

1 STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

2 NARRAGANSETT BAY COMMISSION

3

4

5

6 IN RE: BOARD OF COMMISSIONERS MEETING

7

8

9

10

DATE: May 27, 2015
TIME: 11:00 A.M.
PLACE: Narragansett Bay Commission
Corporate Office Building
One Service Road
Providence, RI 02905

11

12

13

14

15

16

COMMISSIONERS:

17

- Vincent Mesolessa, Chairman
- 18 Raymond Marshall, NBC Executive Director
- Robert Andrade
- 19 James Bennett
- Dr. Richard Burroughs
- 20 Mario Carlino
- Michelle DeRoche
- 21 Michael DiChiro
- Jonathan Farnum
- 22 Seth Handy
- Paul Lemont
- 23 Joan Milas
- Al Montanari
- 24 Alan Nathan

1 STAFF AND OTHER ATTENDEES

- 2 Karen Giebink, NBC
- Joanne Maceroni, NBC
- 3 Laurie Horridge, NBC
- Jennifer Harrington, NBC
- 4 Thomas Uva, NBC
- Harold Gadon, CAC
- 5 Leah Foster, NBC
- Cecille Antonelli, NBC
- 6 Diane Buerger, NBC
- Paul Nordstrom, NBC
- 7 Gail Degnan, NBC
- Sherri Arnold, NBC
- 8 Jean Lynch, CAC
- Mike Stuard, NBC
- 9 Tom Brueckner, NBC
- Mark Thomas, NBC
- 10 Eliza Moore, NBC
- Christine Comeau, NBC
- 11 Kerry Britt, NBC
- Jim Kelly, NBC
- 12 Brendan Cunha, NBC
- Jim McCaughey, NBC
- 13 Deborah Samson, NBC
- Rich Bernier, NBC
- 14 Jamie Samons, NBC
- Karen Musumeci, NBC

15

16

17

18

19

20

21

22

23

24

25

3

1 (HEARING COMMENCED AT 11:07 A.M.)

2 CHAIRMAN MESOLLELA: Can I ask the
3 Commissioners to take their appointed seats so
4 we can begin the full board meeting of the
5 Narragansett Bay Commission. Okay. Recognizing
6 a quorum, we will call to order, today,
7 Wednesday, May 27, at 11:04 the meeting of the
8 Narragansett Bay Commission.

9 First order of business is the
10 approval of the previous minutes of April 28th
11 2015. Have all of our members had an
12 opportunity to review the previous minutes, and
13 if so, are there any comments, corrections?
14 Comments or corrections on the previous minutes?
15 Okay none. All those that are in favor of
16 approval of the April 28th minutes will say aye.
17 Are there any opposed? There are none opposed,
18 and the motion carries.

19 (UNANIMOUS)

20 CHAIRMAN MESOLLELA: The next order
21 of business is the Executive Director's Report.
22 Mr. Secretary, do you have a report for us
23 today?

24 MR. MARSHALL: Yes, Mr. Chairman, I

25 do.

4

1 CHAIRMAN MESOLLELA: Proceed.

2 MR. MARSHALL: I would like to let

3 everyone know in the operations section the

4 nitrogen removal season has begun. It runs May

5 1 through October 31st. Bucklin Point is doing

6 very well. In fact, they've maintained their

7 removals throughout the winter. Field's Point

8 is coming into compliance. It's trending very

9 well in the last two weeks.

10 The impact of Rhode Island Resource

11 Recovery flow and load is being monitored and

12 process and adjustments are made to accept that.

13 The Bucklin -- excuse me -- the Field's Point

14 flow issue continues to be on a path to

15 resolution. A short-term plan of getting

16 through the next couple of years is well

17 underway. We have 8 or 9 blowers are available

18 to us.

19 We're installing one new blower of

20 the turbo blower variety to help us get through

21 this season, as well as the two multistage

22 centrifugal blowers that are scheduled to arrive

23 in midsummer. And all of those units combined
24 should get us through the 2015, '16 and '17
25 seasons, at which time the long-term solution

5

1 will be in place, and we have an action item for
2 your approval later on in a Board meeting to
3 take that next step. The turbines produced
4 about 67 percent of the power needed at the
5 Field's Point Wastewater Treatment Facility in
6 the last month.

7 Interceptor maintenance experienced
8 no dry weather overflows in April from the NBC
9 system, and engineering has devoted quite a bit
10 of their time to the blower problem to Phase 3
11 CSO, putting together their reevaluation report
12 to get it ready for submission to DEM and
13 working on the Providence River siphon and the
14 78-inch gravity interceptor just downstream a
15 bit, evaluating all the testing data that has an
16 inspection data that has been generated so we
17 can come up with a solution to that problem.
18 And we'll have something for you probably early
19 fall on what our game plan is going to be on
20 that in that area.

21 As far as construction goes, the
22 regulatory compliance building or the

23 laboratory, depending on what you prefer to call
24 it, is progressing very nicely, but still behind
25 schedule. And right now we're looking at

6

1 mid-May 2016 completion date. And so Phase 2
2 work continues to wrap up with paving and punch
3 lists, and other clean-up items well underway.

4 In finance, the FY-15 Budget is
5 running about 7 percent below the projected
6 expenditures, so that's good news. And the
7 FY-16 Budget, the preliminary budget went to the
8 Finance Committee today. Bob will have a report
9 for you on that at the appropriate time. We'll
10 host the draft budget on the website for you to
11 look at after today's meeting.

12 And the final budget will come to
13 you in June for a full approval. Customer
14 service bills, \$7.4 million dollars in April and
15 collected \$7.9 million. We're currently doing
16 water shutoffs for non-payment of bills. And in
17 the last month we've collected just over
18 \$700,000 in that effort.

19 Policy Planning and Regulation.
20 The laboratory function took part in their
21 required annual proficiency testing and achieved

22 a hundred percent score on all licensed
23 parameters so that was a great accomplishment by
24 the lab staff. Pretreatment has been working
25 very closely and almost continuously with

7

1 Resource Recovery on their new pretreatment
2 system to make sure that we know what's coming
3 down the pipe at us from that source. And so
4 far we've had a very good relationship and
5 coordination effort with them, as well as DEM.

6 Also in PPR they coordinated our
7 response to DEM's preliminary draft of our new
8 permits for both Field's Point and Bucklin
9 Point. The comments by staff span the entire
10 agency; operations, engineering legal, EMDA, the
11 laboratory. Everyone had a role in putting
12 together the letter that went out to DEM without
13 comments, and now we're waiting for their
14 response.

15 The river restoration grants that
16 you awarded out of the EF Fund to 16 local
17 organizations were put to good use last month
18 and were much appreciated, so we got a lot of
19 good feedback from those organizations. And Tom
20 Uva is going to have a presentation for you a
21 little later today on our energy projects. The

22 wind biogas, solar, and our energy efficiency
23 efforts. This presentation we promised to you
24 for the last several months, and finally, we'll
25 get to it today unless something unforeseen

8

1 happens. I always have to qualify Tom, you know
2 that. Under executive, our end of the year
3 education program event at Goddard Park went off
4 very well last Friday. Cynthia Morissette
5 completed another outstanding year in
6 spectacular fashion, and we want to thank her
7 for all of her hard work for going out to all of
8 the schools within our district.

9 We received a lot of press
10 concerning the Board's decision to move ahead
11 with Phase 3 of the CSO program. Some of the
12 commissioners even got front page of the
13 journal, there are pictures up there, so -- we
14 found that overall it was a very positive
15 response from, you know, from many sources so
16 congratulations on your decision.

17 Joanne continues to monitor the
18 activities surrounding the general assembly
19 which is always a moving target, but so far so
20 good. I had the opportunity to meet with the

21 state OMB, the Office of Management and Budget
22 along with Karen Giebink and our bond counsel to
23 talk about the 2.8 million dollar sweep of funds
24 that was planned to be part of the state budget.
25 We explained our position fairly convincingly,

9

1 and that will not happen this year. And part,
2 of course, was because they have better revenue
3 numbers than they did last fall, and so we do
4 not have to worry about that for this upcoming
5 year. And finally, we have ongoing coordination
6 with the National Association of Clean Water
7 Agencies who will hold their summer conference
8 here July 12th through the 15th. It will be in
9 Providence at the Omni.

10 We will post an agenda on the Board
11 website, if that hasn't already been done, so
12 you'll see what will be going on during those
13 days. The governor has confirmed just yesterday
14 that she'll be the keynote speaker on Tuesday
15 morning, July 14th. NACWA and is also
16 sponsoring a limited Water Fire. It will be
17 just in the basin area for Tuesday night, July
18 14th. So we will make sure that we keep feeding
19 you information on all of that, and if your
20 interested in attending any or all of those

21 activities, let Jamie know and she'll coordinate
22 all the registrations and badges, and all of
23 that kind of thing that needs to be done through
24 NACWA. I mean, they're a well-oiled machine
25 NACWA, so they pretty much know exactly what

10

1 they're doing and when they need to do it they
2 ask post organizations for help and guidance
3 from time to time which we have provided and
4 continue to provide. But it might be a morning
5 well spent on Tuesday morning if you wanted to
6 come and hear what the governor had to say as
7 well as the other items, you know, on the
8 agenda. And certainly if you're looking for a
9 night out on July 14th, we'll have that; Water
10 Fire basin lighting that NACWA will sponsor.
11 And that is it, Mr. Chairman.

12 CHAIRMAN MESOLLELA: Okay. Having
13 heard the Executive Director's Report, are there
14 any comments or questions regarding any of the
15 issues raised in his report? Okay. Moving
16 right along.

17 The next item is Item Number 4
18 Committee Report and Action Items Resulting.
19 The first committee reporting is the Long-Range

20 Planning Committee. Commission Carlino, do you
21 have a report today?

22 COMMISSIONER CARLINO: Are we going
23 to get a presentation for the whole board or --

24 MR. MARSHALL: I think we were
25 going to go do it very quickly. Sherri, do you

11

1 want to come up and do that?

2 MS. ARNOLD: A brief summary.

3 CHAIRMAN MESOLLELA: Just a brief
4 summary.

5 COMMISSIONER CARLINO: So just for
6 those that are members that weren't here, Sherri
7 presented to us the Capital Improvement Program
8 for 2017 to 2021. Great document, great
9 presentation, and we had a lot of discussion and
10 long-range planning will kind of go off on its
11 own. We have to do -- regarding the priority
12 looking over the priority of the projects and
13 talking about amongst ourselves if we're going
14 to have a workshop. Thank you.

15 MS. ARNOLD: So there are documents
16 available, but just to give you a brief
17 overview, you know, the fiscal year 2017 to '21
18 is a planning document. This year it identifies
19 60 projects. It shows planned expenditures of

20 \$155.3 million with additional expenditures of
21 \$33.6 in FY-16. The most significant change
22 from year to year looking at the CIP document
23 itself is the shift, the outward shift of the
24 CSO Phase 3. Is that good?

25 CHAIRMAN MESOLLELA: Okay. So as

12

1 the Chairman indicated we had a meeting on that
2 this morning. This is the Capital Improvement
3 Program. There are copies FY-2017 through 2021.
4 Does everyone have a copy. If you don't, Karen
5 can pass them out.

6 COMMISSIONER CARLINO: So if there
7 are no questions, the Committee the Long-Range
8 Planning Committee we reviewed and approved
9 Resolution 2015:12.

10 CHAIRMAN MESOLLELA: Okay. So we
11 have a motion to approve resolution 2015:12
12 which is approval of the Capital Improvement
13 Program, 2017 through 2021 as presented. Is
14 there a second? Commission DiChiro and
15 Commissioner Montanari. Is there any discussion
16 on the Capital Improvement Program 2017 through
17 2021?

18 MR. MARSHALL: The only thing I'd

19 like to point out, Mr. Chairman, is that each of
20 the projects that you see in this document, they
21 all come back to the Board in the future as
22 well. This is strictly a planning document. So
23 just because you approve this does not mean
24 we're going to go through every single one of
25 those projects without your further input.

13

1 There's input at a couple of steps of the
2 process as we move along.

3 CHAIRMAN MESOLLELA: Okay. So we
4 have a motion, we have a second. All of those
5 in favor of approval of the Capital Improvements
6 Program for 2017/2021 will say aye. Any
7 opposed? There are none opposed and the motion
8 carries. That conclude your report,
9 Commissioner Carlino?

10 COMMISSIONER CARLINO: Yes, it
11 does.

12 CHAIRMAN MESOLLELA: Okay, moving
13 right along. The next Committee reporting is
14 the CEO Committee. Commissioner MacQueen was
15 not available today. The Chairman chaired the
16 Committee.

17 We heard an explanation of
18 Resolution 2015:13 which is Authorization to

19 Procure Engineering Services for the Long Term
20 Blower Improvements Program Project. You've
21 heard quite a lot about this through the last
22 several months. We've had some issues with our
23 blowers. If you need a quick explanation,
24 Executive Director will explain. Although you
25 know a lot about this particular project

14

1 already, but, go ahead, Ray.

2 MR. MARSHALL: Yeah, the problem
3 we've had with the high-speed turbo blowers are
4 ongoing and we've been working with the
5 manufacturer of those units successfully now for
6 several months. They've been replacing parts,
7 and as they do other parts seem to go south on
8 the spot. They have been very cooperative, and
9 right now we have 8 of 9 blowers available to
10 us.

11 We'll have a 9th fairly soon. But
12 what our conclusion is is that these units are
13 just not a reliable source of air going forward.
14 And that we need to resolve this for the
15 long-term. The short term approach, as I
16 mentioned has been through the manufacturer.
17 We're also bringing in two new units that are

18 traditional blower technology, if I could just
19 characterize it that way.

20 Those will be installed in the
21 summer of 2015 this year, and then we'll use a
22 combination of the traditional technology and
23 the turbo blower technology to get us through
24 2015/'16 and '17 seasons. And the long-term
25 solution is what we need to develop, and that's

15

1 part of what this procurement today is all
2 about. We did this short term under the
3 emergency procurement regs which we really
4 needed to do because we have to continue to meet
5 permit. We're doing the long-term solution
6 under the standard procurement regs. We went
7 out for RFQP for consulting engineering services
8 asking for design plans and biddable
9 construction documents.

10 That was back in February. We had
11 four responses, a review team. Paul Nordstrom,
12 Rich Bernier and Tom Brueckner looked at the
13 proposals. And of the four, all the reviewers
14 felt that CDM Smith had the highest rated
15 proposal. They had the best proposal, and their
16 fee was also the most attractive. And for that
17 reason, we ask your approval of Resolution

18 2015:13 authorizing us a negotiated contract
19 with CDM Smith for an amount not to exceed
20 \$580,000.

21 CHAIRMAN MESOLLELA: Okay. So the
22 Chair moved approval of the Resolution 2015:13.
23 We need a second. Commisioner Montanari,
24 Commissioner Farnum, Commissioner Bennet.
25 Further discussion on Resolution 2015:13?

16

1 Hearing none. All of those that are in favor
2 will say aye. Are there any opposed? There are
3 none opposed, and that motion carries.

4 (UNANIMOUS)

5 CHAIRMAN MESOLELLA: And that
6 concludes the report from the CEO Committee.
7 The next Committee reporting was the Personnel
8 Committee. Commissioner Campbell was also not
9 available today. The Chairman chaired that
10 Committee. We have before you Resolution
11 2015:14 which is Approval to a Revision of the
12 Non-Union Salary Administration Program Manual.

13 Most of these changes are a result
14 of adjusting the manual to provide for the new
15 Sheehan Bill which was passed by the General
16 Assembly last year. And one other change was

17 really to comply with the process which the
18 Narragansett Bay Commission has been using right
19 along, but is now being quantified with regard
20 to hiring practices, correct.

21 MR. MARSHALL: Correct.

22 CHAIRMAN MESOLLELA: So these are
23 practices that have been utilized by the Bay
24 Commission throughout the years. They're just
25 not -- we're now making them part of the manual.

17

1 Does anyone need to know specifically what
2 issues are being addressed in this document that
3 have now been -- were addressed in the Sheehan
4 Bill? Why don't you breeze through it so
5 everybody knows.

6 MR. MARSHALL: Sure. The non-union
7 salary administration manual was first adopted
8 back in 2002 by the Board, and then it was
9 revised in 2004. And it's the guideline by
10 which we evaluate and compensate all of the
11 non-union employees.

12 It's worked very well over the
13 years, and what we need to do at this point -- I
14 believe this is up on the Board's website. We
15 just need to make a few minor for changes. For
16 example, in the program manual it indicated that

17 the Chairman would evaluate the Executive
18 Director and set the terms of employment.
19 The Sheehan Bill requires that that
20 be done by a Compensation Committee or designee,
21 so we just changed the term Compensation
22 Committee or designee. We clarified that. And
23 that happened actually on two of the pages.
24 It'd be on page 3. It occurs twice, and on page
25 6 where there's a table, it occurs once. So it

18

1 just establishes compliance with the Sheehan
2 Bill. It really doesn't change the process at
3 all. And on page 9 of that manual where we talk
4 about salary range modifications and
5 reevaluations of positions where we change
6 grades from grade 7 to 8, or 9 to 10, whatever.
7 We've always come to the full board for approval
8 of those, and so what we did was, but that
9 wasn't written into the manual, but we actually
10 wrote it into the manual now.

11 So it says final approval of new
12 positions will be required by the Board of
13 Commissioners and/or the appropriate committees.
14 We've always done that anyway, we just wanted to
15 make sure that it was actually put in writing

16 into the manual itself. So that's the extent of
17 the changes. Nothing really significant or
18 dramatic, but just for compliance purposes we
19 felt that that needed to be done.

20 CHAIRMAN MESOLLELA: Okay. Are
21 there any comments or questions with regard to
22 Resolution 2015:14. Hearing none. The chairman
23 moves approval, seconded by Commissioner
24 Rotella. Further discussion on the resolution?
25 Hearing none. All of those that are in favor of

19

1 passage of Resolution 2015:14 will say aye. Are
2 there any opposed? There are none opposed, and
3 that motion carries. There is no further
4 business from the Personnel Committee. Next
5 Committee reporting is the Finance Committee.
6 Commissioner Andrade.

7 COMMISSIONER ANDRADE: Mr.
8 Chairman, the Committee does not have any items
9 for action, but we did get an excellent
10 presentation of the preliminary Operating Budget
11 for 2016. And again, compliments to Karen and
12 her staff for putting this together. We
13 anticipate that next month we'll bring the full
14 budget to the Board for approval.

15 CHAIRMAN MESOLLELA: Thank you.

16 Does that conclude your report?

17 COMMISSIONER ANDRADE: It does.

18 CHAIRMAN MESOLLELA: Thank you,
19 very much.

20 MR. MARSHALL: This will be up on
21 the Board's website, or if you would like a hard
22 copy, let us know and we'll get a hard copy, as
23 well.

24 CHAIRMAN MESOLLELA: Yeah, does
25 anyone want a hard copy of this, if you don't

20

1 already have it. Karen, do we have them here?

2 You can either pick one up or Karen can give one
3 to you now. Okay. Rules and Regulations.

4 Commissioner DiChiro, you didn't meet?

5 COMMISSIONER DICHIRO: No meeting.

6 CHAIRMAN MESOLLELA: Ad Hoc

7 Internal Ethics did not meet. Executive

8 Committee did not meet. Compensation Committee

9 did not meet. Legislative Report. Joanne, do
10 you have a report for us today.

11 MS. MACERONI: Yes, Mr. Chairman.

12 I don't have a written report. I'm continuing

13 to monitor and testify at the State House on

14 bills that were listed in the previous two

15 reports.

16 There are two bills that I just
17 wanted to give you an update on that we had
18 concerns with. And by speaking with the sponsor
19 for both of the bills and testifying about our
20 concerns before the Committee, we were able to
21 negotiate amendments on both bills.

22 One is H5566. This is the one that
23 was going to take away Narragansett Bay's
24 Commission exemption from the debt management
25 statute. If the bill passed as is, it would

21

1 have meant that we had to go before the General
2 Assembly every time we wanted to borrow. Again,
3 after speaking with the sponsor and testifying
4 with the House Finance, they have agreed if the
5 bill is going to go forward, they will give us
6 back, put back our exemption.

7 The second bill which is another
8 house bill has to do with the tax sale statute.
9 It proposes several amendments to the tax sale
10 statute. And we found that when we process our
11 lien sales, the section of the bill that we had
12 interest in was the one that would now allow a
13 lienholder in the case of a vacant property or
14 an abandoned property.

15 The lienholder can now or could
16 now, if the bill passes, foreclose on the
17 property within 60 days instead of the normal
18 one year. We don't have a problem with that.
19 We understand what the purpose is to get the
20 blighted areas cleaned up.

21 What we did have a problem with was
22 notification process. We wanted to make sure
23 that we were going to be notified if this event
24 happened in the 60 days as opposed to the one
25 year. Again, after speaking with the sponsor

22

1 and the committee, and our legal counsel has
2 drafted an amendment that would satisfy our
3 concerns, they have agreed if the bill is going
4 to go forward they're going to add that
5 amendment. So those are two things that I need
6 to report on and I'm sure next month I'll have
7 more news for you. Any questions? Thank you.

8 CHAIRMAN MESOLLELA: Thank you,
9 Joanne. Thank you, Joanne. Any questions for
10 Joanne regarding anything that's going on? All
11 right in the GA. Okay. The next committee
12 reporting is Citizens Advisory Committee.
13 Harold, do you have a report for us today?

14 MR. GADON: Yes, I do, Mr.
15 Chairman.
16 CHAIRMAN MESOLLELA: Then proceed.
17 MR. GADON: You do keep the meeting
18 running on schedule. At our CAC meeting of last
19 week, Kerry Britt presented the pretreatment
20 annual report now distributed on a CD showing a
21 very well run division. Since the last board
22 meeting approving Alternative II which received
23 front page coverage in the Journal, I asked the
24 Committee if they had received any comments or
25 reaction. They were more informed by e-mail

23

1 from Jamie than reading the paper, but reported
2 receiving only one call regarding it. I
3 received two references to the publicity showing
4 the community doesn't show great interest at
5 this time. Since the billing is not done on an
6 annual basis but on a monthly basis, any
7 increases are gradual and the general public may
8 not show much concern, although the commercial
9 and industrial users may feel differently.
10 Our next meeting is on June 17th,
11 when finance will give us a brief report, and
12 also explain how the PUC hearing on rate
13 increases occur. Thank you.

14 CHAIRMAN MESOLLELA: Okay. So the
15 next report is the Chairman's Report. It was a
16 quiet month. The one thing I'd like to get
17 going with Commissioner DiChiro Chairman of the
18 Rules and Regulations Committee is I think it's
19 about time that we took a comprehensive look at
20 our own Rules and Regulations.

21 It would seem to be consistent with
22 what the Governor's office is doing, you know,
23 modernizing and streamlining Rules and
24 Regulations, amending them, getting rid of the
25 ones that are antiquated. So I think we're

24

1 going to -- I'd like to take a closer look at
2 that, and maybe we could schedule a meeting some
3 time next month at a time that's appropriate and
4 convenient for all of the commissioners and take
5 a very comprehensive look at the Rules and Regs,
6 and then maybe look at any changes,
7 maybe hand them off to Long-Range Planning for
8 what those ramifications of those changes might
9 be.

10 That will be the first thing. And
11 then hot off the wire, of course, from Joanne.
12 It appears as though, and nothing actual

13 appeared, it actually is, that Commissioner
14 DeRoche, Farnum and Handy were approved by the
15 full senate last night and will be going to the
16 Governor for a signature. We don't need a
17 signature, just confirmation. They were her
18 recommendations, were they not? Yes, okay. So,
19 all right. So congratulations, and welcome
20 back.

21 (APPLAUSE)

22 CHAIRMAN MESOLLELA: So that
23 concludes, really, the Chairman's Report for
24 today. New business? Commissioner Rotella, I
25 can't wait to hear.

25

1 COMMISSIONER ROTELLA: Just a
2 question. Going back to the Executive
3 Director's Report, Ray, you talked about the
4 sweep, the projected sweep in the Governor's
5 Budget, and of course, great job in taking care
6 of that not making it happen this year, but you
7 alluded to the fact that it was made in part a
8 little bit easier because they identified a
9 hundred four, five, whatever, extra million
10 dollars in revenue?

11 MR. MARSHALL: Right.

12 COMMISSIONER ROTELLA: What would

13 have happened if they didn't identify that? I
14 mean, is there authority for them to come in and
15 sweep our accounts?

16 MR. MARSHALL: We don't believe
17 that there is. They seemed initially to think
18 that they could, but as we talked through the
19 trust indenture, the legislation that created
20 the Bay Commission, the referendum that the
21 voters approved. I think there's a lot of doubt
22 as to whether they could actually do it because
23 they would essentially be going. I think the
24 very least they believe now they have to go back
25 to the General Assembly, but the voters approved

26

1 a certain agreement, and so that's subject to
2 debate. Plus all the other layering we have now
3 with the trust indenture and the PUC
4 requirements, so they were actually thinking out
5 loud at that meeting maybe trying to figure out,
6 well, maybe we could call it this rather than
7 that, a fee rather -- but, I think it probably
8 would be in our best interest to maybe summarize
9 the result of that meeting and to send them a
10 communication so it's on record. So at a future
11 years if they get --

12 COMMISSIONER ROTELLA: What I'm
13 concerned about is that, obviously, you know, we
14 prepare budgets also. We don't want to be
15 spending the same money that they plan on
16 spending, and find out that that same money was
17 spent twice. And so I think what you're saying
18 is very prudent, and will protect us again from
19 doing that. I think the key is that we don't
20 get any money from the state. Everything we get
21 is revenue related.

22 CHAIRMAN MESOLLELA: Yeah, so it
23 might be helpful to kind of clarify why they
24 think they're entitled to the money to begin
25 with. Is that money in a restricted, that's in

27

1 a restricted receipt account now, right, that
2 \$2.8 million is --

3 MS. GIEBINK: They're not looking
4 at any specific account, they're just saying
5 that it's unrestricted unbalanced.

6 CHAIRMAN MESOLLELA: So the genesis
7 of this is that you understand that back in '82.

8 MR. MARSHALL: It was in 1980 that
9 it was passed.

10 CHAIRMAN MESOLLELA: It was '80 we
11 floated a bond. So we floated a bond for \$87

12 million dollars, \$87.7 million dollars, and so
13 the state had an obligation for a portion of
14 that which, you know, I'm having a senior
15 moment. Was that \$17, \$16 million, \$15 million.

16 MR. MARSHALL: It was \$14 million
17 for the Bay Commission ratepayers.

18 CHAIRMAN MESOLLELA: Right. \$14
19 million for us, and the balance, of course, was
20 the state's. So they had not been making their
21 debt service payments on the state's portion of
22 this bond. So an amounted to about \$2.8 in this
23 case?

24 MR. MARSHALL: For this coming
25 year, yes.

28

1 CHAIRMAN MESOLLELA: For this
2 coming year.

3 MS. GIEBINK: Right.

4 CHAIRMAN MESOLLELA: So they really
5 believe it's, even though it's the state's
6 obligation because it's related to Narragansett
7 Bay Commission that, or if there's money here we
8 might as well just grab it, even though it's
9 their obligation. So, you know, that's the
10 genesis of it. I mean, it's not -- so,

11 obviously, we have a difference in opinion as to
12 the philosophy of that, because basically what
13 will happen is it will be our service district
14 that would be paying the 2.8 as opposed to the
15 state's obligation to pay that. So that is the
16 genesis of the 2.8.

17 It's not that they just need money
18 and they're going to go tap into whatever is
19 there. They feel as though -- their
20 justification is it's a Bay Commission
21 obligation, and it really is not, of course,
22 it's a state obligation.

23 COMMISSIONER ROTELLA: Yeah, if I
24 recall correctly, as you point out, there were
25 two parts in payback.

29

1 CHAIRMAN MESOLLELA: Right.

2 COMMISSIONER ROTELLA: \$14 million
3 for the Bay Commission and the balance from the
4 state.

5 CHAIRMAN MESOLLELA: Correct.

6 COMMISSIONER ROTELLA: The Bay
7 Commission met its obligations.

8 CHAIRMAN MESOLLELA: Right.

9 COMMISSIONER ROTELLA: That's
10 clear --

11 CHAIRMAN MESOLLELA: We met our
12 obligations.

13 COMMISSIONER ROTELLA: And the rest
14 was supposed to be from the state.

15 CHAIRMAN MESOLLELA: Yeah.

16 COMMISSIONER ROTELLA: And now they
17 say the state may have been looking to increase
18 the Bay Commission's obligation by \$2.8 million
19 this year, and maybe more in future years.

20 CHAIRMAN MESOLLELA: That's
21 correct.

22 COMMISSIONER ROTELLA: To repay
23 that obligation, which really was obligation
24 that the state as a whole, not the ratepayers
25 per se.

30

1 CHAIRMAN MESOLLELA: So one point
2 how many years ago did we put the money, the
3 general treasurer Karen, that's 6 years ago, 7?
4 I don't remember.

5 MS. GIEBINK: Right. It was quite
6 some time ago, and it's been --

7 CHAIRMAN MESOLLELA: It's 7 or 8.
8 I don't even remember how many years ago, but we
9 had an existing balance on that debt.

10 MS. GIEBINK: We did an economic
11 defeasance and since then all the bonds have
12 been paid off.

13 CHAIRMAN MESOLLELA: Right. And so
14 we had, basically, we paid all our obligations
15 we're completely out of our obligation regarding
16 that general obligation bond, and so now just
17 the state portion which has remained unpaid,
18 they want us to pay the debt service and
19 interest payments on that.

20 And it's really the state's
21 obligation, so that's the genesis of it. So I
22 just thought everybody should get a little
23 background on that. Okay. So the thing is, is
24 that any other business or new business? No.
25 So I'm thinking before Tom goes into his

31

1 presentation, does everyone want to break and
2 grab some lunch, then we'll just watch the
3 presentation. All right. Let's do that. Let's
4 take a break, grab some lunch, and Tom can
5 prepare his presentation. And Tom, what do you
6 need about 20 minutes.

7 MR. UVA: 15 to 20 minutes. I'll
8 keep it short, but I'm not going to speak to
9 swiftly.

10 CHAIRMAN MESOLLELA: Okay. So
11 let's grab some lunch.

12 (SHORT BREAK)

13 MR. UVA: All right. I'm going to
14 get started, folks. I'm going to try to talk
15 nice and slow while you enjoy your lunch. In
16 New England we have the highest electric rates
17 in the country. As you can see the U.S.
18 average, New England is 51 percent higher than
19 the national average.

20 In Rhode Island we pay 44 percent
21 higher than the national average. And the
22 Narragansett Bay Commission has always been very
23 frugal in our energy expenses, and we always
24 pursue energy conservation alternative energy.
25 Wastewater utilities use a great deal of power.

32

1 Over 1 percent of the U.S. energy use is for
2 wastewater treatment. In Rhode Island we're
3 probably one of the top 20 accounts that
4 National Grid has. So back in 2005 we sought
5 out an EPA grant to evaluate our energy use at
6 our wastewater treatment facilities and
7 identified potential energy conservation
8 opportunities and alternative energy

9 opportunities.

10 And as a result of that \$35,000
11 grant we determined that the low-hanging fruit
12 at Field's Point was wind energy and the
13 low-hanging fruit at Bucklin Point was biogas.
14 And as a result of that first grant, we pursued
15 two additional grants from the State of Rhode
16 Island, and we were awarded \$25,000 for each of
17 those projects to do feasibility studies. We
18 also identified a lot of energy conservation and
19 energy efficiency opportunities.

20 And projects that have been done
21 over the past few years have resulted in
22 \$170,000 a year in electric savings. And we've
23 also done other projects in cooperation with
24 National Grid and these are recently completed
25 projects or projects that are underway, and you

33

1 can see the cost to us is \$329,000 for these
2 projects. National Grid anted up \$234,000
3 because they want to see these efficiency
4 projects move forward, and these projects alone
5 are going to result in another \$98,000 a year in
6 energy savings to the Narragansett Bay
7 Commission and that's based upon present
8 electric rates.

9 And as we know, National Grid is
10 already going up, increasing their rates 24
11 percent. And over the years we seek out all
12 kinds of grants. I drive staff crazy applying
13 for grant applications, and we received \$2.6
14 million dollars in grant awards for energy
15 projects over the years.

16 \$1.8 million of that is principle
17 forgiveness on the wind turbine. So all of
18 these things come into play when you're trying
19 to do alternative energy project and energy
20 conservation. In order to make things work, you
21 have to bring in some kind of incentives.

22 So at Field's Point we use 1.8
23 megawatts of electricity, as our electric load.
24 Our annual load is about \$15.9 million kilowatt
25 hours a year. We use at the Field's Point

34

1 facility. And as I indicated, wind turbine out
2 of renewable opportunity at Field's Point, but
3 we also have some opportunities for small hydro
4 projects and small solar projects. And as
5 you're all aware with the support of this Board,
6 we were able to build Rhode Island's first wind
7 farm. It generate 4.5 megawatts of power and on

8 an average powers about 45 percent of our
9 facility.

10 And you could see how wind plays an
11 important part if you look at this graph here.
12 The bottom portions of the graph divide by month
13 how much percentage of power come from the
14 turbines. In the month of February about 76
15 percent of the power to our facility was from
16 the turbines. And then when you get into the
17 end of the summer months and there's less wind,
18 the percentage drops off significantly.

19 So how do we do it at Narragansett
20 Bay Commission with regard to electric usage?
21 Field's Point is the largest user. 42.9 percent
22 of the power that the NBC uses it from the wind
23 turbines. It's from Field's Point. About 35
24 percent at Bucklin Point, and it drops off from
25 there. But the wind turbines in 2014 supplied

35

1 47 percent of Field's Point's power needs, and
2 21 percent of our overall power needs. So that
3 was about 7.6 million kilowatt hours of
4 electricity provided from Field's Point from the
5 turbines. So the turbines have been a very,
6 very good deal for the Narragansett Bay
7 Commission. There's a bunch of statistics here.

8 I'm not going to go over all of these statistics
9 for you, but this presentation will be on-line
10 for you.

11 Some of the ones I will point out,
12 though, is that 6.8 miles per hour wind speed,
13 these turbines are putting power into our plant.
14 Less than 6.8 miles per hour, we're not
15 generating power. They may be spinning, slowly
16 but we're not generating power. When we hit 16
17 miles per hour wind speed, the three turbines
18 are providing all the power Field's Point needs,
19 and that's when we're going to start exporting
20 to the Grid and that's when our meter spins
21 backwards.

22 And when the wind speeds hit 23.4
23 miles per hour, we're putting up four and a half
24 megawatts. These turbines are honking along at
25 full power. And as a result, we're also

36

1 reducing our greenhouse gases by about 2,300
2 metric tons of carbon equivalents per year, and
3 it's reaping benefits for the Narragansett Bay
4 Commission. As I indicated, we're generating a
5 lot of electricity, a lot of power. We're
6 reducing greenhouse gases, but it's also

7 effecting our bottom line.

8 COMMISSIONER ROTELLA: When you say
9 our meter spins backwards?

10 MR. UVA: Yes.

11 COMMISSIONER ROTELLA: Is that a
12 figure of speech, or is it actually spinning
13 backwards?

14 MR. UVA: It's a very complex
15 electric meter, but the easiest way to look at
16 it is that it's spinning backwards and it's
17 taking consumption off the meter, which means
18 that we are realizing a revenue of the same
19 amount at the same rate as what we pay.

20 So if you built a power facility
21 and you were selling to the Grid you may -- ISO
22 New England goes up with bids every year, every
23 day, or every other day for people to generate
24 power. And if you're a gas plant like
25 Manchester Street Station, they may be able to

37

1 bid 4.5 cents a kilowatt, while National Grid is
2 going to charge you 10, 11 cents a kilowatt. We
3 get that 11 cents a kilowatt.

4 COMMISSIONER ROTELLA: That's
5 right. We're getting it. I'm glad to hear
6 that. That's good.

7 MR. UVA: That's why installing
8 these projects are what they call on the inside
9 of the meter is very lucrative. And I'm going
10 to get into that in a little bit more detail so
11 that you understand the way it works.

12 COMMISSIONER ROTELLA: Thank you.

13 MR. UVA: So basically we saved
14 \$682,000 in electricity costs this year for 2014
15 at Field's Point. Since the project went
16 on-line, it was \$1.3 million. But we also
17 received \$892,000 in renewable energy credits
18 since the project went on-line. \$512 plus
19 thousand just for 2014 alone. And I'm going to
20 explain to you what renewable energy credits are
21 in a second.

22 But overall, the bottom line is
23 \$1.2 million dollars in financial benefit to the
24 NBC last year alone and \$2.2 million dollars in
25 benefits since the project went on-line. And

38

1 plus the public relations of the three turbines
2 here at Field's Point is just awesome. Every
3 night you see them on the news. Rhode Island
4 Hospital has a television ad and they start off
5 with our turbines in the ad, so we do get some

6 great public relations benefit from that.

7 Now, what's a renewable energy
8 credit, or a renewable energy certificate?

9 There's several names, what they call these
10 tradeable renewable certificates. Basically,
11 it's like a stock. And there's a going price
12 for them.

13 The power utilities are under
14 regulation to reduce their greenhouse gas
15 emissions, and to provide more power from
16 alternative energy sources. And if they cannot
17 meet those goals, they can buy these renewable
18 energy credits and get -- it's kind of like a
19 carbon certificate. So I've reduced X amount of
20 carbon by buying the certificate. So if we sell
21 our certificates.

22 At presently we've been getting
23 \$64.00 per rec. So we sell them quarterly.
24 Portsmouth High School entered into a long-term
25 agreement, and they sold theirs for \$40.00 a rec

39

1 for over a ten-year period. So you can either
2 sell them long-term or you can sell them on the
3 short-term market. And we determined it's in
4 our best interest to sell them on the short-term
5 market. And as I indicated, we've generated

6 \$512,0000 by selling them in just 2014 alone.

7 However, if we sell them, we can't take credit
8 for the greenhouse gas reduction.

9 People's power and light is one of
10 the major entities that buy these renewable
11 energy credits, and you may get something in
12 your electric bill that says do you want to buy
13 green energy, and you pay a little bit more for
14 that, and that goes to these entities that are
15 providing you that so they can say you're buying
16 green energy, you're not putting carbon in the
17 air.

18 So a lot of people like to do that.
19 But we can't take the credit for the greenhouse
20 gas emissions. But the bottom line is those
21 turbines are up there and everyone says, well,
22 the Bay Commission is doing their part to reduce
23 greenhouse gases, and I'll talk a little bit
24 more of what we can do with this in the future
25 towards the end of my presentation. So we

40

1 looked at hydro at Field's Point, and as you
2 know, Commissioner Nathan asked about
3 payback. And the payback on these projects are
4 17 years for a 20-year lifespan. So the payback

5 really isn't too great for us to follow up with
6 one of these projects right now. The City of
7 San Diego, San Diego Wastewater Plant.

8 They're spinning 93 feet above the
9 Pacific Ocean, so when they discharge they're
10 spinning turbines their water has a long drop.
11 We're a few feet above the water here. We got
12 about a 10-foot drop. So it's not really cost
13 effective for us, but San Diego powers their
14 entire plant in -- I think they're a power
15 producer there, they actually export.

16 One of the other projects we're
17 looking for Field's Point, and this also could
18 be done at Bucklin Point is solar carports.
19 This is a map of the new lab building that's
20 going up right here, and if we put solar
21 carports over that facility it will
22 cost us about \$175,000, and would provide about
23 30 percent of the buildings electricity. It
24 will be a payback of about 14 years. But if you
25 can get good incentives, that may be something

41

1 that could be considered. So that's one of the
2 things that we have been looking at. At Bucklin
3 Point we use 1.5 megawatts average demand. And
4 13.1 million kilowatt hours is used annually at

5 the facility. And two of the low-hanging fruit
6 projects of biogas reuse at Bucklin Point and
7 large solar project. And I won't spend too much
8 time on this biogas because it was already
9 presented to you at one of the last board
10 meetings and you approved the project.

11 But basically it's 600 kilowatts
12 generator would take the methane that right now
13 we flair off and it would take that methane and
14 use it to power a CHP unit, combine heat and
15 power. The heat from that will go to our
16 digesters to treat the sludge and the
17 electricity would power the facility.

18 It would meet 37 percent of the
19 electric demand at Bucklin Point and 90 percent
20 of the heat in the digesters. So we'd only have
21 to add supplemental heat in the winter months
22 when it's very cold. And annual electric
23 savings is about \$440,000 a year, not including
24 the renewable energy credits. Also, at Bucklin
25 Point, we have two landfills. We have a north

42

1 landfill and a south landfill. And the former
2 Blackstone Valley Commission used to dispose of
3 their sludge at these sites, and these sites are

4 capped off, but it's the large open site, and we
5 have that osprey nest that you saw earlier is
6 there. And we're looking at -- we estimate that
7 you can place about 2.6 megawatt array on this
8 closed landfill.

9 And we've been doing some inhouse
10 feasibilities on that. That would provide about
11 22 percent of the electric power demands for
12 Bucklin Point. And we have about 11.4 acres
13 there. The cost of the project would be about
14 \$8.3 million, but it would have to be done in
15 phases.

16 The Board at last month's meeting
17 approved CSO Phase 3. And part of this landfill
18 was going to be needed for construction lay down
19 and for final pump station staging, tunnel pump
20 staging, and things. And the thought is if we
21 could do some feasibilities, we're doing
22 feasibilities now we have an RFQP ready to go
23 out to do the civil work, civil engineering
24 work. So suppose, you know, we're estimating a
25 certain amount of a raise, but if you change the

43

1 landscape a bit, maybe you could fit more in and
2 is that worth doing. So these are some of the
3 things that we're looking at, and once again, we

4 don't really penetrate your landfill cover.
5 These things simply set on the surface, and they
6 tie in. They could tie in direct. One of the
7 things that we're looking at is tying it in
8 directly into the grid, sending the power
9 directly into the grid to eliminate interconnect
10 issues.

11 Staff in our engineering department
12 have been looking at UV disinfection system
13 upgrade at Bucklin Point. Presently our UV
14 system uses \$246,000 a year on electric cost,
15 and a newer system could drop that to \$77,000 a
16 year in electric cost. And the payback would be
17 about 7.3 years. And that's including some
18 incentives from National Grid.

19 And here's the osprey nest that I
20 showed you earlier, and basically, what we have
21 here is we have three osprey nests at Bucklin
22 Point, and around March these birds start coming
23 back and they fight over the nest. And we have
24 more ospreys than we have nests to provide, but
25 these are two ospreys fighting over a fish. And

1 that was when one egg was there. And our teams,
2 inhouse teams designed a solar system that put a

3 camera on the pole and I'm able to see if I can
4 do it. And this is a live feed of this osprey.
5 And that's the mother sitting on the three eggs.
6 The husband comes back and brings her all
7 litter.

8 One day last week he brought her
9 three big flowers. So it's pretty interesting
10 to watch them. You know, wind turbines kill
11 birds. And there's no way to get around it.
12 You're going to have bird kills. We have to
13 report to DEM every month of what our bird
14 mortality is. You can't always prove the bird
15 is dead from the wind turbine.

16 Most of the birds are kamikazes and
17 fly into our buildings and die, and they crash
18 into the glass. They think it's a window. But
19 we do occasionally kill a bird and we have to
20 report those to DEM. We're being proactive
21 here. We want to be able to get this to our
22 website.

23 So when people say, oh my, you guys
24 killed an osprey, or you killed something. We
25 can say, yeah, but we have a habitat refuge here

1 where we promote a good habitat for the birds.
2 And pretty soon we'll have three eggs, three

3 babies in this nest. So right now only staff
4 internally can view the feed. It's a pretty
5 cool thing.

6 COMMISSIONER MILAS: Are you able to
7 share that feed?

8 MR. UVA: Right now we're not
9 because we have to cross some hurdles with our
10 IT department and how we're going to do that,
11 security issues. But right now we were just
12 able to get it in. It's going in through a
13 little remote computer so I'm logged in from
14 here.

15 And I think -- sorry -- I'm
16 connected to a computer at Bucklin Point, and
17 then it's going through some wireless
18 transmissions that are solar connected to the
19 camera. So, right now we're just trying to get
20 it working, and we've just got it up and running
21 two weeks ago. And we did this for about a
22 thousand dollars. So this wasn't as big a scale
23 as the CSO project.

24 CHAIRMAN MESOLLELA: Do we have to
25 get approval from the PUC.

1 MR. UVA: We might have to, Mr.

2 Chairman. I'm sure they'll ask me to testify
3 about it.

4 CHAIRMAN MESOLLELA: Check with the
5 PUC. Send Karen

6 MR. UVA: Yeah, we'll send Karen
7 there.

8 COMMISSIONER NATHAN: My
9 recollection on the three wind turbines was
10 around the 12-year payback on that, \$14 million
11 spent. What's your recollection, what's your
12 thought now, because I bet you you think it's
13 going to pay back in less than --

14 MR. UVA: Well, National Grid just
15 went up 24 percent, so I think payback's getting
16 better every year.

17 COMMISSIONER ANDRADE: I go up and
18 down Veterans Memorial Parkway most every day.
19 So I'm always looking over at the turbines.
20 Sometimes they're stopped, or sometimes they
21 seem like one stopped and the other two --

22 MR. UVA: These are controlled from
23 an office in Chicago and they control all
24 Goldwind turbines around the country. Sometimes
25 people are doing maintenance on them. This one

1 here has been stopped a few times because

2 they're building a building right next to it, so
3 when we have cranes operating they stop.
4 Sometimes they get faults and a fault show up on
5 the computer and it shuts down and the
6 technician comes out and checks it. But I'm
7 actually amazed at the amount of time they're
8 always running. And so sometimes they will shut
9 down when the wind direction changes, and you
10 get that lag, and then all of a sudden they'll
11 shift, and they'll go around and then they'll
12 start up again.

13 COMMISSIONER NATHAN: So they'll
14 start up automatic?

15 MR. UVA: Oh, yes. No, it's all
16 computer controlled. We can manually shut them
17 down if we're going to have a hurricane, so
18 there are things that we can do to shut them
19 down.

20 COMMISSIONER CARLINO: So we
21 contract out to have that --

22 MR. UVA: Yes, it's all part of our
23 service contract and that's written into the
24 calculations in the feasibility study. Yes,
25 Commissioner.

1 COMMISSIONER CARLINO: What's the
2 payback on Bucklin Point you talked about the
3 solar project and the biogas. What do you think
4 the payback is?

5 MR. UVA: I'm not sure what that
6 number is. Jim, do you recall what the biogas
7 project payback number was?

8 MR. MCCAUGHEY: 12 years.

9 MR. UVA: 12 years. And they're
10 all moving targets because until you build these
11 you don't know what incentives you may get from
12 National Grid. You don't know what electric
13 rates are going to be.

14 I'm pretty confident they're not
15 going to be going down. So usually when we
16 calculate 12 years, it's usually going to be
17 better than that simply just because the way
18 everything goes up.

19 MR. GADON: Do you think biogas
20 will be more consistent than even the wind
21 turbine and solar?

22 MR. UVA: Yes, the biogas is going
23 to be very consistent because it's always
24 running unless your gas production drops off.

25 CHAIRMAN MESOLLELA: What's the BTU

1 content?

2 MR. UVA: I don't know. Jim, do
3 you know the BTU content of the biogas offhand?

4 MR. MCCAUGHEY: 600.

5 MR. UVA: There's several ways you
6 can do these biogas projects. You can always
7 blend it with natural gas, so there are
8 different proposals and they evaluated all of
9 that. This was a big study that went out. It
10 was evaluated by outside consultants. If wind
11 turbines were design, build, this was a design
12 project. So it went to the consultant. They
13 designed everything and now it's going up for
14 proposals for installation of the equipment.

15 Now, to get back to renewable
16 energy credits a little bit. What's happening
17 is Joanne constantly is dealing with new
18 legislation and regulations regarding climate
19 change. And the reason we were able to put up
20 these wind turbines is because of that
21 legislation.

22 It made it cost effective for us to
23 do it. So every different, all these different
24 regulations that you see here, they all have
25 different levels of reductions of carbon

1 emissions by certain years, so different
2 percentages. So how do you keep track of all of
3 that and what do you have to comply with? So,
4 as these regulations change, we are being
5 proactive. Are we going to be regulated for the
6 CO2 emissions that we put in the air? And Jim's
7 team has been evaluating our greenhouse gas
8 emissions, and EPA came out with mandatory
9 regulations for greenhouse gases. And you were
10 a listed source.

11 Originally wastewater treatment
12 plants were a listed source, which means we have
13 to comply with certain reductions by certain
14 deadlines. At the 11th hour probably due to the
15 efforts of NACWA and other entities, wastewater
16 treatment facilities were removed from the
17 regulations. However, if anybody that
18 discharges more than 25,000 metric tons of CO2,
19 equivalent is regulated.

20 Fortunately, we are under that.
21 We've evaluated all of our emissions and where
22 they come from, and we're well below that level.
23 So we're not regulated yet. But as I indicated,
24 we're preparing for future regulations. We've
25 been working with the University of Rhode Island

1 and we've been measuring the emissions off our
2 treatment tanks. Right now a lot of the
3 documentation is based on literature values. So
4 on some pollutants were lower than the
5 literature value, some pollutants were around
6 the literature values, and in some case we maybe
7 a little higher than the literature values. But
8 we do have an accurate number now of what --
9 we're our carbon footprint is.

10 And basically, sludge processing is
11 our largest source of greenhouse gas emissions.
12 38 percent of our greenhouse gas emissions are
13 from incineration of our sludge. However, since
14 our sludge has been officially reused and it
15 generates energy, that's okay. So we're in a
16 good place with that.

17 The second most leading contributor
18 of CO2 emissions is from BOD removal. So we
19 provide air into our treatment tanks to reduce
20 the biochemical oxygen demand. Nitrogen goes up
21 in the air, methane goes up in the air. So
22 eventually down the line they will be regulating
23 wastewater plants to capture what comes off of
24 the treatment tanks. So right now they're
25 telling us get the nitrogen out of the water.

1 Where do we put it? In the air. So then
2 they'll tell us, capture it out of the air. So
3 as Tom Brueckner tells you, the projects never
4 ended. You're constantly going to be upgrading
5 and installing more treatments. So Rhode Island
6 has enacted all of this renewable energy
7 legislation to reduce these greenhouse gases.
8 And every year it gets a little better. And the
9 net metering legislation is the one that's
10 enabled us to do what we do today.

11 And I just wanted to give you a
12 couple of slides on net metering and what it's
13 all about. So this is normal net metering mode.
14 We're bringing electricity from the grid. It
15 goes into the meter and goes into our treatment
16 plant. We also spin the wind turbines, and the
17 power from the wind turbines goes into the meter
18 and into our treatment plant.

19 And then when we hit 16 miles an
20 hour, we're providing all the power we need from
21 our wind turbines, and that meter is spinning
22 backwards. And that's when we're in the money.
23 And that's what we like to see. So then there's
24 another way that you can do things. And this is
25 one of the things that we're considering for

1 Bucklin Point for the solar project, is entering
2 a distributed generation contract with National
3 Grid. And what you do is you can do this
4 on-site at the facility, you can do this at some
5 land offsite. And you can build a project,
6 solar, wind, whatever, as long as it qualifies
7 for renewable energy legislation and you can
8 export through a meter through the grid, and
9 they will pay you a fixed amount.

10 So that's another way that you can
11 do it. You can involve third parties in that
12 type of process. So as long as there are
13 certain requirements in the legislation, but
14 that's another way that we can have an energy
15 project. And this is the last thing I'm going
16 to talk about. And this is virtual net
17 metering.

18 And this will allow us to get some
19 land somewhere, or have a developer have some
20 land, and put up some turbines that we would be
21 in charge of. And what it would do is credit
22 existing meters. So just like the net metering
23 we do here, it's almost like those meters are
24 spinning backwards. We're getting that 11 cents
25 a kilowatt, instead of the 4 cents a kilowatt.

1 And right now it's eligible for projects up to 5
2 megawatts and it can reduce up to 125 percent of
3 the electric meter bill. And right now the
4 legislation is actually being revised to make
5 that 10 megawatts. So I'm not sure what the
6 status of that legislation is, but this is what
7 the Chairman has indicated. He asked us to take
8 a look at what we can do with this and we have
9 an RFP ready to go out.

10 It's being reviewed by our internal
11 bond counsel. And once we get some final work
12 from them, we'll decide how to proceed with this
13 and get their approval on what we're proposing.
14 We've got some awards for our energy programs.
15 We got the NEWEA award for energy. We recently
16 received the EPA excellence last month.

17 Last month Laurie Horridge and I
18 went to accept that in Boston. And part of that
19 award was because of our energy program here at
20 the Narragansett Bay Commission. But also, we
21 have an energy program where we went out to
22 every wastewater plant, and we did an analysis,
23 an energy analysis for all of those plants, and
24 we provided them all with written reports of how

25 they could save energy and what alternative

55

1 energy options are available to them. That was
2 done through one of these EPA grants that we
3 received that I told you about earlier. And
4 that was so successful that the water supply had
5 asked us to help them with their program. So
6 they could do it with all the water supplies.

7 I want to thank Jim McCaughey,
8 Barry Wenskowicz and Eugene Sorkin and all of
9 our engineering operations construction and
10 finance teams that work on these projects,
11 because they're very complex, and also our legal
12 staff, because we couldn't do without our legal
13 teams. And there's a lot of very complex
14 matters that we have to deal with to make these
15 things become a reality.

16 So we're very thorough, and we
17 don't want to waste our ratepayer's money, so we
18 want to make sure all of our ducks are in order
19 before we go forward with these projects. I'm
20 open for any questions.

21 CHAIRMAN MESOLELLA: Commissioner
22 Carlino.

23 COMMISSIONER CARLINO: Yes. A
24 couple of slides before you said, and I guess

25 it's because of the legislation you said that a

56

1 developer that has a lot of land, we could
2 contract with them and say we could put wind
3 turbines or solar. What role are we playing,
4 are we playing like the --

5 MR. UVA: Well, what we are doing
6 right now, Mario --

7 COMMISSIONER CARLINO: -- and what
8 role are we playing in this, NBC?

9 MR. UVA: Right now, there a lot of
10 different vehicles that a developer could use.
11 You could have someone like Goldwind who makes
12 turbines, and they may come in and say we have
13 some land. We'll build them for you and credit
14 your meter. And you pay us x amount a year for
15 the electricity and then we'll turn them over to
16 you. Developers can get tax credits, so a
17 developer may say let me go out.

18 I have this land. I can put up a
19 solar array, and you're going to be in charge of
20 the property. So we have to be basically in
21 charge of the property, it could be from a
22 lease. There's a number of criteria in the
23 legislation that you have to do it. And we

24 don't know what options are available. We don't
25 know all the options and different

57

1 configurations that a developer could come up
2 with. But these folks are experts in it. And
3 that's what -- about tell us what your ideas
4 are, but tell us how you're going to use the
5 renewable energy credits. Are you going to use
6 distribute generation? Are you going to use A,
7 B, C, D? We we want to know all of the facts,
8 and boil it down to dollars per kilowatt. So
9 now we have something to compare it to. We may
10 have five proposals that are good for the
11 Narragansett Bay Commission that we want to move
12 forward with that will get us to being net zero.

13 So we don't have to rely on the
14 Grid. We don't have to rely on that cost of
15 electricity changing from year to year. And
16 that's my ultimate goal before I head to
17 Florida.

18 MR. GADON: Tom.

19 MR. UVA: Yes.

20 MR. GADON: Are the solar energy
21 projects at Bucklin Point, would that feed into
22 Bucklin Point or into the --

23 MR. UVA: It could be either way.

24 It could either feed directly into Bucklin
25 Point, but there's a transmission line right

58

1 next to it, so it would be much more
2 cost-efficient we think to just put it out to
3 the Grid as a distributed generation contract.

4 CHAIRMAN MESOLLELA: Okay. So are
5 there any more questions for Tom? Tom that was
6 really great.

7 MR. UVA: Thank you, Mr. Chairman.

8 CHAIRMAN MESOLLELA: Great job.
9 I'll never put you off again. I promise when
10 you're scheduled for a presentation, we'll let
11 you make it as scheduled.

12 MR. UVA: I'm at your mercy, Mr.
13 Chairman.

14 CHAIRMAN MESOLLELA: All right.
15 Okay, really. That was really informative. It
16 was a great presentation. Do any of our
17 Commissioners have any questions regarding the
18 presentation we just received from Tom?
19 Commissioner Milas.

20 COMMISSIONER MILAS: Does the state
21 ever reach out to you, because we're a model for
22 just about any program you could think of? So

23 does OER call you and go, you guys are so
24 successful, why reinvent the wheel? How are you
25 doing that?

59

1 MR. UVA: We go to all of their
2 meetings.

3 COMMISSIONER MILAS: No, I didn't
4 say do you go, do they call you?

5 MR. UVA: Sometimes they do, yeah,
6 they call us, don't they, Jim? Barry once was
7 one of our engineers and was very involved with
8 all of these work groups, and I think Jim was
9 just down in Washington at the meeting and they
10 have presentations all over the place on this
11 stuff. So we are above the curve. Thank you.
12 I appreciate that.

13 CHAIRMAN MESOLLELA: All right.
14 I'm sorry. Commissioner Bennet.

15 COMMISSIONER BENNET: Mr. Chairman,
16 I'm just wondering, you know, with the
17 technology changing with solar, and the solar
18 aspect of this project, the other companies that
19 are out there that are competing, do they have
20 like a, like every five years they have the
21 ability to create the technology or six years,
22 ten years? I'm not familiar with it, but it

23 seems like it's changing.

24 MR. UVA: Solar is growing by leaps
25 and bounds. I heard something on the radio this

60

1 morning about it's overtaking. It's the fastest
2 growing energy, alternative energy in the
3 nation, but the technologies are becoming much
4 more efficient. The solar units are much more
5 efficient, so we get more volts out of, more
6 amps out of the units and the prices are
7 dropping. So it's coming a long way, and it's
8 going to be more and more cost-efficient for us
9 to explore solar options.

10 CHAIRMAN MESOLLELA: Absolutely.
11 So, all right. If there are no other questions
12 for Tom, we have no other business, unless
13 there's new business of any kind. All right.
14 Well, Tom, again, thank you, very much. It was
15 really informative. And Tom, that's available
16 on-line, right?

17 MR. UVA: We'll have that on the
18 Commissioner's website for them.

19 CHAIRMAN MESOLLELA: All right,
20 great. So Commissioner Rotella.

21 COMMISSIONER ROTELLA: Adjournment.

22 CHAIRMAN MESOLLELA: We have a
23 motion for adjournment and that's seconded by
24 Commissioner Farnum. All of those in favor of
25 adjournment will say aye. Any opposed? There

61

1 are none opposed. We are adjourned. Thank you,
2 very much.

3 (HEARING ADJOURNED AT 1:10 P.M.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22
23
24
25

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

2

3 I, PAULA J. CAMPAGNA, CSR, a Notary
4 Public, do hereby certify that the foregoing is
5 a 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 14th day of June, 2015.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

PAULA J. CAMPAGNA, CSR, NOTARY PUBLIC/CERTIFIED
COURT REPORTER

21

MY COMMISSION EXPIRES: April 25, 2018

22

23 IN RE: Board of Commissioners Meeting

24 DATE: May 27, 2015

25