific -- no specific requirement
21 for specific authority that was necessary for the
22 acquisition.

23 However, having said that, I did indicate to the
24 Mayor that we, at least, would like to have a
25 discussion about it, that I was not empowered by the

1 Board to enter into any formal discussion, but I did
2 talk to a number of Commissioners over the last couple
3 of weeks regarding whether or not they thought that we
4 should indicate our interest, and the overwhelming
5 response was yes.

6 I indicated that to Councilman Michael Solomon,
7 who is the chairman of the subcommittee created by the
8 City Council to investigate and research the possible
9 sale and disposition of the Providence Water Supply
10 Board. I think it's interesting to note that the
11 Mayor did indicate, without any specificity, that he
12 felt that, at least from a public relations
13 perspective, that this particular asset should remain
14 in the public domain.

15 I don't know if I mentioned it at any prior
16 meetings, but we did receive a letter from the Town of
17 Scituate indicating their interest in perhaps
18 acquiring the system and having the Narragansett Bay
19 Commission as potentially a joint venture partner for
20 purposes of operations. There's been no discussion,
21 substantive discussion, except to say that we would
22 welcome any discussion on the issue.

23 So nothing is, as I understand it, has transpired
24 since the article. Nothing official. I'm told that a
25 number of companies have indicated their interest in

1 acquiring the system from the City, but nothing
2 official has taken place. And so I wanted to report
3 that to the Board, and with the Board's acquiescence,
4 I will engage in at least informal discussions, and
5 then if there's any kind of formal action necessary, I
6 will report back to the Board, if that's okay.
7 Commissioner Rotella?

8 MR. ROTELLA: Mr. Chairman, I'd like
9 to hear from the Board if there's any feedback, if
10 there's some time, to hear some feedback from the
11 Board, if there's any thoughts there.

12 MR. CHAIRMAN: Absolutely. The floor
13 is open.

14 MR. CAMPBELL: My first question is
15 Steve Laffey has in the ProJo made a case that the
16 Water Supply System is not Providence's property, and
17 therefore, they cannot sell it, and that it really
18 belongs to the rate payers. So I'm not sure how firm
19 that case is.

20 MR. CHAIRMAN: Well, I don't know.
21 Counsel? I don't know. Commissioner Worrell?

22 MR. WORRELL: You know, I was a member
23 of the Providence City Council back in the '60s, and I
24 don't think that allegation by Steve Laffey would have
25 made it out of his lips before he was buried with a

1 response to the contrary. I mean, I think that all
2 the lawyers that have ever looked at that thing would
3 agree that the title to that Scituate Reservoir
4 remains in the hands of the City of Providence, along
5 with all of the pipelines, et cetera, et cetera, et
6 cetera, and that represents huge capital investment,
7 and for Laffey to talk about this as being, as
8 belonging to the recent rate payers, I mean, you know,
9 I think he's blowing smoke, myself, and you know, I
10 don't expect -- lawyers never agree on anything, but I
11 would think you'd get a fairly high level of agreement
12 from most lawyers on that issue.

13 MR. CHAIRMAN: If they all agreed, I
14 think they'd be out of business. I don't know. But I
15 don't know. I guess that was a letter to the editor,
16 and I think he -- I don't know. He's expressing his
17 opinion. I don't know what weight it has. Counsel,
18 do you want to weigh in on this?

19 MR. DEANGELIS: I'd love to weigh in
20 on it. If the Commission wants me to do the necessary
21 research, I'd be happy to do it. It certainly is an
22 interesting argument. I read the article by former
23 Mayor Laffey, and you know, my comment is, if it's an
24 asset of the rate payers, I wonder why the rate payers
25 have never come forward previously and said, we're

1 going to take it over. Let's hold elections and throw
2 all these politicians out.

3 MR. CHAIRMAN: I don't know if it was
4 an editorial comment, or if he based his comment on
5 any kind of research or facts. I don't know.

6 MR. CAMPBELL: He states some legal
7 decisions and dockets and so forth.

8 MR. WORRELL: I think he's got a great
9 imagination.

10 MR. CHAIRMAN: I don't know, except to
11 say that I would agree with the Mayor, and I've said
12 it in the past, 12 years ago, that I personally --
13 this is only my editorial comment, personal feelings
14 on the matter -- that the asset should remain in the
15 public domain. I believe that. It's too much of a
16 valuable public asset to belong to a private company,
17 but that's my personal opinion. I think just -- from
18 our perspective, the operation of that entity is
19 really valuable. You know how important our operating
20 efficiency is. So we need to be involved, and we need
21 to weigh in, in any case, on how it's going to -- if
22 it is disposed of, how it's going to be disposed of.
23 Commissioner Rotella?

24 MR. ROTELLA: Just to weigh in,
25 Mr. Chairman, if you recall back 12 years ago, I

1 chaired a commission that looked into this, and the
2 same logic that was present 12 years ago certainly is
3 applicable today. The work of the Narragansett Bay
4 Commission and the work of the Providence Water Supply
5 Board from an administrative standpoint is certainly
6 connected, and continues to be connected. Many --
7 obviously, the bills that we send to our rate payers
8 are based in whole or in -- at least in part on bills
9 that are sent out by the Water Supply Board, so there
10 is a whole bunch of corresponding work that goes along
11 there. In terms of shut-offs, obviously we don't shut
12 off sewers. We shut off water, and that's, again, in
13 cooperation with the Water Supply Board. So, and
14 again, many of the administrative benefits that we
15 defined way back, 12 years ago, will certainly become
16 apparent again today.

17 So I would certainly suggest that you continue to
18 take a look at what the possibilities are. I agree
19 with you wholeheartedly that this asset should
20 certainly remain in the public domain, someplace. I
21 think it's a bad idea for private developers to be
22 involved, or private owners to be involved with
23 something as important as a municipal water supply,
24 and again, I do suggest that anybody who is interested
25 take a look at -- around the country, most of the

1 large metropolitan areas, like the Providence area,
2 have a combined water and sewer authority. It's not
3 something that we'd be breaking new ground on. It's
4 something that certainly is probably more of a
5 practice than not the practice throughout the country.
6 So it certainly would be an area, I think, that we
7 should be very, very interested in pursuing, if, in
8 fact, it turns out to be a sensible deal for both the
9 City and the Commission.

10 MR. CHAIRMAN: Yes.

11 MR. GRAY: Can I ask what's the
12 motivation behind the City's wanting to dispose of it?

13 MR. CHAIRMAN: Well, basically from
14 what I know, they have a rather large, not unlike
15 other municipalities, they have a rather large pension
16 liability. I think it's in the \$400 million, \$500
17 million range, and I think that the thinking was that
18 what they would do is sell this asset for the value
19 that was alluded to in the paper, and I don't know
20 that that's accurate, four to \$600 million, take those
21 funds, and basically retire this debt to the pension
22 system. That's my understanding. I think that's
23 where they were motivated. There may be other
24 motivations as well. You know, the fact that
25 compliance regulations are getting more complex every

1 day, I think you're going to start to see a lot of
2 municipalities try to either privatize or sell these
3 kind of assets, because of its complexities. You need
4 people just to deal with that every day, and they
5 don't have it in their budget or qualified, actually
6 qualified personnel to deal with it.

7 MR. GRAY: It's not run by a
8 quasi-public agency right now? It's run by the City?

9 MR. MARSHALL: It's a City board.

10 MR. CHAIRMAN: It's a City quasi.
11 Like, I think it's -- the Providence Water Supply
12 Board is, I guess it's akin to Narragansett Bay
13 Commission in that it's really a separate entity from
14 the City. We acquired this facility, I think the
15 actual acquisition was 1982. We were here talking
16 about it since 1978, '79. The acquisition actually
17 took place in 1982, and had the Water Supply Board
18 been part and parcel of this asset, we would have
19 already owned it. We would have just taken both over,
20 but because it was controlled by a quasi, we never
21 were able to gain control over it, as is the case, as
22 Commissioner Rotella said, with most large agencies.
23 They have both ends of the pipe. But I think
24 generally the motivation was just to retire a rather
25 large corporate pension liability.

1 MR. GRAY: Do you have any idea of
2 what the state of the system is? Is it like this was
3 in '82, or is it like this is today?

4 MR. CHAIRMAN: They have some debt.
5 They did do some improvements. I don't know the
6 extent. I can tell you this. I think 12 years ago,
7 we did a very extensive analysis of the conditions,
8 and I think we -- we determined at that time that, I
9 think it was \$180 million, right? About \$180 million
10 worth of improvements that would be necessary for --
11 beginning from the day we took it over. I have no
12 idea what has transpired since that time.
13 Incidentally, just for your edification, Maureen's not
14 here, but at that time, Mayor Cianci thought it was
15 worth about \$900 million. I think we signed an
16 agreement for something like \$80 million, and the \$80
17 million was really comprised of funds that the City of
18 Providence had advanced the Providence Water Supply
19 Board for its -- to supplement its operating deficit.
20 That amount was about \$38 to \$40 million. PUC would
21 allow us to reimburse that. In addition to that --
22 excuse me. They would allow us to pay some rate of
23 interest, if they had the use of that money, we'd be
24 allowed to pay them some interest rate on that \$38
25 million. In addition to that, we had approximately

1 \$25 million of outstanding debt, bonded indebtedness.
2 We had agreed to assume that. So those three
3 components amounted to -- I don't know the exact
4 number, but it was approximately \$80 million, and of
5 course, the Mayor, in his infinite wisdom at that
6 time, also recognized that a sale to a private party
7 would have been just an enormous outcry, and so at
8 that time, the \$80 million really would have been able
9 to retire the pension liability, which now is
10 something like five or \$600 million. I don't know.
11 But we have a lot of research that we've done.
12 Those -- Ray, did you get those together? The data
13 that we had comprised?

14 MR. MARSHALL: Yes.

15 MR. CHAIRMAN: We're going to get all
16 that data together. We're going to be prepared to
17 kind of talk about this in the future. We understand
18 the nature of the issue, and I can tell you that if we
19 were the owners, I can assure you that we would move
20 forward to operate that facility with the kind of
21 efficiency that we do here.

22 MR. CAMPBELL: Mr. Laffey also makes a
23 point of looking at the financial aspect of it, and if
24 you had to come up with \$400 million of new money,
25 somebody's going to have to pay for that.

1 MR. CHAIRMAN: Yes. That's correct.

2 MR. CAMPBELL: And that's a big nut
3 for the water rate payers.

4 MR. CHAIRMAN: I don't think there's
5 any question that if this were to be sold, what the
6 impacts on the water rate would be. Would be
7 enormous. There is no question. I don't think
8 anybody would dispute that. We've been saying that
9 for many years. So I mean, this is not a revelation
10 for us, but what the impact would be is, of course, be
11 conditioned upon the actual dollars that are involved.
12 Somebody else have a question?

13 MR. MONTANARI: I have a question.

14 MR. CHAIRMAN: Mr. Montanari?

15 MR. MONTANARI: You had mentioned that
16 there are other companies or whatever interested in
17 purchasing?

18 MR. CHAIRMAN: I was told that several
19 phone calls have come in to either the Councilman or
20 the Council regarding expressing their interest.

21 MR. MONTANARI: My question is, would
22 that go out to bid?

23 MR. CHAIRMAN: I don't know how they
24 intend to deal with it. I would like to say that, you
25 know, our position, I think, is and has been, if

1 MR. NATHAN: Does staff have the time
2 to analyze this? What I'm getting at is, as we get a
3 little further, and there's beginning to be a green
4 light for us to take a harder look at it, should we
5 bring in a consulting firm from the side to give us an
6 independent, severed view of where the issues are?

7 MR. CHAIRMAN: We had Smith Barney
8 advising us on the last venture.

9 MR. NATHAN: I was thinking technical.

10 MR. MARSHALL: I would say that it
11 would, in part, depend on what they've done recently,
12 how far up to date are they on evaluating their
13 system, and making improvements to their system, if
14 they have good consultants who can bring us up to
15 speed fairly quickly. That would be one thing. If
16 they've been doing nothing since 1994 or whatever, we
17 have to get a handle on exactly what they know about
18 their system at this point in time.

19 MR. NATHAN: Where the problems are.

20 MR. MARSHALL: Right.

21 MR. GRAY: I'd like to say that I
22 think that the core competence is a great match for
23 both handling pipes, water, and purity, so I'd
24 encourage you to go forward.

25 MR. CHAIRMAN: Thank you very much.

1 Anybody else want to weigh in, since we're talking
2 about it? All right. Okay. Other than that, the
3 Chairman has no further report. New business? Any --
4 Commissioner Salvadore, did you want to discuss this
5 further, or do you have any --

6 MR. SALVADORE: No. I just wanted to
7 discuss the Providence Water Supply Board's activity.

8 MR. CHAIRMAN: Okay. Next item is new
9 business. Is there any new business, Commissioner
10 Gray?

11 MR. GRAY: I'd like to thank the
12 staff. Online now is the list of vendors that the NBC
13 uses, and I know you mentioned it, that we have our
14 Ethics Commission statement we have to prepare by a
15 week from Friday; is that right?

16 MR. MARSHALL: Yes.

17 MR. GRAY: I encourage everyone to go
18 through when you do it, and I would also like to ask
19 if you think it's appropriate, the Board thinks it's
20 appropriate, that if any -- if the Board does report
21 out in some fashion, if any of the members have any
22 conflicts with -- that you have to report to the
23 Ethics Commission, we might as well put it on the
24 table right now. So I would like to ask the Chairman
25 if we could maybe schedule that as an assignment or an

1 event.

2 MR. CHAIRMAN: We will raise the issue
3 at the next Board meeting.

4 MR. GRAY: Okay.

5 MR. CHAIRMAN: Make a note of that.
6 And any other new business?

7 MR. MARSHALL: I think Jamie has
8 something, Mr. Chairman.

9 MR. CHAIRMAN: Jamie, do you have
10 something today?

11 MS. SAMONS: We have something for
12 you. Oh, never mind.

13 MR. MARSHALL: I think we're going to
14 adjourn.

15 MR. CHAIRMAN: All right. Moving
16 right along, Number 8, which is other business, is
17 there any other business to come before the
18 Commission? Other business? Hearing none, Item
19 Number 9, Commissioner Rotella?

20 MR. ROTELLA: Motion to adjourn, sir.

21 MR. SALVADORE: Second.

22 MR. MONTANARI: Second.

23 MR. CHAIRMAN: We have a motion to
24 adjourn, and seconded by Commissioner Montanari. We
25 have a motion to adjourn. All in favor will say aye.

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(VOICE VOTE TAKEN)

MR. CHAIRMAN: Any opposed? None
opposed, and the motion carries.

(CLOSED AT 12:17 P.M.)

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C E R T I F I C A T E

I, Carole J. Ogden, hereby certify that the foregoing is a true, accurate, and complete transcript of my notes taken at the above-entitled meeting.

IN WITNESS WHEREOF I have hereunto set my hand this 2nd day of May, 2008.

CAROLE J. OGDEN, RPR, NOTARY PUBLIC
My commission expires 10/4/08.

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