

1 STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

2 NARRAGANSETT BAY COMMISSION

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IN RE: BOARD OF COMMISSIONERS MEETING

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DATE: April 28, 2015

10 TIME: 11:00 A.M.

PLACE: Narragansett Bay Commission

11 Corporate Office Building

One Service Road

12 Providence, RI 02905

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15 COMMISSIONERS:

16 Vincent Mesolella, Chairman

Raymond Marshall, Executive Director & Secretary

17 Robert Andrade

Dr. Richard Burroughs

18 Bruce Campbell

Mario Carlino

19 Michelle Deroche

Michael Dichiro

20 Jonathan Farnum

Seth Handy

21 Joseph Kimball

Paul Lemont

22 Ronald Leone

John MacQueen

23 Joan Milas

Al Montanari

24 Alan Nathan

Angelo Rotella
25 Richard Worrell

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- 1 STAFF & GUESTS
- 2 Paul Nordstrom, NBC
Rich Bernier, NBC
- 3 Jamie Samons, NBC
Jennifer Harrington, NBC
- 4 George Palmisciano, Pare Corp.
Laurie Horridge, NBC
- 5 Tom Brueckner, MWH
Karen Musumeci, NBC
- 6 Rich Raiche, MWH
Thomas Uva, NBC
- 7 Robert Otoski, CDM Smith
Karen Giebink, NBC
- 8 Dan Berger, PFM
Alex Kuffner, Providence Journal
- 9 David Bowen, Wright-Pierce
Ambar Espinoza, RI Public Radio
- 10 Mike Stuard, NBC
Gail Degnan, NBC
- 11 Sherri Arnold, NBC
Sean Searles, MWH
- 12 Leah Foster, NBC
Robert Otoski, CDM Smith
- 13 Melissa Carter, MWH
Al Mancini, DPUC
- 14 Jean Lynch, CAC
John Zuba, NBC
- 15 Christine Cooper, NBC
Steve Maceroni, PFM
- 16 Jamie Samons, NBC
John Motta, NBC
- 17 Harold Gadon, CAC
Topher Hamblett, Save the Bay
- 18 Mark Thomas, NBC
Sandor Bodo, Providence Journal
- 19 Pamela Bhatia, NBC
- 20
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1 (MEETING COMMENCED AT 11:09 A.M.)

2 CHAIRMAN MESOLELLA: Good morning,
3 everyone. We'll call the meeting to order of
4 the Narragansett Board of Commissioners at
5 11:00, April 28th, 2015.

6 The first order of business is the
7 approval of the previous. Have all of our
8 members had an opportunity to review the
9 previous minutes?

10 COMMISSIONER MONTANARI: Yes.

11 CHAIRMAN MESOLELLA: We have a
12 motion to approve the previous minutes by
13 Commissioner Montanari. Discussion?
14 Commissioner Farnum. Previous discussion on the
15 previous as presented. Hearing none. All of
16 those that are in favor will say aye. Are there
17 any opposed? There are none opposed, and that
18 motion carries.

19 (UNANIMOUS VOTE)

20 CHAIRMAN MESOLELLA: Moving along
21 to Item Number 3, which is the Election of
22 Officers. At this time the Chairman will turn
23 the gavel over to the Executive Director for

24 nominations.

25 MR. MARSHALL: Mr. Chairman, I

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1 would like to open the floor up to nominations
2 for the positions of Chairman, Vice Chairman and
3 Treasurer. Commissioner MacQueen?

4 COMMISSIONER MACQUEEN: I make a
5 motion that the secretary cast one vote for the
6 position of officers Mr. Mesoletta for Chairman,
7 Mr. Chairman, Rotella for Vice Chairman and Mr.
8 Andrade for treasurer.

9 MR. MARSHALL: Is there a second?

10 COMMISSIONER BURROUGHS: Second.

11 MR. MARSHALL: Okay, a motion's
12 been made and seconded. Are there any other
13 nominations? Is there any discussion? Hearing
14 none. We'll close the floor to nominations and
15 the secretary will cast as directed by the
16 motion. One vote for the existing slate, and
17 congratulations.

18 (APPLAUSE)

19 CHAIRMAN MESOLELLA: The first
20 thing, of course, I'd like to say is thank you
21 for your vote of confidence. I truly appreciate
22 it. And as I've always done in the last 36

23 years I've been a member of this Commission, I
24 offer my one thousand percent support for this
25 commission and commissioners and so thank you

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1 all very much. We have a very exciting year
2 coming up. And, of course, I appreciate your
3 participation and your contributions. Thank
4 you, very much. And thank you Mr. Vice Chair
5 for your support and treasurer, Commissioner
6 Andrade. Thank you.

7 Okay. Moving right along. You
8 probably noticed that there's a little bit of a
9 different order on the agenda today. The first
10 order of business would be the Chairman's
11 Report. The Chairman does not have much of a
12 report except to say that earlier in the course
13 of the day there was a construction engineering,
14 an operations committee meeting. The Chairman
15 offered to the committee that we will be putting
16 out to the public a request for
17 proposal/qualifications for Renewable Energy
18 proposals.

19 The Commission will be soliciting
20 these proposals pursuant to a statute that was
21 passed by the general assembly allowing us to
22 net meter and to buy or purchase energy from

23 outside sources off site. So this is available
24 for viewing. Any of the commissioners can take
25 a look at it. If not, Tom Uva and our staff is

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1 going to making some tweaks to it, nothing
2 substantial right now. Minor changes. And then
3 prior to our next meeting, this will be out to
4 the public. That's the first thing. The second
5 thing is something that's been in the paper
6 almost everyday for the last month which is the
7 Pawtucket Red Sox issue. Perhaps some of our
8 members heard I was a guest on the Buddy Cianci
9 show with regard Pawtucket proposed, the
10 original Pawtucket proposed stadium, or Prov
11 Sox. I'm not sure what it will be, but it will
12 be something.

13 So it appears, it doesn't appear,
14 as a matter of fact we have several large
15 structures on that site which take up most of
16 left field and perhaps some part of center
17 field. We were approached by the owners of Paw
18 Sox with regard to our cooperation of regard to
19 relocating some of those structures. We
20 originally thought that they were going to ask
21 us to absorb the cost associated with that. As

22 it turned out, they did not ask us to absorb the
23 cost. They said that they would absorb the
24 cost, and they were really soliciting our
25 corporation with regard to testing the hydraulic

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1 and make sure it worked as a system, and that is
2 exactly what I said on the radio with Buddy
3 Cianci. We consider ourselves to be part of the
4 solution, not a part of the problem. We hadn't
5 heard from the general assembly or the
6 Governor's Office regarding the issue, but in
7 terms of our cooperation, they could expect a
8 hundred percent cooperation from us as long as
9 our ratepayers were not asked to bear the cost.
10 As we know today, in fact, there's an article in
11 the paper. I don't know what the status of it
12 is. It may very well be that they have found
13 another site.

14 So we're all just sitting waiting
15 for the next shoe to drop. And as things
16 develop, we'll make absolutely certain that we
17 keep the Board apprised except to say that I
18 told the owners as far as I and the Board was
19 concerned that our ratepayers had no interest in
20 picking up any of the costs associated with
21 those improvements. Okay. So having said that,

22 Mr. Chairman --

23 CHAIRMAN MESOLELLA: Anybody have

24 any questions with regard to that? I mean, I

25 don't think anyone really knows what's going to

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1 happen in the next several weeks, but it will be

2 interesting. So other than that, the Chairman

3 has no further report. The next order of

4 business is the Executive Director's Report

5 which is Item Number 5. Mr. Secretary, do you

6 have a report for us today?

7 MR. MARSHALL: Yes, sir, I do.

8 CHAIRMAN MESOLELLA: Please

9 proceed.

10 MR. MARSHALL: Field's Point and

11 Bucklin Point Wastewater Treatment Plants are

12 gearing up for the nitrogen removal season which

13 starts May 1st. Actually, Bucklin Point has

14 done a really good job maintaining the system.

15 It's just the nature of what we designed and

16 installed over there. So they're already up to

17 speed. And Field's Point is coming into

18 compliance as we speak. We've been coordinating

19 on a regular basis with Rhode Island Resource

20 Recovery. Their discharge is now coming to

21 Field's Point. It has been since November.
22 Their pretreatment system has been starting up
23 in the last six weeks. We work closely with
24 them and DEM to try to make this transition as
25 smooth as possible. We had a problem during the

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1 month with the tunnel odor control system, and
2 we're working to resolve those problems. Some
3 of the filters or strainers needed to be
4 replaced, so we're in the process of doing that.

5 As far as the turbines go, we
6 generated 62 percent of the Field's Point
7 Wastewater Treatment Facility power needs in
8 March. And lastly, at Field's Point, we
9 continue to work on the problem that we have
10 with the blowers. Going through the
11 manufacturer who has replaced a number of the
12 different components of those systems. And the
13 good news is we now have 8 of 9 blowers
14 available. With the 9th one about ready to come
15 on-line in the next week or two. So we'll be
16 fully operational for the start of the season.
17 Then we'll see what happens from there. We also
18 have other contingency plans in case we start
19 having additional difficulties.

20 In interceptor maintenance we had

21 no dry weather overflows in the month of March.
22 That was good news. And engineering spent a lot
23 of their time this month preparing for last
24 night's presentation on CSO Phase III. In the
25 construction area, the new lab building is

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1 really making progress. I don't know if you
2 were able to take a look at what's going on
3 across the street, but all the structural
4 steelwork is done or essentially done. And
5 other than that, we've been working on Phase II
6 of the CSO Program we're doing cleanup and
7 paving and landscaping to try to tidy the areas
8 up so that we can pretty much disappear from
9 people's lives, and I'm sure they'll be very
10 pleased with that.

11 In Administration and Finance, the
12 FY-'15 Budget is in good shape. We're running
13 about 8.9 percent below the year-to-date target,
14 and that's attributable to a lower personnel
15 cost, a lower O&M cost, primarily to through
16 bio-solids and chemical use. And debt service
17 is about 5 percent below projections. The
18 FY-'16 Budget has reached the point where we can
19 schedule a Finance Committee meeting on the

20 preliminary budget. And we agree to do that at
21 the May board meeting on the May board meeting
22 day. So they'll probably be about an hour
23 allocated for the Finance Committee at the May
24 -- I'll give you the exact date. I think it's
25 the 27th, but let me be certain of that. May

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1 27th and then the full board will vote on the
2 final budget in June. We went through with the
3 2007 Series A Revenue Bonds refinancing. They
4 were priced on March 31st and they achieved a
5 net present value savings of 2.5 million
6 dollars. And we continue to work with the Clean
7 Water Finance Agency on the next borrowing.

8 We need a debt service schedule
9 from them so we can go to the PUC and file for a
10 rate increase not to exceed 4 percent for debt
11 service. And they also approved working with
12 DEM that we can go for a 30-year issue rather
13 than a 20-year issue than much of what we're
14 financing is really long-term facilities. And
15 in the month of March customer service billed
16 6.9 million dollars and collected 9 million
17 dollars.

18 So that was a good month for us.

19 PP&R Policy, Planning and Regulation, as the

20 Chairman pointed out, put together this RFP, so
21 we can go out for net metering opportunities as
22 well as they put together an excellent
23 application to EPA that allowed us receive the
24 EPA's Region 1 annual excellence award. And
25 that was actually given to us on April 22nd.

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1 Tom Uva and Laurie Horridge went up to receive
2 the award. And it's really based upon the
3 entire spectrum of our accomplishments here at
4 NBC, which you have all supported strongly over
5 the years, so we'll have a little award
6 photograph session probably at the next meeting.

7 And in Executive we viewed about
8 150 pieces of proposed legislation. Joanne will
9 have a legislative report for you a little
10 later. We attended a House Finance Committee
11 Meeting and testified on the Governor's budget
12 item involving 2.8 million dollars being taken
13 from NBC in order to pay debt service on state
14 debt associated with the Old Bay Bonds. So we
15 have a meeting scheduled with the
16 administration, May 9th, I believe it is, to go
17 over that in more detail with them and to let
18 them know based upon our reading of the trust

19 indenture, as well as a PUC ruling that that's
20 not a viable option for them to do that.

21 As the Chairman indicated, we met
22 with Pawtucket Red Sox owners, and we staff have
23 met with their consultants regarding the
24 proposed location of the ballpark, and the
25 consultants are very in tune with what we have

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1 on that site and what needs to be moved. And
2 finally, we had a lien sale. It was
3 successfully completed about a week ago and we
4 collected \$526,000 thousand dollars as a result
5 of that effort. And that is my report, Mr.
6 Chairman.

7 CHAIRMAN MESOLELLA: Okay.
8 Commissioner Carlino?

9 MR. CARLINO: Do we know -- what
10 was the final estimate, or we don't have a final
11 estimate to relocate our facility where the ball
12 park is going. Is it 5 million, 7 million, or
13 we don't know that?

14 MR. MARSHALL: Our estimate was \$7
15 million. But we tend to be very conservative in
16 our estimates. I think their estimate is a more
17 aggressive one, but I'm not saying that. It
18 couldn't be accomplished for five and a half

19 million or whatever number they threw out. It's
20 not really any different than any time we come
21 to you with a bid that we want to award if you
22 look at the range of the bids. There's always a
23 certain spread there and this is a similar type
24 thing.

25 CHAIRMAN MESOLELLA: So at the

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1 meeting, actually, it was Commissioner Rotella
2 who pressed him on that very same issue. And he
3 indicated that they would be taking it as a
4 private function. So he indicated that their
5 cost would probably be less than ours because
6 they didn't have the bureaucracy that we have to
7 deal with, and well, he --

8 COMMISSIONER ROTELLA: The bidding
9 process, and the --

10 CHAIRMAN MESOLELLA: You know, the
11 bidding process and all of the kinds of
12 associated costs that we have. So what was his
13 number, \$5 million?

14 COMMISSIONER ROTELLA: Five
15 million.

16 CHAIRMAN MESOLELLA: He said he had
17 heard me on the radio saying 7 or 7 and a half

18 million, which is what our engineers, our group
19 had determined. And they said way too much. I
20 don't know what it is, but he said it's five.

21 COMMISSIONER ROTELLA: If I may,
22 Mr. Chairman, he also concluded in that five
23 million the cost of the moving of the
24 Narragansett Grid gas line. It was included in
25 that \$5 million dollar price. So what he

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1 thought would be 5 million for all of the
2 movement necessary.

3 Again, their plan, I asked them
4 what he thought the total cost of the investment
5 would be of the stadium. He said about 70
6 million and then another 10 million for the
7 garage, right?

8 CHAIRMAN MESOLELLA: Yes.

9 COMMISSIONER ROTELLA: So I was
10 trying to establish what percent. It's not a
11 giant percentage, but obviously, some percentage
12 of the total cost.

13 CHAIRMAN MESOLELLA: Not including
14 National Grid, which, of course, you'd know more
15 about that than we would. And he said he could
16 get that approval in two weeks. Two weeks,
17 done.

18 COMMISSIONER WORRELL: Is that two
19 years?

20 CHAIRMAN MESOLELLA: Two weeks, he
21 said. Did you tell him about the turbines.

22 I told him that. I said, you know,
23 I have to tell, I can't -- we'll cooperate with
24 you, but in terms of, you know, that gas line, I
25 have no idea how long it's going to take you to

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1 do that. He wants to throw the first pitch out
2 for the 2017 season. I don't know if time is
3 going to allow that to happen. By the way, we
4 were very, very diligent in explaining to him
5 that there is a shaft that cannot be moved. And
6 that we had encountered odor control issues the
7 last shaft we did on Calvary Street, you may
8 recall.

9 We had to put a structure, build a
10 structure on top of the Calvary Street shaft.
11 And I told him, and I made certain that he knew
12 that we did not grow roses here. And that he
13 could expect that at certain times during the
14 course of the year that you might be
15 experiencing, you know, odor issues, and that he
16 best consider an expense associated with a stack

17 of some kind.

18 MR. MARSHALL: By the way, I think
19 he was listening to the Chairman because if you
20 look at the rendering now. If you look directly
21 out in center field, what you see is like a
22 lighthouse-type structure. That would shield an
23 odor controlled system like we have at the
24 Foundry complex.

25 CHAIRMAN MESOLELLA: I certainly

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1 didn't want, you know, in the effort to
2 cooperate at the end of the day it gets built
3 and there's an odor issue, of course, the finger
4 will be pointed to the NBC. So we wanted to
5 make certain that everyone knew that right out
6 in front. Karen, did you take minutes at that
7 meeting?

8 MS. MUSUMECI: Yes.

9 CHAIRMAN MESOLELLA: So we're on
10 the record for that. So, all right. Any other
11 questions regarding the Executive Director's
12 Report. Hearing none. Moving right along.
13 Harold, you're up. Citizens Advisory Committee.

14 MR. GADON: Thank you, Mr.
15 Chairman, a very short report. At a
16 well-attended meeting held on last Wednesday,

17 Tom Brueckner gave an understandable
18 presentation on the topic of the day, Phase III
19 Alternatives.

20 I'll now be able to report at our
21 next meeting on May 20 that Alternative 2 is
22 being chosen so that NBC will now proceed to
23 discuss a review with DEM. Thank you.

24 CHAIRMAN MESOLELLA: So, for the
25 record, Alternative 2 had been proposed and

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1 offered. The committee hasn't chosen it yet.

2 But we will take a vote on it soon.

3 MR. GADON: Getting ahead.

4 CHAIRMAN MESOLELLA: Okay, moving
5 forward. And speaking of Alternative 2, the
6 next committee reporting is the Long-Range
7 Planning Committee. Commissioner Carlino, do
8 you have a report for us today?

9 COMMISSIONER CARLINO: Yes.

10 CHAIRMAN MESOLELLA: Please
11 proceed.

12 COMMISSIONER CARLINO: We met this
13 morning the board and we accepted and approved
14 Resolution 2015-09-2, which is Alternative
15 Number 2 for CSO Phase III. Five were in favor,

16 one was against. And if I could just say before
17 we go to a vote. We've spent the last eight
18 months on this since September, numerous
19 presentations, a lot of work by the staff, and
20 Tom Brueckner, Ray Marshall, and other staff
21 members, consultants MWH, PFM spent a lot of
22 time answering our questions, our concerns. I
23 think the Chairman and the Executive Director
24 have made it very clear that we have an
25 obligation. We signed an agreement. We have to

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1 move forward. I know there's been a lot of due
2 diligence by all the commissioners. All of us
3 spent numerous extra time; two workshops within
4 those eight months, numerous hours probably
5 offsite talking about it. We all have concerns.
6 We all have concerns about the cost, about the
7 benefit, about the water quality, the median
8 household income. But we felt as a committee
9 that we have to move forward. What's critical
10 is the next steps as the director had pointed
11 out.

12 We're going to do an evaluation
13 report. We then have to submit to Rhode Island
14 DEM our plan what we've chosen, and I think at
15 that point we have to really sit down and hold

16 their feet to the fire and say, you know, this
17 is how much money we're going to spend, \$800
18 million dollars approximately.

19 And what type of water quality are
20 we really getting and what effects is it going
21 to have on low income, and so forth. So I know
22 that's a lot of the concerns of the
23 Commissioners. And we voted in favor to approve
24 Alternative Number 2 in a 5 to 1 vote.

25 CHAIRMAN MESOLELLA: So

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1 Commissioner, are you now making a motion to
2 approve Resolution 2015-09-2?

3 COMMISSIONER CARLINO: Correct.

4 CHAIRMAN MESOLELLA: I have a
5 motion from Commissioner Carlino to approve
6 Resolution 2015-09-2, option 2, Phase III of the
7 CSO program. Do we have a second? Seconded by
8 Commissioner Montanari, Commissioner Leone,
9 Commissioner MacQueen, Commissioner Lemont.
10 Okay. Further discussion on the motion?
11 Commissioner Burroughs.

12 COMMISSIONER BURROUGHS: Yes, thank
13 you, Mr. Chairman. I was the one negative
14 vote on the committee. And I wanted to briefly

15 indicate my reservations about the proposal.

16 For those of you who don't have it, there's a

17 short sheet on trying to pull all of this

18 together.

19 I first want to thank the staff and

20 consultants for really moving very, very quickly

21 to bring this to this point, given the

22 complexity of the decision. How big and how

23 complex is this decision? We're asked in a few

24 minutes now to vote on bonding that will be two

25 or three times the size of the statewide bonding

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1 of last fall. But this bonding is targeted on

2 118,000 households, so it's a large burden on a

3 smaller population.

4 Secondly, because the Narragansett

5 Bay Commission has been out in front on many of

6 these issues, we're also, through the actions

7 that we take today, beginning to set some

8 national precedent about how consent decrees are

9 likely to be handled. And the area of

10 contention for me in that regard is that our

11 aspirations for water quality under the Water

12 Quality Act are beyond what engineering or

13 prudent finance can deliver.

14 So the question is, how do we

15 redirect the discussion to water quality? And
16 in the table that I handed out, I looked
17 specifically now at Alternative 2, the cost of
18 that alternative and the benefits.

19 And one way of thinking about the
20 benefits is to say how many days does it take us
21 to get back into compliance with the EPA
22 regulations after a rainfall event? And if we
23 look at the Narragansett boating center, we find
24 that it takes about two and a half days, whether
25 or not we spend the billion dollars for the

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1 investment. So in that part of the estuary,
2 we're not seeing an immediate benefit, although
3 we are in compliance with the regulations
4 spending a lot of money. When we move down to
5 Conimicut, that period that takes us to get back
6 into compliance is 5.3 days. If we spend the
7 money, the billion dollars.

8 If we just stop at the end of Phase
9 II, it takes us 9.3 days. So as some have
10 observed, we are spending in this part of the
11 system a billion dollars, more or less, to get
12 an improvement in water quality for a four-day
13 period.

14 Now, obviously, there are lots of
15 other things going on, but I mention this just
16 to indicate that, because the way the system is
17 set up, we're asked to make improvements even
18 when the cost of the improvement is very high,
19 we need to recognize that going forward.

20 And finally, I think it's important
21 to recognize that the cost of this, which is
22 another way of managing it or designing for it,
23 is very high. And that in what we learned last
24 night in the workshop by year 2026, 54 percent
25 of the households in our service area will be

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1 over the 2 percent median household income. So
2 we've got two sets of rules here. One set of
3 rules is make the estuary as clean as possible.
4 The other set of rules is don't overspend. And
5 I guess I'm going to come down on the side of
6 the don't overspend, and we'll have to vote nay
7 as this matter comes to fruition. Thank you.

8 CHAIRMAN MESOLELLA: Thank you, Dr.
9 Burroughs. Comments, further comments?
10 Commissioner Worrell.

11 COMMISSIONER WORRELL: I will vote
12 in favor of Alternative 2 today, but I do so
13 with some great reservations in that the cost of

14 option 2 that we were planning on voting for, as
15 Commissioner Burroughs has said, drives the
16 household cost per family to over the 2 percent
17 guideline from EPA for over 50 percent of the
18 families in our service area within a period of
19 10 or 12 years after we get going on this thing.
20 I would love to see when we go into our
21 negotiations with DEM and EPA that we say to
22 them, look, here's our option 2 which we have
23 recommended and which we are prepared to go
24 along with, but we insist that you back down on
25 forcing us to do the entire option, give us the

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1 opportunity to prove to you that we can do an
2 excellent job and stay within the less than 2
3 percent for a large portion of our service area
4 without going the full route.

5 In other words, we're being asked
6 today to approve 7 or 8 hundred-million dollars
7 of expenses on this option 2. It may well be as
8 Commissioner Burroughs points out that that
9 really isn't going to amount to an awful lot,
10 but if EPA and DEM are going to force us into
11 that, okay, we will go ahead and do it because
12 we're a responsible organization.

13 But I do not want to go before EPA
14 and DEM without a reservation that we are going
15 to fight to keep those rates for these
16 ratepayers down below that 2 percent. That 50
17 something percentage of the households above the
18 2 percent, that includes the fact that we've got
19 to pay some attention to the lateral sewer
20 connections throughout the City of Providence,
21 which are in deplorable conditions which have
22 not been maintained, and those need upgrading.
23 That cost has got to be passed down to those
24 ratepayers. It hasn't even addressed the issue
25 that throughout the rate paying area, you've got

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1 septic systems which are in deplorable
2 condition. They haven't been fixed up. The
3 owners of the properties will not fix them up.
4 The enforcement people within the cities and
5 towns shy away from this issue because they
6 don't want to be the ones to inform a homeowner,
7 look, you've got a septic system which doesn't
8 work and it's only going to cost you 12,000
9 bucks and you must get it done within 90 days.
10 You can imagine how popular that would make all
11 the local politicians.
12 And they duck that issue like they

13 were ducking the plaque, and they will continue
14 to do that unless somebody brings pressure on
15 them to do it.

16 If they're forced to start
17 addressing the issue of all of these broken
18 septic systems, not to mention the sewer lines
19 that go directly from a lot of the homes into
20 the sewer system, the stormwater system, not to
21 mention that fact which is another huge cost,
22 because it's a lot cheaper to connect your
23 toilet to the storm system when the plumber --
24 when you wink at the plumber on the price of it,
25 than it is to do the job right. So there are a

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1 lot of costs that nobody wants to talk about,
2 which are going to raise that number of
3 percentage of households over the 2 percent
4 guidelines of DEM. I want to get -- and we will
5 be negotiating with DEM and EPA. And I want us
6 to push those issues as hard as we can. So that
7 at the end of the day, we're going to be beyond
8 criticism when the homeowners point out, look,
9 I'm paying a lot more than 2 percent.

10 And they're going to be a lot of
11 those people doing that. So that's a point that

12 I wanted to make. The other point that I wanted
13 to make is, we talk about green infrastructure
14 as being part of option 2, and that's great.
15 But I think we talk about green infrastructure
16 being looked at well down the stream of this
17 construction project.

18 I think we ought to be starting to
19 talk more and push more on green infrastructure
20 right from the beginning. But that's a
21 relatively unimportant details. But with those
22 reservations, I will vote in favor of this
23 because I think it's an excellent move on our
24 part. Thank you.

25 CHAIRMAN MESOLELLA: Commissioner

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1 Nathan, you have a comment?

2 COMMISSIONER NATHAN: The problem
3 with pushing back expenses is the project
4 doesn't get started until build a tunnel to
5 begin with and that is the major piece of
6 expenditure, so no matter how you do this, that
7 comes first, you can't prolong the cost of that.
8 The other thing is, I agree with Dr. Burroughs,
9 I am going to vote for this, as well, but I
10 think your argument should be in an addendum to
11 what we send to DEM and EPA. Because I don't

12 think you're wrong. These couple of days cost a
13 fortune.

14 CHAIRMAN MESOLELLA: So
15 Commissioner Milas.

16 COMMISSIONER MILAS: Yes, I agree
17 with everything everyone has said. I will vote
18 for it, but with great reluctance for all of the
19 reasons stated. And I hope that that reluctance
20 will be communicated strongly to both DEM and
21 EPA that we know we have to comply, but we're
22 not happy with the compliance.

23 CHAIRMAN MESOLELLA: Okay. Anyone
24 else? Commissioner Burroughs.

25 COMMISSIONER BURROUGHS: Following

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1 up on Commissioner Nathan's thought, what is the
2 procedure, should this plan go forward, in terms
3 of when it would be reviewed again?

4 CHAIRMAN MESOLELLA: Commissioner
5 Burroughs, I know that Commissioner Carlino
6 addressed that at the subcommittee meeting, but
7 you want to address that?

8 COMMISSIONER CARLINO: So according
9 to the presentation last night during the
10 workshop, hopefully we will approve the

11 alternative today, then there's going to be a
12 reevaluation report that's going to be due in
13 June according to the schedule. We submit to
14 Rhode Island DEM/EPA in July of 2015. They will
15 review. It looks like we said from July to
16 November. And then we'll negotiate revisions to
17 the Consent Agreement and schedule. That's
18 going to occur in November/December time frame
19 2015. And then in January of 2016, we will sign
20 the revised Consent Agreement. That's the
21 schedule.

22 COMMISSIONER BURROUGHS: So what we
23 end up signing in January of 2016, then locks us
24 in for what time period before we review the
25 consent agreement?

29

1 MR. MARSHALL: Five years.

2 COMMISSIONER BURROUGHS: So we
3 would either have to resolve the issues that he
4 raised before January, or the next time we could
5 do that would be five years after January of
6 2016.

7 MR. MARSHALL: We can certainly
8 have the conversation with them as soon as we
9 submit the report to them, that expresses the
10 concern, you know, that the board members have

11 voiced, and to let them know that we want to try
12 to sit down and work something out that is
13 reasonable and affordable that is some type of
14 a, who knows, it could end up being a variation
15 of phases.

16 And then five years from now, when
17 we do the reaffirmation, they call it, then
18 we'll have another opportunity to reevaluate
19 again, because that's what you need to do, is
20 look at what your game plan is five years out,
21 then you continue to look at the rest of the
22 plate that you have in place if you want to make
23 modifications. That's when you can formally do
24 it, but hopefully we can get some understanding
25 in these initial negotiations over the next six

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1 or seven months.

2 COMMISSIONER BURROUGHS: So I guess
3 my bottom-line question which I'm afraid of the
4 answer too is under Alternative 2, does the
5 tunnel machine go into the ground before or
6 after that five-year review period?

7 MR. MARSHALL: I think according to
8 the schedule that we laid out for you, the plans
9 and specs would be completed and approved. And

10 it's, I would say, cuts it close as to whether
11 or not we actually begin construction or award a
12 bid prior to that reaffirmation. It runs that
13 close.

14 Now, remember, we only allocated
15 six-months review. I think it's six months DEM
16 reviewed at a couple of different points. So
17 sometimes it takes a little longer, and once in
18 a while it is shorter. So it's going to be
19 right on the edge.

20 CHAIRMAN MESOLELLA: Commissioner
21 Handy.

22 COMMISSIONER HANDY: Yeah, I will
23 vote for Option 2. I did in the Committee
24 meeting and I will again as well, reservations
25 as well. And the only thing I would add is, I

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1 think it's important to note to EPA and the DEM
2 that we have other priorities. I assume that
3 the agency has other priorities. This is a huge
4 investment. It probably will impact our
5 capacity to deliver on other priorities in terms
6 of spending.

7 And I think we just need to be
8 clear. The impact of those, that decision on
9 the ratepayers and also on our capacity to

10 address things like operating cost in the
11 capacity to operate well. So I think they need
12 to look at this decision not in a vacuum, but in
13 association with all of our spending priorities.

14 CHAIRMAN MESOLELLA: Okay.
15 Commissioner Nathan.

16 COMMISSIONER NATHAN: I know this
17 baseball field gets a lot of press. We are
18 talking about a project that is at least ten
19 times more expensive. If we don't watch the PR
20 for ourselves related to this, we're going to
21 end up in trouble.

22 So it is -- we have to make sure
23 that we control what we say and what we do to
24 the public, because some people know about it,
25 but not everybody knows about it. It's never in

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1 the papers, and it's ten times bigger than the
2 ballpark. So I think we have to watch and
3 control this. So that we don't end up looking
4 like a bunch of anti the people, something.

5 CHAIRMAN MESOLELLA: Yes. And you
6 know, that is a good point, Commissioner. And I
7 would just simply say that the decisions that we
8 make, and I'm not talking solely about this

9 decision, but I think everyone will agree that
10 when we are confronted with major decisions we
11 go through a very protracted process.

12 This process alone, this process to
13 which we conclude, hopefully we'll conclude
14 today. I shouldn't say conclude, in other
15 words, it's not going to be concluded, but at
16 least we're moving forward with -- begin today.

17 We're going to begin to conclude. This is the
18 beginning of the conclusion.

19 We went through a process, and the
20 Stakeholder process which was very public, a
21 very public process. All the individuals, all
22 the agencies, all of the environmental groups
23 and anyone else who felt that they had a stake
24 and the decisions that this Board's going to
25 make today, had an opportunity to come forward

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1 and speak.

2 It was a very public, very public
3 process. And then what was concluded that
4 perhaps we're confronted with these options,
5 which, of course any time you are spending
6 public money is difficult decisions to make.

7 But sometimes we have to make difficult
8 decisions, and we have to make the decisions

9 that are in the best interest of the
10 environment, the economy, and in the best
11 interest of the society at-large. And I think
12 we're being very prudent here today.

13 The option that we're selecting
14 gives us the opportunity to revisit it, as we
15 submit to the various agencies, and the Board
16 will have an opportunity to deliberate at some
17 point on it again. Commissioner Lemont.

18 COMMISSIONER LEMONT: Mr. Chairman,
19 we've had discussion on this for months. I move
20 the question.

21 CHAIRMAN MESOLELLA: Thank you. Is
22 there a motion to move the question? And
23 according to Robert's Rules, once a question has
24 been moved and seconded and passed. Counselor,
25 is it five minutes, seven minute-discussion?

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1 MR. DEANGELIS: Probably 10
2 minutes.

3 CHAIRMAN MESOLELLA: The General
4 Assembly, it is 10 minutes. I don't know if
5 there's any other comments, but we do have a
6 formal motion to move the question and seconded
7 the motion by Commissioner MacQueen,

8 Commissioner Farnum. All in favor of seconding
9 the motion will say aye. Anybody opposed?
10 There are none opposed. That question is moved.

11 (UNANIMOUS)

12 We are going to debate and discuss
13 this matter, according to Counsel, 10 minutes.
14 That's what the General Assembly does. I don't
15 know if there's any other comments to be made
16 anyway. Does anyone have any comments to make
17 with regard or questions with regard to the
18 motion that's before us? Commissioner Milas.

19 COMMISSIONER MILAS: Does this work
20 like a regular reg process? Is there a public
21 comment period for this? Does the public have
22 an opportunity to present in front of DEM or ask
23 questions?

24 MR. MARSHALL: No, there's no
25 public hearing-type process for this. I don't

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1 know if there is any type of review that it
2 undergoes, Tom, do you know?

3 MR. BRUECKNER: I'm not sure. I
4 don't know if we have to have a hearing or not.
5 I will find that out from DEM.

6 CHAIRMAN MESOLELLA: Commission
7 Rotella, you had some issues you wanted to --

8 COMMISSIONER ROTELLA: Yeah. I'm
9 just trying quickly draw some attention to those
10 who were here last night. We have this report
11 that was given to us. And if you look on page
12 5, then on page 9. Page 5 talks about economic
13 impact analysis of the alternatives. And 9
14 talks about the economic impact analysis of
15 Alternative 2, specifically.

16 In no way I'm trying to sugar coat
17 of what we're doing or possibly going to do, but
18 this is a very labor intensive project. And it
19 will create a bunch of jobs, a lot of jobs.
20 Alternative 2 talks about over 4,000 jobs, and
21 also -- and quite a bit of tax -- additional
22 state and tax dollars. And my question is, is
23 there any way that we can -- I know the state is
24 in fiscal trouble today, but who knows, this
25 project is going to go for a long time,

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1 recapture or going back, as they like to say,
2 some of the additional tax money that would be
3 generated back to the commission to help pay for
4 part of this project, and again, reduce the cost
5 to the ratepayers.

6 CHAIRMAN MESOLELLA: Yeah. And so

7 pursuant to that question, I thought I reported
8 to the Board that I've already had a meeting
9 with the governor's office, and I met with the
10 speaker of the house, and I think on Friday I'm
11 meeting with the senate president. And I have
12 already indicated to them that this project is
13 an enormous economic generator for the State of
14 Rhode Island.

15 It's going to be generating
16 significant income tax dollars, and that I
17 thought that we should have a very meaningful
18 discussion about getting some appropriation in
19 the state budget, specifically, to support the
20 ratepayers who are going to shoulder the burden
21 for this particular project.

22 I pointed out that some of the
23 poorer communities in our service area are
24 footing the bill for the improvements which are
25 more recognized downstream we're they're not

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1 participating in the cost at all.
2 Unfortunately, it was not an argument that was
3 lost on the governor or the speaker. And I'm
4 certain it will not be lost on the senate
5 president.

6 So while I didn't get any

7 commitments and I know this is a very difficult
8 fiscal year for the state, it seems to me that
9 once this project is actually in motion and
10 actually generating income tax dollars, that
11 that discussion can get much more serious. So I
12 hope that answers your question. Further
13 discussion on the matter? Further discussion?
14 Comments? Okay.

15 As such, you've heard the motion.
16 It has been seconded. There is no further
17 comment or discussion. All those that are in
18 favor of passage of Resolution 2015:09-2 will
19 say aye. Are there any opposed? Let the record
20 reflect that Commissioner Burroughs has cast a
21 vote in opposition to approval. Okay. Moving
22 right along.

23 Next committee reporting. Thank
24 you, very much. Next committee reporting is the
25 CEO Committee. Commissioner Macqueen, do you

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1 have a report for us today?

2 COMMISSIONER MACQUEEN: I have one,
3 Mr. Chairman. Review and Approval of Resolution
4 2015:10; Award of Contract 304.59C Improvements
5 to the Interceptor Fiscal Year 2015

6 Recommendation for Award.

7 MR. MARSHALL: Yes. This is a
8 contract that we do on an annual basis. We make
9 improvements to our interceptor system based
10 upon the cleaning and inspection contracts that
11 are entered into. And this year we had three
12 bidders for the contract. The lowest responsive
13 and responsible builder is Insituform
14 Technologies at \$811,289.

15 The contract involves cleaning,
16 televising and lining of approximately 4,600
17 feet of interceptors ranging from 8 inch to 56
18 inch rehabilitating 213 vertical feet of
19 manhole. Replacement of 30 feet of interceptor
20 and modifications to two existing regulators.
21 This is a company that's known to us. They've
22 done work for us before.

23 They do a very good job. There
24 will be some ancillary cost including police
25 details, soil and material testing, as well as

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1 staff time associated with the inspection and
2 administration.

3 So we request your approval of
4 Resolution 2015:10 to Award a Contract to
5 Insituform Technologies for an amount not to

6 exceed \$811,289 that is subject to the approval
7 of the Contractor's MBE/WBE plan and EEO
8 requirements by the Rhode Island Department of
9 Administration.

10 CHAIRMAN MESOLELLA: Okay,
11 Commissioner MacQueen moves passage of
12 Resolution 2015:10, seconded by Commissioner
13 Montanari. Further discussion on Resolution
14 2015:10? Hearing none. All of those that are
15 in favor will say aye? Are there any opposed?
16 There are none opposed, and that motion carries.
17 Further report?

18 COMMISSIONER MACQUEEN: That's all
19 I have, Mr. Chairman.

20 CHAIRMAN MESOLELLA: No further
21 report. Moving forward. Finance Committee.
22 Commissioner Andrade, do you have a report for
23 us today?

24 COMMISSIONER ANDRADE: Yes, I do,
25 Mr. Chairman. The Committee approved Resolution

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1 2015:11, Authorization to Enter into a Contract
2 for Pension Auditing Services for fiscal years
3 2014, 2015 and 2016. I move approval of that
4 resolution.

5 CHAIRMAN MESOLELLA: Thank you. I
6 have a motion to approve Resolution 2015:11
7 which is Authorization to Enter into a Contract
8 for Pension Auditing Services. Hagan Sahady?

9 MR. MARSHALL: Hagan Sahady.

10 CHAIRMAN MESOLELLA: Hagan Sahady.
11 All right. Do we have a second? Second from
12 Commissioner Kimball and Commissioner Lemont.
13 Discussion on the matter? Hearing none. All of
14 those that are in favor will say aye. Are there
15 any opposed? There are none opposed and that
16 motion carries.

17 (UNANIMOUS)

18 CHAIRMAN MESOLELLA: Commissioner
19 Campbell?

20 COMMISSIONER CAMPBELL: No meeting.

21 CHAIRMAN MESOLELLA: No meeting on
22 Personnel. Rules & Regs. We heard from Rules &
23 Regs today. Ad Hoc Committee, no report.
24 Executive Committee did not meet. There is no
25 report. Compensation Committee. Commissioner

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1 Kimball.

2 COMMISSIONER KIMBALL: Mr.
3 Chairman, I'd like to recommend that the Board
4 enter into Executive Session pursuant to Section

5 42-46-5A1 to discuss the job performance of
6 employee who has been notified in advance of
7 this meeting in accordance with the statute.

8 Okay. We have a motion to go into
9 Executive Session from Commissioner Kimball,
10 seconded by Commissioner Rotella. All in favor
11 of moving into Executive Session will say aye.
12 Any opposed? There are none opposed, and the
13 motion carries.

14 And I apologize ladies and
15 gentlemen, but you're going to have to vacate
16 the premises for about 10 minutes or 15 minutes.
17 So I would just ask our guests, including our
18 stenographer, to take vacate the premises.

19 (OFF THE RECORD)

20 (EXECUTIVE SESSION AT 12:20 P.M.)

21 (EXECUTIVE SESSION CONCLUDED AT 12:55 P.M.)

22 CHAIRMAN MESOLELLA: All right.
23 Thank you, ladies and gentlemen for your
24 patience. We're back into open session. We are
25 now at the Compensation Committee Report.

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1 Commissioner Kimball, do you care to proceed
2 further with your report?

3 COMMISSIONER KIMBALL: Mr.

4 Chairman, now that we're back into open session,
5 I'd like to recommend that the minutes for the
6 closed session will be sealed, and we'll have a
7 motion to seal them.

8 COMMISSIONER ROTELLA: I'll move.

9 COMMISSIONER KIMBALL: Do I have a
10 second?

11 COMMISSIONER DICHIRO: Second.

12 COMMISSIONER KIMBALL: All those in
13 favor? Any opposed? The motion carries.

14 (UNANIMOUS)

15 Mr. Chairman, I'd like to move to
16 approve Resolution 2015:06 Approval of the Final
17 Report, Results & Recommendations by Employers
18 Association of the Northeast Regarding their
19 Market Analysis for Positioning of Executive
20 Director & Senior Management.

21 CHAIRMAN MESOLELLA: I have a
22 motion to approve Resolution 2015:06 Approval of
23 the Final Report, Results & Recommendations by
24 Employers Association. We have a second,
25 Commissioner Milas, Commissioner Montanari,

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1 Commissioner Leone, Commissioner Carlino,
2 Commissioner Andrade and Commissioner Farnum.
3 Further discussion? Hearing none. All of those

4 in favor will say aye. Are there any opposed?

5 There are none opposed and the motion carries.

6 Further report. Commissioner Kimball.

7 COMMISSIONER KIMBALL: Mr.

8 Chairman, I'd like to move approval of

9 Resolution 2015:07, the Approval of Salary

10 Ranges for the Executive Director and Senior

11 Management as recommended by the Employers

12 Association of the Northeast.

13 CHAIRMAN MESOLELLA: Okay. We have

14 a motion to approve Resolution 2015:07 for

15 Executive Director and Senior Management.

16 Second. Second by Commissioner Montanari, Leone

17 and MacQueen. Discussion on the resolution?

18 Hearing none. All of those that are in favor

19 will say aye. Are there any opposed? There are

20 none opposed, and that motion carries.

21 Commissioner Kimball.

22 COMMISSIONER KIMBALL: Mr.

23 Chairman, I'd like to move approval of

24 Resolution 2015:08, the Approval of the

25 Executive Director's Employment Contract.

1 CHAIRMAN MESOLELLA: We have a

2 motion approved. Resolution 2015:08, seconded

3 by Commissioner Lemont, Commissioner Leone,
4 Commissioner MacQueen. Actually, it's
5 everybody. The entire Board of directors
6 seconds that motion. Discussion on the matter?
7 Hearing none. All of those that are in favor
8 will say aye. Are there any opposed? There are
9 none opposed, and that motion carries.

10 (UNANIMOUS)

11 CHAIRMAN MESOLELLA: Further
12 report. Commission Kimball.

13 COMMISSIONER KIMBALL: Mr.
14 Chairman, we have no other business to come
15 before the Compensation Committee.

16 CHAIRMAN MESOLELLA: Excellent.
17 Okay, moving right along. Where's Joanne.
18 Joanne, do you have a report today?

19 MS. MACERONI: Mr. Chairman, you
20 all have a copy of my report. As you'll see, I
21 added ten bills since the March report. They
22 range in topics from condemnation to open
23 meetings. And you will also see there were
24 three bills where we are proposing some
25 technical amendments. We're not proposing to

1 change the intent of the legislation. We're
2 trying to make it clearer. I'd be happy to go

3 through each one. I know it's a late hour, so
4 if you'd like me to do that, if not --

5 CHAIRMAN MESOLELLA: I don't think
6 that's necessary, Joanne. We've got the
7 eggplant parm waiting. All right. Okay.
8 Anyone have any questions for Joanne? I don't
9 think so. All right. Thank you, very much.

10 Moving right along. New business. Any new
11 business to come before the commission today?
12 New business. None to speak of. Other business
13 of any kind, old business, new business, other
14 business? None?

15 COMMISSIONER ROTELLA: Move
16 adjournment.

17 CHAIRMAN MESOLELLA: We have a
18 motion to adjourn, seconded by, I think the
19 entire Board today. I think so. Thank you,
20 very much. All in favor of adjournment will say
21 aye. Any opposed? None opposed. We are
22 adjourned. And once again, I'd like to thank
23 all of you for your vote of confidence selecting
24 me Chairman again. Thank you.

25 MR. MARSHALL: And I'd like to

1 thank all of you for your vote of confidence.

2 (APPLAUSE)

3 (HEARING CONCLUDED AT 1:00 P.M.)

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3 I, PAULA J. CAMPAGNA, CSR, a Notary
4 Public, do hereby certify that the foregoing is a
5 true, accurate, and complete transcript of my
6 notes taken at the above-entitled hearing.

5

6 IN WITNESS WHEREOF, I hereunto set my
7 hand this 18th day of May, 2015.

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20 _____
21 PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
22 COURT REPORTER

21

22 MY COMMISSION EXPIRES: April 25, 2018

22

23 IN RE: NBC Monthly Board Meeting

24 DATE: April 28, 2015

25