

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

3 In Re: Monthly Board Meeting of the Commission

4 DATE: September 25, 2012
5 TIME: 11:00 a.m.
6 PLACE: Narragansett Bay Commission
Corporate Office Building
One Service Road
Providence, RI 02905

7 PRESENT:

- 8 Vincent Mesolella, Chairman
Raymond Marshall, Secretary–Executive Director
9 Robert Andrade, Treasurer
Joseph DeAngelis, Esquire
10 Richard Burroughs
Bruce Campbell
11 Mario Carlino
Michael DiChiro
12 Leslie Gray, III
Joseph Kimball
13 John MacQueen
Joan P. Milas
14 Al Montanari
Alan Nathan
15 Leo Thompson
Richard Worrell
16

17 ALSO PRESENT:

- 18 Cecille Antonelli, NBC
Karen Beard, US Bank
19 Rich Bernier, NBC
Pat Boucher, Bacon & Company
20 Diane Buerger, NBC
Pam Ciolfi, NBC
21 Charlie Donovan, House Policy Office
William Fazioli, PFM
22 Leah Foster, NBC
Harold Gadon, CAC
23 Linda George, Senate Policy
Karen Giebink, NBC
24 Talia Girard, NBC
Jen Harrington, NBC

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1 ALSO PRESENT, cont.

- 2 Joanne Maceroni, NBC
- Steve Maceroni, PFM
- 3 Amit Mahajan, US Bank
- Karen Musumeci, NBC
- 4 Nilesh Patel, CAC
- Joe Pratt, Louis Berger Group
- 5 Deborah Samson, NBC
- Jamie Samons, NBC
- 6 Thomas Uva, NBC

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1 (MONTHLY BOARD MEETING COMMENCED AT 11:15 A.M.)

2 CHAIRMAN MESOLELLA: Good morning, everyone.

3 I hope everyone had a wonderful summer, and welcome back

4 to the wild and willy Narragansett Bay Commission Board

5 Meeting. We'll call the Tuesday, September 25, 2012

6 meeting of the Narragansett Bay Commission to order at

7 11:15.

8 The first order of business is approval of the

9 previous minutes of June 19, 2012. Have all of our

10 members had an opportunity to review the previous

11 minutes, and if so, are there any comments, questions or

12 corrections on the previous minutes?

13 THE COMMISSION: (No response)

14 CHAIRMAN MESOLELLA: Hearing none, all of

15 those that are in favor of approval of the previous

16 minutes will say aye.

17 THE COMMISSION: Aye.

18 CHAIRMAN MESOLELLA: Are there any opposed?

19 THE COMMISSION: (No response)

20 CHAIRMAN MESOLELLA: There are none opposed,

21 and the motion carries.

22 (MOTION PASSED UNANIMOUSLY)

23 CHAIRMAN MESOLELLA: Is there any old
24 business? Item Number 3, Old Business to come before
25 the Commission this morning, old business of any nature?

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1 THE COMMISSION: (No response)

2 CHAIRMAN MESOLELLA: We're going to defer
3 for just a moment the Executive Director's Report. I'd
4 like to move along to Item Number 5, which is the
5 Acknowledgement of Awards.

6 We have a number of awards and recognitions that we'd
7 like to bring before the Commission today. To that
8 extent, Mr. Secretary, would you care to endeavor to
9 explain the nature of the awards?

10 RAYMOND MARSHALL: Yes, I will. Both
11 Field's Point and Bucklin Point are being honored today.
12 They're both receiving from NACWA, the National
13 Association of Clean Water Agencies, Silver Peak
14 Performance Awards.

15 This is an award that you're only eligible for if in
16 the hundreds, if not thousands of parameters that we
17 test for on an annual basis, you can only have five
18 excursions or exceedances from your permit over the

19 entire year. A very difficult level to achieve, but one
20 that we're proud to say both of our plants were able to
21 attain. We'll call them up individually.

22 In addition, we're also going to acknowledge Field's
23 Point receiving the Narragansett Water Pollution Control
24 Association Award for the best large secondary plant in
25 the State of Rhode Island.

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1 So, I think I have the name of the guys who are
2 supposed to come up here, although I see more than these
3 names. I have Art Sheraton, Jack Fascitelli and John
4 Lombardi. Are they all coming up, or are there more
5 people in addition? That's it?

6 We're going to give out the Field's Point NACWA
7 Silver Peak Award and the Field's Point Narragansett
8 Water Pollution Control Award both at the same time, so
9 why don't you guys come up here.

10 The NACWA awards were also acknowledged nationally at
11 the meeting in Philadelphia in July. Jack,
12 congratulations. All right, guys, thank you very much,
13 and great job.

14 (AWARD PRESENTATION/APPLAUSE)

15 RAYMOND MARSHALL: All of these awards speak
16 to the observation earlier that the water quality in the

17 bay is so much better, and all of our operators and
18 mechanics work every day, 24/7 some of them, of course,
19 and the goal is, and the end result is exactly that,
20 cleaner water in Narragansett Bay.

21 So, for Bucklin Point, who also won a silver award
22 from NACWA, we have Dave Sousa, Ed Midgley and Tom
23 Olivo. While they're working their way up here, I also
24 want to acknowledge that Tom, who's the one in the
25 striped shirt, has just recently retired after 30 years

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1 of service. So, even though he looks much younger than
2 that, his golf game has improved immensely in the last
3 two months. Congratulations.

4 (AWARD PRESENTATION/APPLAUSE)

5 CHAIRMAN MESOLELLA: At this time, we'd like
6 to recognize one of our biggest supporters through the
7 years who is no longer with us, George Redman. We have
8 a Resolution of Condolences on his passing, and then ask
9 Commissioner Andrade to read the Resolution, please.

10 COMMISSIONER ANDRADE: "Whereas it is with
11 deep sadness and regret that we have learned of the
12 passing of our friend, George Redman; and
13 "Whereas George Redman offered for over 15 years as a
14 vital member of the Narragansett Bay Citizens Advisory

15 Committee, and during that time he had served on the
16 Nominating Subcommittee and on the Long Range Planning
17 Committee of the Narragansett Bay Commission's Board of
18 Commissioners; and

19 "Whereas his involvement in various important
20 environmental policy-related programs and initiatives
21 have contributed to the Narragansett Bay Commission's
22 recognition for excellence on a National level; and

23 "Whereas, his personal quest for a healthy shoreline
24 has been instrumental in the development and flourishing
25 of the East Bay Bike Path so that the Washington Bridge

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1 Linear Park has been declared the George Redman Linear
2 Park by the Rhode Island General Assembly; and

3 "Whereas George brought a sense of joy to everything
4 he did and considered everyone who cared about the
5 environment a friend.

6 "Now therefore, be it resolved that the Narragansett
7 Bay Commission in its sincere appreciation for George
8 Redman for his service on behalf of the State of Rhode
9 Island and the taxpayers of the Narragansett Bay
10 Commission express our deepest personal regret to his
11 family."

12 It's signed by Chairman Mesolella and Executive

13 Director Marshall.

14 CHAIRMAN MESOLELLA: Is there a motion to
15 accept and pass the Resolution?

16 COMMISSIONER MILAS: Motion to pass the
17 Resolution.

18 CHAIRMAN MESOLELLA: Motion made by
19 Commissioner Milas, seconded by the entire Commission
20 with our extreme condolences to the family of George
21 Redman. All in favor will say aye.

22 THE COMMISSION: Aye.

23 CHAIRMAN MESOLELLA: Are there any opposed?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: There are none opposed

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1 of course, and the motion passes.

2 (MOTION PASSED UNANIMOUSLY)

3 CHAIRMAN MESOLELLA: Thank you very much.

4 Back to Item Number 4, which is the Executive Director's
5 Report, do you have a report prepared for us, Mr.

6 Secretary?

7 RAYMOND MARSHALL: Yes, I do.

8 CHAIRMAN MESOLELLA: Proceed.

9 RAYMOND MARSHALL: I will be going through
10 the August report. June and July was put up on the

11 Board of Commissioner's website, if you care to go back
12 and to check any of the numbers or to just fall asleep
13 easier at night.

14 Beginning on Page 2 of the August report where I
15 outline all of the results in terms of effluent from the
16 treatment plants, both in July and August the numbers
17 have been spectacular. We're talking single digits of
18 BOD and suspended solids. The flows have been low
19 because it has been dry, and this is something we
20 normally see during the summer months.

21 The nitrogen numbers are also looking really good.
22 Bucklin Point continues to have good numbers. They need
23 to be below 8 at this point. They are that. They were
24 6 1/2 in August and 5 1/2, say, in July, but what's been
25 surprising is Field's Point, while the project for

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1 biological nutrient removal isn't 100 done over there,
2 we do have all of the components in the irrigation tank
3 that we now need to remove nitrogen, and the results
4 have just been spectacular.

5 In August we were down to 4.2, was the average for
6 the month. We need to be below 5, and that permit
7 doesn't go into effect until May of 2014.

8 So, first of all, you should know that the project's

9 going to finish about a year ahead of time, and what we
10 had hoped for is a significant amount of time to adjust
11 the process so we could then in 2014 meet the permit as
12 efficiently as possible. We're already on that track.

13 So, the Operations staff is doing a great job.
14 They're modifying the amount of air that goes into the
15 system, the amount of the circulation rates and all of
16 those things, and we're really getting results far
17 beyond what we anticipated.

18 It is a seasonal requirement. The system will always
19 be in operation. It just won't operate as efficiently
20 in the cold weather as it is right now, but so far so
21 good; and that project looks like it's on it's way to be
22 a resounding success. So, we had a very good summer
23 treatment-wise.

24 Also, without much rainfall but a couple of really
25 big storms, the tunnel functioned very effectively, and

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1 at the bottom of Page 3, there's a little bit of data

2 for you on that.

3 Essentially, there were two storms in each month,
4 July and August, that we had to press the tunnel into
5 service. We captured the flow, and in each month we
6 pumped about 120 million gallons total out of the tunnel

7 and gave it full treatment.

8 So, through Sunday, the 47 months, we're just about 5
9 weeks shy of 4 years being in service, the tunnel has
10 captured and we've treated 4.4 billion gallons of flow,
11 so it's about an extra 900 million gallons a month. So,
12 it's been pretty spectacular, excuse me, 90 million
13 gallons a month. It's really, really doing the job it
14 was intended to do.

15 On Page 4 I talk a little bit about the maintenance
16 activities, and this, I wanted to bring this to your
17 attention because the asset management program that
18 we've had in place now for several years, is really
19 paying dividends. The equipment is up and running on a
20 more reliable basis.

21 At Field's Point, they're processing about 1,000 work
22 orders a month, and at Bucklin Point where it's a little
23 smaller plant, a little less equipment, you're talking
24 high 600s, around 700 work orders per month that are
25 being generated and completed by the maintenance staffs

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1 over there.

2 At Field's Point we have one little issue that we're
3 trying to deal with. I just want to bring it to your
4 attention. We reside in a rough neighborhood down here

5 in terms of our fellow industries. We have a junkyard
6 right across New York Avenue from us, and we're getting
7 a lot of rust and auto fluff that blows onto our site.

8 Historically, this was a problem going back several
9 years. They put up a nice screen on their fence, and it
10 cut it way down. Their screen with all the wind we get
11 down here, slowly, but surely was shredded by the wind.
12 They had to take it down. They're in the process of
13 getting a new one and installing it, but that material
14 is starting to blow onto our site now, not something
15 that we want to continue.

16 In addition, this port receives a lot of coal from
17 overseas from what I understand it comes from. They
18 empty it onto the docks, and then they move it into a
19 huge pile. As you go out into the parking lot, if you
20 look off to the right, you might be able to see that it
21 seems to grow every month.

22 So, when that coal is right on the docks, the coal
23 dust when the wind blows from the northeast, blows onto
24 our property, and we're working with the port to try to
25 remedy that situation also.

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12

1 So, it's just part of life existing down in this
2 neighborhood, and we're concerned about it because we

3 don't want it to affect our equipment and the air
4 intakes, the different portions of the plants as well as
5 we don't want any of that getting into our effluent and
6 having it show up when we run tests on the effluent.
7 It's one of life's challenges, but I just thought I'd
8 bring that to your attention in case it ever pops up in
9 any type of media source.

10 Moving all the way to Page 10, the report from
11 Interceptor Maintenance has been good for the past two
12 months. They had zero dry weather overflows in July.
13 There were two in August which occurred shortly after a
14 rainstorm. When we have dry periods, ironically,
15 material builds up. That then gets washed in with the
16 next rainstorm and starts to plug the regulators, so the
17 crews have to scramble pretty quickly in order to make
18 sure those are not blocked and we don't get occurrences
19 like this. Sometimes you just can't get around to all
20 them in exactly the right sequence.

21 There are some other by-pass events that we're now
22 going to start reporting to you. Those show up on Page
23 11. These are calls we get about backups or overflows
24 that are not part of our system, so we have to redirect
25 them to the right source. We had nine in July and six

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1 in August. In part, I'm showing you these now because
2 you'll remember that in the last General Assembly
3 session there was a bill that passed the House, but did
4 not get through the Senate that would ask us to study
5 taking over all the lateral sewers in our district.

6 These problems would then become our problems if
7 passed, if that legislation were to pass and we were to
8 accept the challenge. It was just a study committee,
9 but it begins to show you the increase in the amount of
10 work that we would be subjected to.

11 On Page 13 I give you some numbers for the Lincoln
12 Septage Receiving Station. Over 200 trucks in both July
13 and August, and about 550,000 gallons of septage coming
14 in each month shows you the value of this receiving
15 station and the need for it within our district.

16 Otherwise, who knows where that material would end up.

17 Going to Page 16, the Engineering Section has been
18 busy reviewing the design of the new lab building also
19 known as the regulatory compliance building. It will be
20 located right across the street where the dog pound was
21 prior to us assisting the city in moving it.

22 Plans are about 60 percent complete. We should have
23 a biddable set of document sometime this fall. It'll
24 have to go before the State Fire Marshal as well as the
25 State Building Commission, and then we'll probably open

1 bids sometime during the winter with construction
2 starting next spring. That's the game plan right now.
3 The biogas project, which is where we're going to use
4 the digester gas to generate electricity, plans are
5 about 50 percent done. We're continuing with those, but
6 we are doing a re-evaluation of the economics of that
7 project as we go along to make sure that we know exactly
8 what we're getting ourselves into in terms of a payback.
9 At one point in time, the payback was about 7 years.
10 Now it's looking more like 14 years. That still may be
11 worth going forward.
12 The other issue we have to consider is by flaring off
13 that digester gas that we don't use as part of the
14 normal process. That is a huge impact on our carbon
15 footprint as its known, and that's something we are
16 going to have to start evaluating and reporting over the
17 next several years. It's a new EPA initiative, so just
18 from that respect, it may be worth moving forward with.
19 We'll give you the new numbers when they come up, so
20 that we can have a discussion about that.
21 The bottom of Page 17 we start talking about what's
22 happening on CSO Phase II in terms of Engineering. We
23 are going to begin a downspout disconnection program
24 which are roof leaders that now connect into the sewer
25 in those areas up on the East Side and the Hillside

1 neighborhood where we're separating the stormdrains from
2 the sewers.

3 Part of the flow that comes into the combined system
4 now comes from roof leaders, and we're going to begin a
5 program where we're going to educate the homeowners up
6 there, and we will actually take the initiative to
7 disconnect them and to just have them spill out onto the
8 lawn areas where that's feasible.

9 We'll need to be careful about whether by doing that
10 we'll create an icing problem in a driveway, so it
11 doesn't mean that every roof leader or every area drain
12 or driveway drain will be able to be removed, but the
13 more we get out, the better bang for our buck we get in
14 terms of removing stormwater from the sewer system.

15 So, that will attract a little bit of attention by
16 the neighbors up on the East Side, but it's something
17 that we need to do; and it's part of the overall
18 program. They've done many other cities throughout the
19 country with varying amounts of success, but every roof
20 leader you can remove is a benefit to the system.

21 On Page 18 I note that we've been working hard to
22 acquire several easements that we still need for the
23 work that needs to be done on Phase II. That's about

24 all from Engineering.

25 Then we move to Construction, which starts on Page

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1 20. Right now we have about 220 million dollars of
2 projects under construction, and there are some people
3 that believe you can't go into many areas of the city
4 these days without encountering one of our contractors
5 out there working, so I'll sort of run those down for
6 you right now.

7 At Field's Point, as I mentioned, they're about 90
8 percent done and way ahead of schedule, although their
9 new schedule shows them finishing about a year early.
10 That project's been going extremely well, so that's one
11 of the larger ones.

12 On the wind turbines, the transformers and the
13 switch gear that we had to order based on National
14 Grid's input are in. They are being installed. That's
15 nearly complete. We have a couple of switches or trip
16 mechanisms that we need to get adjusted just right.
17 They take another couple of days. At that point,
18 National Grid will come in and inspect that
19 installation.

20 National Grid has also brought down the new feed line
21 from their distribution system down Ernest Street, and

22 they've terminated it on our property, right at the edge
23 of our property. Once they've approved the transformer
24 switchgear operation, they will then tie those two
25 together.

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1 Goldwind, the supplier of the turbines, has been on
2 site now for a couple of times in the last few weeks
3 doing some preliminary testing and checking out their
4 units. We're working on the instrumentation package
5 associated with the turbines. We're testing that out
6 and making sure that that is working properly.

7 Once we do those items, which will be in the next
8 week or two, then we'll begin start-up testing on each
9 turbine, one per week for about a three-week period.
10 Once they're all set, then they'll be ready to go.

11 Now, even at that point, we can only generate as much
12 power as we can use on our side of the meter. So, there
13 will be days, really windy days, where maybe we'll only
14 be using one turbine because otherwise, we'll be
15 generating too much. We have nowhere to backfeed it to.
16 Your house, that's a long extension cord, Mr. Chairman.

17 The work that National Grid still has to do on their
18 side of the meter is probably several months away, but
19 at least we can use the turbines on our side. There

20 will be days when the wind is decent, but not too
21 strong, that will exceed our requirements.
22 We use about two megs a day on average, and we can
23 generate 1.5 megs per turbine at their peak operation.
24 So, if we have a breezy day but it's not too strong and
25 each one is generating about a half a meg, we can

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1 combine them all and run everything on our side of the
2 meter.

3 So, it's going to be a little bit of a management
4 issue, when we turn them on, when we turn them off. You
5 can't generate more electricity than we need at that
6 point in time because it's got no place to vent off to,
7 for lack of a better term.

8 COMMISSIONER GRAY, III: When will that be
9 done on the National Grid side?

10 RAYMOND MARSHALL: They're talking it's
11 going to be several months from now. That's the best
12 they've given us. I don't know if that's 3 months or 9
13 months or what it will be. We're just trying to take
14 this one step at a time and get them operating on our
15 side so we can at least begin to see the benefit of
16 having them installed.

17 COMMISSIONER GRAY, III: I'm just a little

18 confused. They didn't see this coming? I thought this
19 was part of the plan, wasn't it?

20 RAYMOND MARSHALL: Yes, it is. The
21 situation is that National Grid apparently can't
22 determine exactly what they need for, I'll call them
23 circuit breakers. They're actually much more
24 sophisticated than that, on each side of the meter until
25 they know exactly what turbine you're using or what

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1 turbine you're going to use and how it's going to be
2 configured.

3 Because we have to bid this and it's a low bid type
4 situation, you don't really know what you're going to
5 get. You can write a spec, but you don't really know
6 exactly what you're going to get until the contractor
7 tells you, this the low bid item. If it meets the spec
8 that you wrote, then you have to accept it, so you write
9 it around a particular piece of equipment. You do this
10 with pumps and valves, everything, and then it says, or
11 equal. That's the part that we have to deal with.

12 So, National Grid wasn't able to exactly identify all
13 the hardware that was needed until they knew exactly
14 what turbines we're going to be using, what models. So,
15 that's the reason for the delay and the extra cost that

16 we've incurred.
17 If we had known, this probably would have gone more
18 quickly. The expense would have probably been the same
19 because, if you have to buy it, you have to buy it.
20 It's just a matter of timing, really.
21 So, we're hoping by late October that we're
22 operating, or we have the ability to operate a turbine
23 or multiple turbines, depending on wind speed on our
24 side of the meter and use the electricity in the
25 treatment plants. So, that is the update on wind

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1 turbines.
2 COMMISSIONER MILAS: Excuse me, Ray. Are
3 you also or is NBC also using this as an educational
4 tool, the way that New England Tech is using the SUDO
5 turbine out in front of the school which is, you know
6 electric, but for their engineering programs or URI or
7 CCRI? Are you partnering with them from an educational
8 component that this is the first one in the area, and
9 it's an opportunity for everyone to learn?
10 RAYMOND MARSHALL: We're not part of an
11 active group yet, although we have been talking to some
12 people at CCRI who want to bring students in to learn
13 about how to become, I believe an electrician or an

14 electrical technician. So, those discussions just began
15 over the summer, really, and we hope to be able to do
16 that. We've certainly had tours of the units. There's
17 a lot of interest in them, but I think it would be a lot
18 more effective to have that kind of a program in place,
19 once they're actually up and operating because then it's
20 a real life ongoing situation as opposed to just some
21 equipment sitting on a site. It's highly visible.

22 COMMISSIONER CARLINO: Actually, I teach a
23 class at CCRI, it's a utility energy course, and Rich
24 Bernier actually took us on a tour, and it was about how
25 the turbine came about, how much money it cost, how

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1 we're going to get our payback. Not only did he do a
2 presentation on that, but actually he took us through
3 the facilities, the plants and facilities, which was an
4 outstanding tour, very educational. So, that was done
5 only because I had asked if it was okay for us to do
6 this.

7 COMMISSIONER MILAS: It's a good work force
8 development.

9 COMMISSIONER CARLINO: It is.

10 COMMISSIONER MILAS: I mean, they're
11 starting to beef up all of these vocational programs

12 again, the high school level, and with the lack of a
13 good workforce in Rhode Island, it could be an
14 opportunity to showcase NBC and what they're doing and
15 also the educational component.

16 RAYMOND MARSHALL: While that was a one-time
17 tour or first of its kind, that's the type of
18 educational program that we hope to continue. We're
19 already operating, as you know, within the elementary
20 schools within the district, and we have a good
21 relationship and have been working with The Met School
22 at the high school level, and so this is just an
23 extension of our education program and what we're
24 envisioning, and we can work with CCRI or New England
25 Tech or anyone else that feels that we can help them out

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1 by exposing their students to something new and
2 exciting, and a first of its kind in the region, anyway.

3 COMMISSIONER ANDRADE: Until all the
4 equipment is put in, you say you may only need the power
5 from one of the three, so will the other two be turning?
6 Because there's been a lot of questions about why
7 they're not turning yet, so they'll be more questions if
8 one's turning and the others aren't.

9 RAYMOND MARSHALL: If they turn, they have

10 to be generating power. You can't turn them and not
11 generate power. So, there will be some days when there
12 will only be one, someday all three will be running, so
13 that will be a different series of questions, why one,
14 why two? I guess the short answer will be, it's all
15 based on wind speed.

16 At some point we hope in the not-to-distant future
17 we'll be able to run all three, but until that last
18 connection is made, and we can backfeed the power, the
19 excess power. It will just be based on the weather.

20 CHAIRMAN MESOLELLA: That's good, I like
21 that.

22 RAYMOND MARSHALL: Going to Page 21, I want
23 to point out to you that Contract 126, we now own the
24 old transfer station. That had belonged to the City of
25 Providence, and we're going to demolish the building

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1 over there and prepare it for whatever future needs we
2 may have.

3 We did open bids on August 28th. We got four bids.
4 All four bids had some type of defect in them, so we
5 rejected all the bids; and we are now rebidding it. We
6 tried to make it a little clearer as to what they needed
7 to do, but we'll accept those bids in the next couple of

8 weeks; and we will come to the October Board Meeting and
9 ask you to award to the low bidder assuming everything
10 is copacetic in terms of how they filled them out.

11 The first time, I've been doing this nearly 40 years,
12 and it's the first time I've ever seen a bid where every
13 single bidder made an error on their bids, but I guess
14 if you stick around long enough, you see everything.

15 On Overflow 106, which is a Phase II project, Lynch
16 is the contractor. It's up in Central Falls. This is
17 the wetlands that were going to create to take the
18 overflows. They did a test boring on that site, and in
19 the test boring that they sunk, they found some PCB's.
20 It appeared to be very isolated, but now we're in
21 discussion with DEM on how we're going to mitigate that.
22 It shouldn't end up being a big problem, but it is going
23 to delay the project just a little bit until we can make
24 sure we get that remediated properly.

25 The biggest job in Phase II, WCSOI Main, which

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24

1 essentially goes from the Cuffee School out toward
2 Olneyville, the contractor has been doing a lot of work
3 in terms of establishing his pits where he's going to do
4 his microtunneling from, also known as pipejacking.
5 They're very similar.

6 So, there are about 10 pits. He's been installing
7 those, and then he'll bring in his microtunneling
8 contractor, Super Excavators, they're called, and they
9 will begin their work probably in the next several
10 weeks, so that project is proceeding.

11 The sewer separation project, if you go to Page 22,
12 there's a list of projects there. Overflow 27, Rocchio
13 is the contractor. They're working up on the East Side,
14 basically, right now in the area of Ninth, Tenth,
15 Eleventh and Twelfth Street. The project is about half
16 done.

17 Jamie's been doing a great job keeping the homeowners
18 in that area happy, which has been pretty challenging.

19 CHAIRMAN MESOLELLA: You mean informed.

20 RAYMOND MARSHALL: Informed, yes. By the
21 time she gets done with them, they're smiling. It's all
22 Joe Pratt's fault.

23 (COMMISSIONER DiCHIRO IS NOW PRESENT @ 11:45 A.M.)

24 RAYMOND MARSHALL: It's just a tough job.

25 Our goal is to get out of there, to do the job right and

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1 get of there as soon as possible, in case you hear

2 anything about that.

3 Overflow 37, which is on the other side of the hill

4 down by North Main Street, the DOT has required us to do
5 all our work on North Main Street at night to avoid
6 traffic nightmares. That seems to be working pretty
7 well. He's about 30 percent done. His work then goes
8 down towards the bus station and Route 95, so he's
9 making good progress, as is Cardi who's working up in
10 the Davis Park area, that's the Woonasquatucket North
11 job. They're about 1/3 done. The job is going very
12 well.

13 Woonasquatucket West, which is way out by the bike
14 path along Route 6 where the footbridge is located,
15 DeGregorio is the contractor, and he's probably close to
16 80 percent done now. Also, that job has finally, gained
17 a lot of momentum. You might remember there was a big
18 changeorder for sheeting and dewatering, and once we got
19 that into place, he was able to make much more progress
20 than had been originally experienced.

21 The job over on the Seekonk River, we're modifying a
22 regulator. Iannuccillo is the contractor on that. I
23 just drew a blank on the name of the pond. York Pond.
24 That job seems to be going well.

25 Moving on to Page 23, the Floatables job, which is

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1 Overflows 205, et cetera, up in Pawtucket. Rocchio's

2 the contractor. He's about 1/3 done on that job.
3 Finally, the upgrade at Bucklin Point, Daniel
4 O'Connell's Sons is the contractor, the same contractor
5 that did the Field's Point work. He's working in
6 multiple areas. The biggest accomplishment so far is he
7 finally replaced all the berm that goes around the
8 plant. We've raised the elevation of that berm to
9 account for settlement, erosion and a rise in seal level
10 that we're able to get data on.

11 So, what's next? We also have a job out to bid in
12 addition to the demo job on the transfer station for
13 Overflow 37 North, which if you're standing at the
14 parking lot at Miriam Hospital and you look towards
15 Pawtucket, it's that area that we will be separating the
16 sewers and the stormdrains up there also.

17 The job is already been advertised. We're supposed
18 to open in mid-October, and we expect it to come to the
19 October Board Meeting with an award recommendation. We
20 estimate that that project will probably come in around
21 10 million dollars. That's the estimate at this point.

22 COMMISSIONER GRAY, III: Ray, quickly, when
23 you said you adjusted for your estimates of rising sea
24 levels, you didn't tell us what that was.

25 RAYMOND MARSHALL: I'm sorry?

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1 COMMISSIONER GRAY, III: You said the berm
2 went up because you estimated a rise in sea levels?

3 RAYMOND MARSHALL: Yes.

4 COMMISSIONER GRAY, III: Can you tell me
5 what that was, the rise that changed that?

6 RAYMOND MARSHALL: I think it was a foot and
7 a half. Is Tom Bruckner in the room? I think that the,
8 if I remember correctly, the estimates that we had
9 gotten they were now estimating about a foot and a half
10 difference between what we can expect and the future and
11 when it was last identified, which was probably 35 years
12 ago now.

13 So, for that reason, and just including the berm
14 needed in overall rehab, we decided that if we're going
15 to strengthen it that we should take into account that
16 rise in sea level.

17 COMMISSIONER CAMPBELL: Potential rise.

18 RAYMOND MARSHALL: Potential rise.

19 COMMISSIONER CAMPBELL: It hasn't risen yet.

20 RAYMOND MARSHALL: We will have one other
21 Phase II project that will be bid that will be south of
22 Miriam Hospital, but that won't be until next spring.
23 So, that's all of the construction activity. There is a
24 lot of it out there.

25 On Page 25, it starts Administration and Finance.

1 Karen did a great job giving you a report on how we're
2 doing so far. I do want to point out to you that on
3 Page 25, we talk about Docket 4352, which is a Debt
4 Service Rate Increase, 7.35 percent. You authorized us
5 to do that in June. That will become effective January
6 1.

7 Then we have a general rate case that is being
8 prepared, which will be for additional debt as well as
9 O&M increases. As we build these new facilities, it
10 costs us more money to treat the wastewater to a higher
11 level. We expect that we'll be asking for somewhere
12 around 13 percent increase, and that was also part of a
13 resolution in June. That was Resolution 2012:30. That
14 will not go into affect until July 1st of next year, so
15 we have those two issues that will be before us or will
16 be appearing on the bills.

17 On Page 26 I note that we're having a change in our
18 financial advisor, and that's an action item that will
19 be reported out of the Executive Committee report later
20 in the meeting. We're changing our financial advisor.

21 The bottom of Page 28, the billings have been pretty
22 strong. July was 6 1/2 million, and August was 7.1
23 million in terms of what was billed. What was
24 collected, we collected 7.2 million in July and 7.5

25 million in August, so that's working out well.

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29

1 We are actively pursuing water shutoffs. In July,
2 through water shutoffs, we've collected about \$570,000,
3 and in August about \$520,000.

4 Just to let you know that on Page 30, I note that we
5 are installing new security cameras around the campus.
6 The other ones are outdated technology, and with more
7 and more facilities on site, we want to be able to
8 monitor things a little more closely. So, that is it
9 for Administration and Finance.

10 On Page 33, it begins Policy, Planning & Regulation,
11 but I'm only going to mention one thing, even though
12 they're very busy doing all their sampling and analysis
13 and monitoring the water quality in the bay.

14 I've had Tom Uva be our ambassador to a number of
15 meetings that are being held by different organizations
16 in regards to stormwater management and stormwater
17 pollution.

18 On a national basis, the EPA is really pushing now
19 for stormwater controls and stormwater treatment, and
20 within the State of Rhode Island, each of the
21 communities are responsible for their own stormwater
22 systems.

23 While they have been urged to take action, that has
24 not occurred, except in some very limited instances. As
25 a result, three communities have received administrative

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30

1 orders from DEM and EPA, that's Providence, North
2 Providence and Johnston, essentially, ordering them to
3 do certain things by certain dates. So, that has
4 attracted the attention of a lot of the environmental
5 groups, the DEM, as well as some other interested
6 parties.

7 Those discussions have centered around, maybe the
8 best way to handle stormwater is to create stormwater
9 utility districts, maybe multiple districts, maybe just
10 a couple of big districts, and the communities could
11 then join together to address the problem on a more
12 holistic basis.

13 That pretty quickly morphed into, gee, who already
14 does something like that here in Rhode Island? Of
15 course our name was brought up pretty readily. I'm not
16 saying that we volunteered, and I'm not saying we won't
17 step up to the plate if we're asked, but we're not
18 legislatively permitted or allowed or authorized to
19 handle strictly stormwater. So, at the very least, that
20 type of step would need to be taken, but I wanted to

21 make you aware of it because you may start reading about
22 it and hearing about it because I believe part of the
23 strategy is, and that's the reason why Tom is attending
24 these meetings, we can protect our interest, is to build
25 momentum for that concept, that is the stormwater

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31

1 utility district, and why create a whole new agency when
2 you have one that already does such a great job on what
3 their responsible for? I don't know if you have any
4 comments you'd like to make, Mr. Chairman. Remember,
5 these are on the record, now.

6 CHAIRMAN MESOLELLA: This has been an issue
7 for quite some time. This is not a new issue, and the
8 broader issue of non-point pollution has been an issue
9 as well. Many of you may recall that Narragansett Bay
10 Commission was way ahead of the curve when, maybe, 12
11 years ago, the Board authorized us to hire an engineer
12 to look at the broad issue of non-point source pollution
13 of which stormwater plays an extraordinary role.
14 What we concluded from that was, that if you think
15 the CSO project is an expensive project, wait until you
16 get into stormwater management and non-point source
17 pollution control. It will dwarf the CSO project, which
18 is, as we all know, is expected when it's concluded to

19 be in excess of a billion dollars. We'll be talking
20 about Phase III very shortly.
21 So, I was approached a couple of months back by the
22 Director of DEM about the issue of taking control of
23 this matter and getting involved and getting the Board
24 involved in the matter of stormwater control, and
25 basically, as the Executive Director indicated, we don't

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32

1 have that statutory authority, Number 1.
2 Number 2, there was legislation pending in the
3 General Assembly with regard to us doing a study or
4 preparing a study to acquire all of the lateral systems
5 in each of eight communities that we service.
6 So, I said, listen, we really, really have our plate
7 full right now, and of course, the issue of the
8 financial impact to our communities, our ratepayers is
9 going to be dramatic.
10 However, understanding that this is going to be an
11 initiative that EPA is going to persist on that these
12 communities really don't have the wherewith all to deal
13 with it, I assume they're waiting to be playing some
14 large role in the development policy anyway. So, I
15 suspect at the appropriate time, and we don't like it to
16 happen overnight; we know it's coming, if we want to get

17 involved, and this is where Tom is instrumental in
18 attending these meetings, just like taking over the
19 laterals, the worst possible thing that could happen is
20 we woke up one morning saying, by the way, the General
21 Assembly passed a bill, and you own these; and you're
22 going to maintain them without understanding the
23 management of that process.

24 So, we got involved in that early and said, listen.

25 If it's coming, let us get involved. Give us some time

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33

1 to generate some rules and regulations, some policy so
2 we can implement it at the appropriate time. This I
3 feel very strongly it's something that we need to play a
4 major role in.

5 Tom and I have talked about it briefly. Maybe it's
6 not a district. Maybe it's a statewide initiative. We
7 don't know yet, but Tom is there every day. I want to
8 say this because even though it is a bit futuristic, it
9 is coming, and it is going to be very expensive. So, it
10 needs to be a very well thought-out policy.

11 The reason why, I guess, we're a good candidate for
12 this is because whatever we do, we do so well, so
13 there's some pitfalls to being a well-recognized and
14 respected agency.

15 So, we'll keep the Board informed about this, and Tom
16 will continue to monitor the meetings. We expect to at
17 least play a large role. If it's not us implementing
18 the process, at least helping to structure some policy
19 and mitigating to the greatest extent possible ratepayer
20 impacts. That's where we are. Commissioner Worrell.

21 COMMISSIONER WORRELL: I loved what you had
22 to say about the cost of this dwarfing the CSO project,
23 and you're probably right about that.

24 CHAIRMAN MESOLELLA: No, no. I am right.

25 COMMISSIONER WORRELL: So, that leads me to

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34

1 my next question, and my first question, and I'll
2 preface it by saying, look, if anybody's going to do
3 this, it ought to be this agency. However, like in all
4 things that go on up on the Hill there, there's usually
5 some force that's pushing behind it, and are you or is
6 anybody aware of the candidates that might be in the
7 back of somebody's mind?

8 CHAIRMAN MESOLELLA: No, no. It's EPA
9 through DEM. It's definitely an EPA initiative. You
10 may recall, maybe the Board can recall, North Providence
11 was cited for a violation. Do you know the name? They
12 tried to get us to take care of a North Providence

13 problem. There was a connection problem with a woman in
14 North Providence.

15 RAYMOND MARSHALL: Oh, yes.

16 CHAIRMAN MESOLELLA: It was a town
17 responsibility, and the town kept telling them to call
18 Narragansett Bay Commission; and we kept saying, this is
19 a town issue. Well, she persisted with the town. We
20 resisted and said, it's not our issue.

21 Eventually, they imposed on EPA, went all of way up
22 to the Environmental Protection Agency, to wit, they
23 tried to order us to remedy a problem that existed with
24 a single homeowner in the Town of North Providence. Let
25 me tell you, we resisted that, and then we ended coming

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35

1 to a conclusion where we modified the order.

2 RAYMOND MARSHALL: Yes. They actually
3 issued an administrative order jointly against us and
4 the town. There were two pieces. There was the piece
5 that Vin just spoke about, and they needed to do what
6 they call a C-MOM plan, which means you have to know
7 what you got in your system. We got them to bifurcate
8 those two, and we did play a role in solving the
9 problem.

10 So, we did some work. The town ultimately had to do

11 some work on their own, but that's how we get dragged
12 into these things. It's exactly as Vin described.

13 CHAIRMAN MESOLELLA: So, what happens is,
14 EPA had a stormwater control issue. They're imposing on
15 their authority with DEM to create regulations for
16 cities and towns and agencies like NBC to adhere to the
17 mission, and that's what happened; but it's being driven
18 by the Environmental Protection Agency and being, of
19 course, administered by the Department of Environmental
20 Management. The environmental groups, by the way, are
21 not helping things. They're pushing this initiative as
22 well, but it's a national initiative. It's not local.

23 RAYMOND MARSHALL: As it relates to lateral
24 sewerage, by the way, back in spring of 2007, the EPA
25 issued administrative orders to a whole bunch of

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36

1 communities in Rhode Island because they hadn't for SSO,
2 Sanitary Sewer Overflows, and there was a number of
3 items that all the communities were supposed to do. We
4 already had a number of those practices in place, so we
5 were okay, but as far as I know, few, if any, of the
6 communities have ever actually responded to or complied
7 with those AOs.
8 Johnston was probably the most aggressive. That's

9 when they came to us and said, hey look. We need some
10 help doing this. Can you help us? Remember you agreed
11 to fund the facilities plan? We helped them put
12 together a facilities plan because we had a big stake in
13 getting additional flows into our system.

14 But other than Johnson, I'm not aware that anyone has
15 really, who received those AOs in this state have really
16 done much of anything about it. So, now they're moving
17 into the stormwater realm, that meaning EPA and DEM.
18 So, now there's going to be another whole wave of those
19 types of orders that are going to go out.

20 What the end result will be, how much follow-up there
21 will be by the regulatory people, I don't know, but the
22 environmental groups seem to be really hot on this, and
23 they are pushing for something to be done on stormwater
24 because they feel that the CSO program is now solving.
25 That portion of the problem is being resolved.

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37

1 As Commissioner Gray pointed out, how good the water
2 quality is. Now it's stormwater. Okay, so now let's go
3 after that. The problem is that there's really no one
4 to go after that can truly get it done.

5 COMMISSIONER CAMPBELL: Just for instance,
6 what's involved, what would be so expensive from our

7 viewpoint?

8 RAYMOND MARSHALL: The first thing you have
9 to do is you have to find out where all your facilities
10 are. What do you actually have? Where does everything
11 flow to? Where are all the discharges points? How much
12 flow is coming out of it in different rainstorms? What
13 is the nature of the flow that's coming out? How
14 polluted it is, what are the components of it? That's
15 just a couple of years of study.

16 Now, the good news is, in that part of Providence,
17 the answer is, nothing comes out of the pipes because
18 the catch basins are full, and I'm not kidding. They're
19 full to the top with sand, so no flow really gets in
20 there; but that's not the way they're supposed to work,
21 obviously.

22 CHAIRMAN MESOLELLA: Which is part of the
23 reason why they're flooded all the time.

24 RAYMOND MARSHALL: It flows down the curbs
25 and runs across the land --

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38

1 COMMISSIONER DiCHIRO: And gets into the
2 rivers eventually.

3 RAYMOND MARSHALL: -- and finds its way into
4 the river eventually. And then once you do that, then

5 you have to identify all the projects that need to be
6 done, prioritize them, get them designed, and then begin
7 bidding them and building them, and that's just to
8 improve what you have as well as provide treatment at
9 the end of the pipe.

10 COMMISSIONER CAMPBELL: You have to treat
11 all of this.

12 CHAIRMAN MESOLELLA: This is enormous. You
13 could go on and on and on, and then when you start to
14 talk about the runoff, oils off the road, we're talking
15 about, you know, there was an issue years ago they were
16 blaming high counts of fecal coliform from sewer
17 treatment plants, us included, and of course what they
18 found out was, it's not coming, the high fecal coliform
19 count is not coming from the sewer treatment plant, it's
20 coming from mammals, the runoff. This is an enormous
21 undertaking, and I don't know how else to say it.
22 Commissioner Burroughs, do you have a question?

23 COMMISSIONER BURROUGHS: Do you know, Ray or
24 Vin, whether this will be regulated under the point
25 source provisions of the Clean Water Act?

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39

1 RAYMOND MARSHALL: Tom, how will it be
2 regulated based on what you've heard, will they have

3 NPDES permits for all of these or RIPDES permits?

4 MR. UVA: Right now the municipalities are
5 regulated under what is called an MS4 permit, so it's
6 basically, the stormwater permits, and the cities and
7 towns that are not doing that have got a gentle nudge
8 from the DEM in the form of an Administrative Order
9 telling them they have to do something, and it would be
10 in their best interest if they get together and form a
11 stormwater utility district. By the way, three out of
12 our ten cities and towns are those three that got the
13 nudge, so they would do it under those existing NPDES
14 permits.

15 Part of the discussions and naturally, the
16 municipalities are the ten municipalities, it started
17 with the City of Providence and they're going to meet
18 with all the ten municipalities in our district along
19 with Save the Bay and some other environmental groups to
20 encourage the Bay Commission to take this over.

21 They're also looking at the existing legislation for
22 our laterals that Ray mentioned and tweaking that to
23 give us the stormlines. So, that would be one way to
24 have us take over the stormwater indirectly.

25 I wanted to be at the table with these folks. If

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1 you're not in the room, you're going to get the task.

2 CHAIRMAN MESOLELLA: Not only that, think
3 about the funding mechanism for this. What is the
4 funding mechanism? You can't even come close to
5 identifying the cost of this. Enough said. I can go on
6 and on and on with this.

7 COMMISSIONER WORRELL: You'd have 39 bond
8 issues.

9 COMMISSIONER KIMBALL: China doesn't have
10 enough money to fund us.

11 COMMISSIONER CAMPBELL: I mean, how far does
12 it go, little towns, or does it go into rural areas? I
13 have storm runoff all through my property.

14 RAYMOND MARSHALL: I'm going to send DEM up
15 there.

16 COMMISSIONER CAMPBELL: Brooks, ponds,
17 streams. I have deer that poop.

18 COMMISSIONER MILAS: Are there any states
19 that are leading the charge with this so that you're not
20 reinventing the wheel and seeing how Montana takes care
21 of it? Is there a state that's really aggressive with
22 this?

23 CHAIRMAN MESOLELLA: Yes, there are. Have
24 you heard the term, rain tax? That's how it gets
25 funded, and there are some initiatives on the way.

1 RAYMOND MARSHALL: There are stormwater
2 utility districts throughout the country. Actually,
3 Florida has quite a few because they have a totally
4 different situation down there with water needs and all
5 of that.

6 Yes, there are certainly people we could reach out
7 to, and NACWA would be a great source of information.
8 Just put out a request through them, and we'd probably
9 get tons of feedback on how it's handled. I mean, it is
10 done, but it is never a simple undertaking; and it is
11 never well received by the population that now starts
12 getting another bill, and this time it's for stormwater.

13 CHAIRMAN MESOLELLA: When it rains, you mean
14 I'm going to have to pay taxes on the rain? It's not
15 going to be popular. It's going to be very
16 controversial.

17 COMMISSIONER WORRELL: Just a comment,
18 quickly. In Massachusetts under the Clean Water Act,
19 the Conservation Law Foundation brought an action. It
20 went to court, and the court said to the Commonwealth of
21 Massachusetts, you have got to devise, this is the
22 entire Commonwealth, you've got to devise a system of
23 stormwater management, and that was 2 1/2 years ago.

24 Recently, Massachusetts had agreed, yes, we have to
25 do something, but nothing really has been accomplished

1 to say by way of a plan, and now I think further
2 pressure is being brought against the Commonwealth to
3 get off the dime on this and get going, but they've got
4 to raise 4 or 5 billion dollars to do it.

5 CHAIRMAN MESOLELLA: Okay, so, enough said
6 about that issue, unless anyone has a specific question
7 because right now it's just all conjecture, and we'll
8 report to you on a regular basis as Tom reports to us.
9 Further report, Mr. Secretary?

10 RAYMOND MARSHALL: No, I am done, thank you.

11 CHAIRMAN MESOLELLA: We need to move this
12 meeting along. We have a couple of other items for
13 action. The next committee reporting is the
14 Construction, Engineering and Operations Committee, and
15 as I said earlier, Mike is with his wife who has had a
16 health issue. She's been hospitalized, so the Chairman
17 chaired that meeting.

18 We have one item for action, and that would be
19 Resolution 2012:33, National Grid Construction Costs for
20 Contract 125.00C. That's a Utility Reliability
21 Enhancement of the Field's Point campus. There's a
22 resolution in your packet, which is Resolution Number 33
23 that authorizes Narragansett Bay Commission to sign an

24 agreement with National Grid for \$168,360 for the design
25 and construction of the power lines, which would be

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43

1 installed underground for purposes of safety and
2 appearance as well; and it's and upgrade to our system.
3 The CEO Committee heard that matter, a motion was passed
4 to bring this matter before the complete Board now.

5 COMMISSIONER MONTANARI: Motion to approve.

6 CHAIRMAN MESOLELLA: Commissioner Montanari
7 moves approval.

8 COMMISSIONER MacQUEEN: Second.

9 COMMISSIONER WORRELL: Second.

10 CHAIRMAN MESOLELLA: Seconded by
11 Commissioner MacQueen and Commissioner Worrell.
12 Discussion on this particular issue?

13 COMMISSIONER CARLINO: I move to recuse
14 myself.

15 CHAIRMAN MESOLELLA: Please let the record
16 reflect that Commissioner Carlino recuses himself from
17 this vote.

18 (COMMISSIONER CARLINO RECUSING FROM VOTE)

19 CHAIRMAN MESOLELLA: Discussion on the
20 matter.

21 THE COMMISSION: (No response)

22 CHAIRMAN MESOLELLA: Hearing none, all of
23 those that are in favor will say aye.
24 THE COMMISSION: Aye.
25 CHAIRMAN MESOLELLA: Are there any opposed?

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44

1 THE COMMISSION: (No response)
2 CHAIRMAN MESOLELLA: There are none opposed,
3 and the motion carries.
4 (COMMISSIONER CARLINO RECUSED FROM VOTE)
5 (MOTION PASSED UNANIMOUSLY)
6 CHAIRMAN MESOLELLA: That concludes the
7 report from CEO. The next committee reporting is
8 Personnel. Commissioner Campbell.
9 COMMISSIONER CAMPBELL: The Personnel
10 Committee met and made an organizational chart change.
11 I don't think it requires Board approval.
12 RAYMOND MARSHALL: That's correct.
13 CHAIRMAN MESOLELLA: That is correct. Thank
14 you very much. The next committee reporting is the
15 Joint Long-Range Planning and Finance. Commissioner,
16 Andrade, do you have a report?
17 COMMISSIONER ANDRADE: Yes, I do, Mr.
18 Chairman.
19 CHAIRMAN MESOLELLA: Proceed.

20 COMMISSIONER ANDRADE: The first item is
21 Resolution 2012:34, Authorization to Approve and Accept
22 the Comprehensive Annual Financial Report for Fiscal
23 Year 2012. I believe all of the Commissioners received
24 a copy of it.
25 We did have a detailed presentation by a

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45

1 representative from the CPA firm, Bacon & Company, and
2 just note that there was no management letter
3 accompanying it, so I move approval.

4 CHAIRMAN MESOLELLA: We have a motion to
5 accept and approve the Annual Report for Fiscal Year
6 FY-12.

7 COMMISSIONER DiCHIRO: Second.

8 CHAIRMAN MESOLELLA: It's seconded by
9 Commissioner DiChiro. Are there any questions,
10 comments, concerns about the Annual Report, which you
11 have a copy?

12 THE COMMISSION: (No response)

13 CHAIRMAN MESOLELLA: If not, all of those
14 that are in favor of acceptance of the report will say
15 aye.

16 THE COMMISSION: Aye.

17 CHAIRMAN MESOLELLA: Are there any opposed?

18 THE COMMISSION: (No response)

19 CHAIRMAN MESOLELLA: There are none opposed,
20 and that motion carries.

21 (MOTION PASSED UNANIMOUSLY)

22 CHAIRMAN MESOLELLA: Commissioner Andrade,
23 we have Items C, D, E and F, all use of Environmental
24 Enforcement Funds. If there's no objections, we'll take
25 these as a singular matter. Is there any objection?

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46

1 COMMISSIONER ANDRADE: Mr. Chairman, I
2 believe Item D is being held at this point.

3 CHAIRMAN MESOLELLA: That is correct, I am
4 sorry. So, Items C, E and F, you have these sheets
5 which illustrates the use of Environmental Enforcement
6 Funds.

7 COMMISSIONER ANDRADE: Motion to approve.

8 CHAIRMAN MESOLELLA: We have a motion to
9 approve use of Environmental Enforcement Funds by
10 Commissioner Andrade.

11 COMMISSIONER MONTANARI: Second.

12 COMMISSIONER MacQUEEN: Second.

13 COMMISSIONER THOMPSON: Second.

14 CHAIRMAN MESOLELLA: Seconded by
15 Commissioners Montanari, MacQueen and Thompson.

16 Discussion on the use of Environmental Enforcement

17 Funds.

18 THE COMMISSION: (No response)

19 CHAIRMAN MESOLELLA: Hearing none, all of

20 those that are in favor will say aye.

21 THE COMMISSION: Aye.

22 CHAIRMAN MESOLELLA: Are there any opposed?

23 THE COMMISSION: (No response)

24 CHAIRMAN MESOLELLA: There are none opposed,

25 and the motion carries.

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47

1 (COMMISSIONER KIMBALL RECUSED FROM VOTE ON

2 RESOLUTION 2012:36)

3 (MOTION PASSED UNANIMOUSLY)

4 CHAIRMAN MESOLELLA: Is there an issue?

5 Item B, Review and Approval of Resolution 2012:35,

6 Authorization to Issue Revenue Obligations in an Amount

7 Not to Exceed \$80 million, and Approval to Execute a

8 Supplemental Trust Indenture and Other Matters. This

9 matter was reviewed by the Finance Committee.

10 Commissioner Andrade, do you have a motion?

11 COMMISSIONER ANDRADE: Motion to approve. I

12 don't know if Karen or Ray wanted to talk about this?

13 CHAIRMAN MESOLELLA: We can go to an

14 explanation of this. I think most of the members were
15 already here during that discussion. Karen, do you want
16 to just come up and hit the high points? We're going to
17 borrow money. We're going to borrow \$80 million.

18 MS. GIEBINK: Right. I think that the
19 Executive Director mentioned in his report that we have
20 approximately 220 million dollars in construction
21 ongoing currently. This authorization will allow us to
22 issue revenue obligations up to \$80 million. We're also
23 looking at the flexibility in this Resolution to
24 authorize us to issue bond anticipation notes.

25 CHAIRMAN MESOLELLA: That's pretty

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48

1 straightforward. We're going to borrow a lot of money.
2 We're burning through between \$9 and \$12 million a
3 month, so we're going to need dough. That's the long
4 and short of it. Does anybody have any questions?

5 COMMISSIONER DiCHIRO: I'll put that in the
6 form of a motion.

7 CHAIRMAN MESOLELLA: I'm sorry to make light
8 of it, but Commissioner Andrade made a motion.

9 COMMISSIONER MONTANARI: Second.

10 COMMISSIONER MacQUEEN: Second.

11 COMMISSIONER DiCHIRO: Second.

12 CHAIRMAN MESOLELLA: I think it was seconded
13 Commissioner Montanari and Commissioner MacQueen and I
14 think Commissioner DiChiro as well. Are there any
15 comments or questions regarding the \$80 million issue?

16 THE COMMISSION: (No response)

17 CHAIRMAN MESOLELLA: Hearing none, all of
18 those that are in favor will say aye.

19 THE COMMISSION: Aye.

20 CHAIRMAN MESOLELLA: Are there any opposed?

21 THE COMMISSION: (No response)

22 CHAIRMAN MESOLELLA: There are none opposed,
23 and that motion carries.

24 (MOTION PASSED UNANIMOUSLY)

25 RAYMOND MARSHALL: I'd like to put one thing

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49

1 on the record, Mr. Chairman, as it relates to the
2 Finance Committee reporting items. On Resolution
3 2012:36, which was the Environmental Enforcement Funds
4 for the Children's Museum, that Commissioner Kimball
5 recused himself on that matter. So, we can have that on
6 the record?

7 CHAIRMAN MESOLELLA: Let the record reflect
8 that Commissioner Kimball recused himself.

9 (COMMISSIONER KIMBALL RECUSED FROM VOTE ON

10 RESOLUTION 2012:36 - SO NOTED)

11 CHAIRMAN MESOLELLA: In my haste, did I miss
12 anything else?

13 RAYMOND MARSHALL: No, sir.

14 CHAIRMAN ANDRADE: That completes the report
15 of the Committee, Mr. Chairman.

16 CHAIRMAN MESOLELLA: Thank you very much, I
17 appreciate it. Rules and Regulations, no report.
18 Citizens Advisory Group, Harold.

19 MR. GADON: Yes, Mr. Chairman.

20 CHAIRMAN MESOLELLA: Proceed, Harold.

21 Excuse me, Harold. I see Howard there. I just want to
22 say hello to Howard. Hello, Howard, how are you? It's
23 nice to see you here today.

24 MR. GADON: There are two members of the CAC
25 here, Howard, Nilesch Patel and Joan Lynch also. The CAC

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50

1 Meeting scheduled for last week was canceled due to the
2 City of Providence holding a public meeting regarding
3 the repaving of Hope Street by NBC due to the CSO
4 construction.

5 The meeting was attended by Jamie, Joe Pratt, myself,
6 Howard and Nilesch. The NBC received a very good report
7 on that, and they were quoted many times as doing much

8 more than they were required to do.

9 I would like to point out with Howard being here that
10 his company was awarded a first place award, over 60
11 applicants for the fastest growing innovative company in
12 the area of Energy and Environment in Rhode Island.
13 Congratulations, Howard.

14 CHAIRMAN MESOLELLA: Well, congratulations,
15 Howard.

16 (APPLAUSE)

17 MR. GADON: Howard's continuing to move
18 forward. He's also involved in the establishment of the
19 new company, involved in the recycling of water waste
20 resulting from the expanding hydrotracking industry.
21 PBN had a good write-up this past weekend. His type of
22 operation can also be used in stormwater runoff. So,
23 our next meeting is expected to be on October 24th.
24 Thank you.

25 CHAIRMAN MESOLELLA: Thank you, Harold. The

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51

1 next committee reporting, the Executive Committee. The
2 Executive Committee did meet relative to entertaining
3 the proposals for financial services. The Executive
4 Committee recognized that we had not been out soliciting
5 proposals for some years.

6 As you know, we're going to be borrowing 80 million
7 dollars over the next couple of months, and then we're
8 going to be borrowing another 80 million dollars after
9 that; and the issue of financial advisory services has
10 been one which is a bit of a concern to us over recent
11 months.

12 The issue first surfaced, I think, which was reported
13 to this Board when we thought we were going to be lumped
14 into an SRF group borrowing to which we would be a
15 participant in a loan.

16 We were concerned that our bond rating may be
17 adversely impacted if we were grouped in with some of
18 the other borrowers, inasmuch as we had a much higher
19 rating, and we thought it would be detrimental to our
20 own interest to be lumped into that loan.

21 What surfaced from that discussion was that the
22 financial advisor was both the financial advisor to NBC
23 and to the Clean Water Finance Agency. On its face, to
24 me, at least, it represented a potential conflict of
25 interest. So, we thought it best, Karen and I and the

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52

1 Executive Director through it best that we solicit
2 proposals for services of financial consultants.

3 As such, there were interviews conducted, and a

4 selection was made. There is a Resolution in your
5 packet to retain the services of PFM Group for future
6 financial services.

7 The Executive Committee met because we thought there
8 was some urgency to getting this process going in as
9 much as we're spending a lot of dough, as I indicated
10 earlier.

11 So, in your packet there is Resolution 2012:32
12 Authorizing Narragansett Bay Commission to Enter into a
13 contract with PFM Group for three years with an option
14 to renew for an additional three years. The Chairman
15 will make that motion.

16 COMMISSIONER ANDRADE: Second.

17 CHAIRMAN MESOLELLA: Seconded by
18 Commissioner Andrade. Is there discussion with regard
19 to Resolution 2012:32? Commissioner Campbell.

20 COMMISSIONER CAMPBELL: Just what sort of
21 work does this group do?

22 CHAIRMAN MESOLELLA: Well, previously we had
23 retained the services of First Southwest, and they
24 provided us with good services through the years. This
25 is not a reflection on the services that they provided

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1 us at all, but basically, they would provide us

2 financial consultant services with regard to, for
3 instance, levels of whether it should be variable rate
4 debt, whether it should be fixed debt, maybe whether or
5 not we should float \$80 million at one particular time
6 or whether we should float 30, 30 and 20. Other
7 services that they may render, just general financial
8 consulting services.

9 MS. GIEBINK: Right. They help us with all
10 aspects related to the use of long-term debt services
11 overall.

12 CHAIRMAN MESOLELLA: Cash flow issues.

13 MS. GIEBINK: Credit rating process, helping
14 us with investing, bond pricing, testifying before the
15 PUC, all those fun kind of things.

16 COMMISSIONER KIMBALL: Karen, do they
17 actually do the financial modeling for us?

18 MS. GIEBINK: Yes. We work closely with
19 them. They would develop a long-term financial model.
20 We work in conjunction with them on all of the input
21 that all they would be responsible for putting that
22 together and the outputs.

23 CHAIRMAN MESOLELLA: I might add that PFM is
24 now being led by Steve Maceroni and Bill who were
25 previously with First Southwest. They're intimately

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1 familiar with the Narragansett Bay Commission
2 operations, so we don't expect any -- we expect there to
3 be much continuity in the process, and we're looking
4 forward to a good relationship.

5 COMMISSIONER GRAY, III: Can you give two
6 minutes or a one-minute summary of them? I'm Googling
7 them, and their website appears to be down. It doesn't
8 seem to work.

9 CHAIRMAN MESOLELLA: Karen or Bill, do you
10 care to talk a little bit about the company?

11 MR. FAZIOLI: Thank you. I'm Bill Fazioli,
12 and my partner, Steve Maceroni, here. We're with the
13 PFM Group in the Providence office. We joined PFM about
14 a year ago, and it's the nation's leading bank advisory
15 firm in the country.

16 Over the past five years, it's been the Number 1 firm
17 working with cities and towns and utility districts and
18 wastewater districts throughout the country developing
19 debt plans and financing plans, working with the reg
20 agencies, working with investors, just to make sure you
21 get your story out when you borrow money and doing it
22 under the best term available.

23 So, as the Chairman said, we previously worked with
24 First Southwest for a number of years, but we made a
25 career change in the last year or so. We've been

1 fortunate that a number of our former clients continue
2 to work with us, and we're very excited to be able to
3 work with the NBC over next couple of years. I'd be
4 happy to answer any questions.

5 CHAIRMAN MESOLELLA: Commissioner Carlino.

6 COMMISSIONER CARLINO: What is the fee, or
7 is there a rate, an hourly rate or is that confidential?

8 CHAIRMAN MESOLELLA: Karen?

9 MS. GIEBINK: No, it's not confidential.

10 It's all public, but there's an annual retainer; it
11 declines in the second and third year of the three-year
12 term. Also there's a price per thousand of issue
13 depending on the type of debt that issued.

14 MR. FAZIOLI: There is a cap involved.

15 COMMISSIONER WORRELL: Karen, I didn't hear
16 you. You say that there's an annual retainer fee?

17 MS. GIEBINK: That's correct.

18 COMMISSIONER WORRELL: How much was that?

19 MR. FAZIOLI: 20,000 the first year, and
20 then it drops to 15.

21 COMMISSIONER WORRELL: And then there's an
22 asset-based fee as well?

23 MR. FAZIOLI: It's per transaction, so
24 depending on how much money you borrow within the year,

25 it's a certain percentage of that, but it caps out.

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56

1 MS. GIEBINK: I brought my 2008 folder
2 instead of 2012.

3 MR. FAZIOLI: Our management fee is
4 typically for bond issues, so what we do is it's a
5 dollar per bond. If you borrow 50 million, it's a
6 \$50,000 fee, but we cap it at 75,000.

7 COMMISSIONER WORRELL: 75,000 on any issue?

8 MR. FAZIOLI: Well, no. It depends on the
9 size of the issue. If you borrow 30 million, we would
10 take a \$30,000 fee, but it would cap out at 75,000. In
11 most instances, if the agency is borrowing more than \$80
12 million or \$75 million at a time, so our fee would be
13 capped at \$75,000 per transaction.

14 MS. GIEBINK: The price is slightly lower
15 per thousand on the clean water transactions.

16 MR. FAZIOLI: The firm does represent a lot
17 of wastewater entities around the country, including the
18 MWRA in Massachusetts, Orlando, the Fairfax, Virginia
19 community. So, it's the fair amount of wastewater
20 experience in the firm that will be utilizing in
21 addition to the folks here in Providence.

22 CHAIRMAN MESOLELLA: Any of our members have

23 any other questions regarding the PFM Group?

24 THE COMMISSION: (No response)

25 CHAIRMAN MESOLELLA: We have a motion to

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57

1 pass Resolution 2012:32, we have a second. Further

2 discussion on the motion.

3 THE COMMISSION: (No response)

4 CHAIRMAN MESOLELLA: Further discussion.

5 THE COMMISSION: (No response)

6 CHAIRMAN MESOLELLA: Hearing none, all of

7 those that are favor will say aye.

8 THE COMMISSION: Aye.

9 CHAIRMAN MESOLELLA: Are there any opposed?

10 THE COMMISSION: (No response)

11 CHAIRMAN MESOLELLA: There are none opposed,

12 and the motion carries.

13 (MOTION PASSED UNANIMOUSLY)

14 CHAIRMAN MESOLELLA: That, by the way,

15 concludes the report of the Executive Committee. The

16 next committee reporting is the Ad Hoc Compensation

17 Committee. I don't believe there's any. The Ad Hoc

18 Internal Ethics Committee, no report. Legislative

19 Report, Joanne, we have none, right?

20 MS. MACERONI: No.

21 CHAIRMAN MESOLELLA: The Chairman's Report.
22 You've heard the Executive Director talk about the fact
23 that we're at 60 percent with the plan for the new lab
24 building. We're very excited about it. It's going to
25 improve dramatically the appearance of this facility.

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58

1 I'm really excited about it.

2 The improvement to the underlying powerlines, it's
3 going to improve the appearance of this facility
4 dramatically.

5 I would like to inform the Board members that there
6 is a press conference tomorrow. Jamie?

7 MS. SAMONS: 10 a.m.

8 CHAIRMAN MESOLELLA: At 10 a.m. at 80 Manton
9 Avenue. This is in conjunction with the Building Trades
10 Council or Local 1033.

11 MS. SAMONS: Yes, the Building Trades
12 Council.

13 CHAIRMAN MESOLELLA: Yes, the Building
14 Trades Council, and basically, this is going to promote
15 the issue that job creation and environmental
16 improvements and all of these public infrastructure
17 projects are all -- to the benefit of the employment
18 situation in Rhode Island and the environment as a

19 whole. This was done in conjunction with the Building
20 Trades Council. Is that Mike Sabatoni's group, Jamie?

21 MS. SAMONS: Yes.

22 CHAIRMAN MESOLELLA: Yes, Mike Sabatoni's
23 group. So, the press conference is at 10:00 at 80
24 Manton Avenue, which is the site of the old Price Rite
25 shopping center at 10:00, if you care to join us.

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59

1 We've already talked about stormwater, which is an
2 issue I wanted to get into with the Board. I wanted to
3 apprise the Board on upcoming potential initiatives, but
4 we've already discussed that.

5 The next Board Meeting is scheduled for October 30th.

6 Other than that, the Chairman has no other report.

7 Welcome, everybody, back. I hope everyone had a great
8 summer. We have a lot of business to do over the next
9 couple of months before the end of the year. So, having
10 said that, is there any other business to come before
11 the Commission?

12 THE COMMISSION: (No response)

13 CHAIRMAN MESOLELLA: There's none.

14 COMMISSIONER MONTANARI: Move adjournment.

15 CHAIRMAN MESOLELLA: Commission Montanari
16 moves that we adjourn.

17 COMMISSIONER MacQUEEN: Second.

18 CHAIRMAN MESOLELLA: Seconded by

19 Commissioner MacQueen. Prior to adjournment, I'd just

20 like to let the members know that we have lunch prepared

21 for you. It's been a long meeting, one of our longer

22 ones, so please stay for lunch. All in favor of

23 adjournment will say aye.

24 THE COMMISSION: Aye.

25 CHAIRMAN MESOLELLA: Are there any opposed?

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60

1 THE COMMISSION: (No response)

2 CHAIRMAN MESOLELLA: There are none opposed,

3 and the motion carries.

4 (MOTION PASSED UNANIMOUSLY)

5 CHAIRMAN MESOLELLA: We are adjourned.

6 Thank you very much.

7 (BOARD OF COMMISSIONERS MEETING CLOSED AT 12:35 P.M.)

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61

1 C E R T I F I C A T E

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4 I, Heather Marie Finger, do hereby certify
5 that the foregoing is a true, accurate, and complete
6 transcript of my notes taken at the above-entitled
7 hearing.

6

7 IN WITNESS WHEREOF, I hereunto set my hand
8 this 19th day of October 2012.

8

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12 _____
13 HEATHER MARIE FINGER, CSR, NOTARY PUBLIC
14 MY COMMISSION EXPIRES 4/02/16

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23 DATE: September 25, 2012

24 IN RE: Monthly Board Meeting of the Commission

25 HEARING OF: Narragansett Bay Commission

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