



**State of Rhode Island and Providence Plantations
Water Resources Board**
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MINUTES OF BOARD MEETING # 452
July 11, 2006

Members Present:

Daniel W. Varin, Chairman
William Penn, V. Chairman
Robert Griffith
Clayton W. Commons*
Frank Perry
William Stamp, III
Alicia Good*
Ian Morrison
William Parsons*

Members Absent:

Jon Schock

*Member designee

Staff Present:

Juan Mariscal
Kathleen Crawley
Beverly O'Keefe
William Rivero
Elaine Maguire
Rob Christina
Romeo Mendes
Tracy Shields
Navy Bhada

Guests:

Henry Meyer, Kingston Water
Harriet Powell
Evan Matthews, Quonset Development Corporation
Walter Edge, Jr., B & E Consulting
Tim Brown, General Manager, KCWA
Susan Licardi, North Kingstown Water
Eugenia Marks, Audubon
Chantale Edouard, House Finance Committee
Ken Payne, Senate Policy Office
Harold Ward, Coalition for Water Security
Jane Austin, Save the Bay

1. CALL TO ORDER

With a quorum present, Chairman Varin called the meeting to order at 12:04 P.M. The Chairman noted that Mr. Commons was representing Ms. Swallow today as a full participating member and that Mr. Morrison has been confirmed by the committee.

2. APPROVAL OF MINUTES:

Mr. Parsons moved approval of the minutes of the June meeting with a second by Ms. Good. The motion carried unanimously.

3. CHIEF BUSINESS OFFICER'S REPORT

Mr. Penn explained that the Finance Committee had not had a chance to review this report. He continued that the significance of the report is that as of the end of June, we had \$854,000 in funds that were unencumbered. Some of that reflects the timing of filling positions of staff, but there are a couple of other major items. At Mr. Penn's request, Ms. Crawley explained that there was \$500,000 allocated for the Pawcatuck Optimization Study in the federal restricted receipt account. We did not need all those funds and spent a portion—about \$200,000, so there is about \$300,000 remaining. The final \$64,000 and the final project deliverable will be accomplished this fiscal year moving forward—this accounts for a large portion of the \$854,000. Roughly, \$75,000 was turnover money and \$75,000 + \$175,000 was from the Big River Ecological Assessment, which was not started in fiscal year 2006. Those are the major items; the last remaining item is roughly is \$126,000 from the Supplemental Water Study, Phase II, remaining balance. We have requested an authorized red balance for fiscal year 2007, so we will have those funds available along with \$400,000 from restricted receipts.

Mr. Penn thanked Ms. Crawley and then noted that on the revenue side, both the .0166 and the rental income, the actual amounts are slightly above budget. Mr. Penn moved approval of the report with a second from Mr. Perry and the motion was approved unanimously.

4. CHAIRMAN'S REMARKS

Chairman Varin noted that the confirmation hearings held for both he and Mr. Morrison were very brief, and the members voted unanimously to recommend these appointments to the Senate, and later the Senate did vote consent. The Chairman commented that the Separation of Powers bill expands the membership of the Board to 15 and designates 2 members as non-voting—those are the Economic Development and Statewide Planning members. Chairman Varin noted that he thought the Board should request an amendment of this bill at the next legislative session as this creates unnecessary problems. This legislation requires several different annual reports based on the fiscal year. In the past, our annual reports have been made on a calendar year. The legislation that requires that report has apparently not been deleted. This is another item we should review for legislation next year.

The Department of Administration has requested our help on the water supply system at Ladd Center. Administration is now responsible for that system and they want some help in deciding what to do with it. The staff is looking at the equipment and researching the system and we will be able to respond to this request soon.

We must restructure the committee system reflecting the membership, but it appears that the Governor cannot make recess appointments, so there probably will be no new members until sometime into the 2007 session. In the meantime, the Chairman asked the members to think about how they would like to participate in the committee system.

Mr. Penn asked if a quorum would be determined by the number of members that exist, or by the number of members potentially. Chairman Varin explained that by statute a quorum is specified as 7. Currently, it is 7 out of 10; in the future, it may become 7 out of 15 except for 2 non-voting members. It is not stated in the statute that non-voting members cannot be counted toward quorum; therefore, the assumption is that they do.

5. GENERAL MANAGER'S REPORT

Mr. Mariscal noted that as the Chairman had mentioned, he, Mr. Mendes and Ms. O'Keefe had met with members of Quonset Development Corporation staff to tour the Ladd Center facilities, and review the water system and we are in the process of researching this further and defining the issues in order to advise the Department of Administration. With regard to the annual report issues, we have met as a staff to discuss the annual report requirements and how we are going to respond. Also the legislation requires annual reports by the water suppliers; we will be giving guidance to the water suppliers on what they should be addressing in those annual reports to the legislature and general officers of the state.

After having received approval of the detailed sampling plan for the composted material that was used for the reclamation of the former Amgen parking lot — approvals by the DEM, we initiated the sampling of that material. It was inspected by the Office of Compliance and Inspection at DEM, which told us that our sampling plan — even though approved by another section at DEM — was not appropriate. We are now trying to resolve this with DEM's ombudsman and resolve this conflict within DEM.

We also met with the developers of some property which is adjacent to the Big River Management Area on the corner of Division Road and New London Turnpike. It is a large piece of property that was formerly an automobile "graveyard." It has been cleaned and its proposed use is a mobile home sales site. It is the relocation of Arlington Trailer Sales which is in the Warwick, West Warwick area. We are working with them—the issue has to do with primarily runoff from the proposed development in the Big River Management Area. We have made substantive progress. We are awaiting plans from the developer to determine if they will be acceptable to the Board. We will be working with the Property Committee once we receive the plans.

Several months ago, we began working with the Environmental Council, the Coalition for Water Security and others on an educational booklet regarding water. We are in the final stages and it will be going out for publication soon. Mr. Mariscal noted that Ms. O'Keefe had done a great job on this on-going project.

Mr. Griffith asked if the Quonset Development Corporation was required to submit a water system supply management plan for the Ladd Center water system. Mr. Mariscal responded that they were not required to do so. Mr. Griffith then asked if URI was so required, to which Mr. Mariscal responded that they were required to submit a plan. Mr. Griffith suggested that this therefore be taken under advisement as to whether or not the Department of Administration should be required to submit such a plan for the Ladd Center.

Mr. Griffith then asked if the mobile home sales development would be just sales or if there would be sales and service. Mr. Mariscal explained that it does include service which is his major concern. Mr. Griffith asked if it would also include recreational vehicles and Mr. Mariscal acknowledged that it would. Mr. Griffith noted his belief that they should, therefore, be held to at least the same standards as an automobile dealership is held. Mr. Mariscal explained that there have been discussions regarding attempting to retain all discharges onto the property and to berm areas where any repair or hazardous materials—oils, might be used. They had a paint shop originally that they were proposing, which Mr. Mariscal believes has since been eliminated from the proposal. We have tried to work with them to minimize any intrusion onto the Big River Management Area properties including the discharge of any water. Our last discussion indicated that the amount of water coming to Big River property would actually be less with their retention ponds than what it is currently—although we have not yet seen the actual calculations.

Chairman Varin explained that this site is directly across from the site in which the State Police were interested. Without any sampling, the mere presence of a junk yard there for several decades made it very unlikely that the groundwater in that section of the Big River Area could be used for anything.

6. COMMITTEE REPORTS AND ACTION ITEMS RESULTING

A. Public Drinking Water Protection Committee—Chair Robert Griffith

(1) Water Supply Systems Management Plans (WSSMP):

- a. City of East Providence—WSSMP 30-Month Interim Report. Recommendation for Action:
Notice of First Deficiency

Mr. Griffith explained that the committee was requesting approval for a Notice of First Deficiency for the water system supply management plan for the City of East Providence. The situation is outlined in the first memorandum. The City did speak at the committee meeting on June 27, 2006. They verbally addressed the “subject to” items and assured the committee that they could satisfactorily address them formally in writing within 2 weeks. However, we have not received this information. Mr. Griffith moved approval of this request and that a Notice of First Deficiency be issued. With a second by Mr. Stamp, the motion carried unanimously.

(2) Hunt River Water Issues:

- a. Recommendations for Action

Chairman Varin explained that there was a change in the agenda and that this item was not for action but rather for information.

Mr. Griffith explained that the Public Drinking Water Committee at its June 27 meeting discussed the recommendations that the Board had referred to the committee regarding the request by the Coalition for Water Security. This was a well attended meeting; we had representatives from all of the water suppliers on the HAP, as well as from the Coalition and several other representatives as well. In the committee’s estimation, a consensus did not emerge from the meeting as to how best to proceed. A number of issues were raised that are worthy of mention. All of the suppliers indicated an interest in and willingness to participate in a watershed council. The WRB should facilitate such a council. There was some discussion and disagreement over whether or not resolution of the situation within the HAP should be addressed as a larger state or a more focused issue specifically with the HAP. Again, no consensus emerged on this issue. Mr. Griffith had suggested that this should take place within the

context of the revisions and the updates to the several water supply elements of the State Guide Plan. There has been no objection to that, but there is also an interest in moving forward with some resolution to the HAP issues concurrently rather than consecutively. Another issue of concern raised again with no consensus emerging is that it is not just a challenge facing the water suppliers which are dependent upon the HAP or the communities themselves, but also the cumulative impact of private withdrawals needs to be considered and we need to determine what controls the State could and should assert over private withdrawals and how best to accomplish this. There is also concern about whether or not the State could assert control over both public and private withdrawals in the area after the fact because some of these wells have been in operation longer than the Water Resources Board has been in existence. It was suggested that we seek an opinion from the Attorney General and/or the Supreme Court to review this issue and also address the issue of water ownership rights and usages because there is some question as to whether the Board can retroactively apply standards to pre-existing wells.

Mr. Parsons asked Mr. Griffith if when he said “private withdrawals” if he meant residential. Mr. Griffith responded not necessarily, but ultimately it could come to that—if you have large numbers of private wells all coming from the same sources, ultimately that source will be drawn down if it proceeds in a totally unregulated fashion. It is a sole source.

Mr. Perry added that one thing the committee did agree with was that a lot more information and discussion is needed on this topic.

Mr. Griffith noted that this is not something that can be put off indefinitely with never-ending requests for more information. At some point that becomes a stalling tactic and as chairman of the committee, Mr. Griffith cannot allow it. Mr. Griffith also stated parenthetically from his position as chief of strategic planning in the Division of Planning, Mr. Flynn has requested Mr. Griffith take personal oversight—not responsibility for it at the staff level, but as liaison between the WRB and Division of Planning on the revisions and update—of the water supply elements in the State Guide Plan.

Ms. Good asked specifically what the committee’s recommendations were as to next steps. Mr. Griffith stated what he would like to do as additional instructions is bring the summary of that discussion back to the committee at its next meeting and see if areas of consensus can be identified and proceed on those, and also identify areas where no consensus exists and wrestle a little further with them. If impasse is reached, request further guidance, but he wants to strive to have some sort of working plan with goals and objectives in place by September that could be brought to the Board and proceed on that basis.

B. Property Committee—Chair Frank Perry

Mr. Perry noted that this committee had not met although he had met with Mr. Mariscal regarding Arlington Trailer Sales and that DOT had designed some new signs for the Management Area.

C. Finance Committee—Chair William Penn

- (1) B & E Consulting Water Quality Protection Charge Audits of Lincoln Water Commission, Jamestown Water Division, Portsmouth Water District and Narragansett Water Department. Requested Amount: \$10,000.00; Recommended Payment: \$10,000.00. Request for Approval

Mr. Penn explained that this was a request for payment and that B & E Consulting had completed audits for the following water districts: Lincoln Water Commission, Jamestown Water Division, Portsmouth Water District and Narragansett Water Department. In the Board package, Lincoln had not been completed. Mr. Penn noted that Mr. Edge was present at today’s meeting and had delivered the completed Lincoln audit. Mr. Penn explained that this was the second round of audits which had been done for these suppliers. The first round had

determined that there was \$91,000 of surcharge money due to the Board. This second round determined that there was \$150,000 due to the Board. There is clearly a very high rate of return from our \$10,000 investment with Mr. Edge's company. Mr. Penn moved approval with a second by Mr. Perry. The motion carried unanimously.

- (2) Vanasse Hangen Brustlin, Inc., Requested Amount: \$2,677.18; Recommended Payment: \$2,677.18. Request for Payment Approval

Mr. Penn explained that this was for the testing of the compost material at the former Amgen parking facility. Mr. Penn moved approval of the payment with a second by Mr. Perry. Mr. Stamp clarified that this project was not complete, and Mr. Mariscal noted that was correct. Now there was concern that the total cost would be more than the originally understood contract cost of \$6,890.00. Mr. Penn added that it was now being researched as to whether or not any of these costs would be reimbursable by the parties. Mr. Penn moved approval of the payment with a second by Mr. Perry. The motion carried unanimously.

- (3) Capital Budget Draft

Mr. Penn explained that this was a request for approval of the capital budget for the next 5 years. He noted that the form No. 1 summary of capital and asset protection projects—that based upon the motion that was approved in February dealing with the Big River groundwater development—we have moved that project up to ranking No. 1. There is a very large amount associated with that and there is a breakdown of expected expenditures from the current fiscal year out to 2012 on the second page. He noted that the \$250,000 that had been projected for this year is not in the budget. We need to either replace it or to defer some other projects so that we can replace the \$250,000 to move forward with the RFQ/P. In some of the projects, we have general obligation bonds that are issued, which must be spent. We have no control over the un-issued general obligation bonds, but we must still keep on top of this and when they are issued, we have projects which we can quickly identify and disburse those funds. Mr. Penn moved approval of the capital budget from 2008 – 2012 with a second by Mr. Perry.

Chairman Varin added that the decision to make the development of the groundwater wells in Big River the top priority was given to the Board by the Governor some time ago. It is clearly the Governor's priority, there is much work to be done on it, and the Governor's staff may not have appreciated all the work involved when they made it the top priority. Dr. Sullivan offered a resolution at the February 14 meeting, which was approved unanimously. We are pursuing it.

Mr. Griffith asked about the inclusion of the water allocation plan under the capital budget. He noted that while his organization was in the Budget Office he refrained from commenting on Budget issues. However, for the most part although it is a multi-year project, these are studying and modeling projects, which do not meet the definition of capital projects. Also during the time he was a member of the Capital Budget Oversight Committee, it was dimly viewed to use capital monies for studying and modeling projects. Chairman Varin noted that at the Board's annual meeting with Budget Office staff, our staff has always raised that question. It does not appear to be a "hardware" type item with what is usually considered capital items. Ms. Crawley explained that she had had direct discussions with the Board's budget analyst Liz Leach about this very item. Because this is a long-term planning and they are large, multi-year projects that it was appropriate to keep them in the capital budget request even though the source of funding is listed as general revenue. She directed the membership to look at the attached project costs and financing, it was noted that from fiscal year 2007 forward, we, consistent with last year's legislative action, continue to list general revenues as the source of funding for the water allocation plan. The Budget Office does like to see the full project plan and because they are multi-year projects, they do feel it is appropriate to be put into the capital budget request. Mr. Griffith asked if staff had been encouraged by the Budget Office to request funds from the capital plan fund. Ms. Crawley stated that we had not been so encouraged. Both Messrs. Griffith and Penn noted that it was an anomaly, but Mr. Penn noted that staff had been told for years by Budget to do it this way. Ms. Crawley noted her belief that the Budget Office's preference is for the Board to continue working with the Department of Health to get restricted receipts set-aside money to fund this project. Mr. Mariscal noted the Capital Plan in the Water Allocation section states in the last sentence of

the first paragraph: “The efforts serve as the design phase for capital investments at the local level, and at state level for emergency interconnections, Big River well development.” In the classic scheme of planning, design, construction, this is basically the preliminary planning and design phase. Mr. Mariscal noted it would be a good subject for the Board’s Strategic Committee to discuss this in the future because there are some things in this capital budget that have major impacts on how we try to address some of the responsibilities that we have.

Mr. Penn moved approval of the capital budget from 2008 – 2012 with a second by Mr. Perry, and the motion carried unanimously.

D. Construction, Engineering and Operations Committee—Chair June Swallow

Mr. Commons noted that this committee had not met.

E. Legislative Committee—Chair Daniel W. Varin

Chairman Varin stated there was nothing to report; however, he noted that Mr. Rivero had prepared an excellent summary of what had happened in the legislative session that just ended. The Chairman suggested the members keep this summary until November when the Board will again start to discuss legislation. He also noted that bills introduced in the House and Senate again this year make the detailed water systems supply management plans public documents died in both houses’ committees, but he did expect to see them again next year.

F. Strategic Committee—Chair Daniel W. Varin

Chairman Varin noted that this committee had not met.

G. The “Big” Ad Hoc Committee—Chair Jon Schock

Mr. Penn stated that the committee had been formed to develop the RFQ/P to begin the study and planning for the development of a withdrawal system. The membership held four meetings over the last three months, and developed a proposed draft which was included in the Board packages. The important sections of this document are pages 6, 7 and 8, which are the tasks the consultant will undertake and also the deliverables under each task, so that we will then be in a position to request bids for the actual development of the water system. We are keeping options open; it would be a state-owned and operated facility, a privately-owned and operated facility with state financing or a completely privately-owned and privately-financed facility.

In response to Mr. Penn’s question, Ms. Good explained that DEM had sent the Board a letter, which was a summary and outline of the permitting requirements that would need to be addressed. Mr. Mariscal noted that the Board had not received that letter at this time. She noted the letter stated what the regulations that the consultant should focus on are. Ms. Good added that she did have a comment regarding the RFQ/P itself. On page 7, the third bullet from the bottom where it states that the environmental impacts should be limited geographically to well head protection in Flat River. She agrees that both should be looked at, but she does not believe it is well advised to limit the consultant to look only at those environmental impacts within a specific geographic area especially when above that is a bullet which states, “address the regulatory and required permit applications” because you will need to address issues beyond those two areas. She added that she believed there was some conflict in the draft RFQ/P’s language. She suggested either removing that bullet or rather than stating “limited geographically” saying, “including, but not limited to” those areas. Either option would suffice, but to limit it to those geographic areas would be misleading. Mr. Penn asked if the Board would have the ability to give the consultant the geographic areas or would that be up to the consultant’s own discretion. Ms. Good responded that once the consultant starts to evaluate what the impacts are from the withdrawals, then it will be possible to narrow it down. She agreed that the stated areas must be considered, but the construction of the line, the construction of the treatment facility are all environmental impacts which must be considered as well. DEM can help by working with the consultant to narrow things down once the baseline environmental information begins to be collected.

Mr. Griffith asked if it would be appropriate for DEM to be present at the pre-bid conference or would this be a discussion that takes place after the consultant is selected. Ms. Good answered that she believed it would be after the pre-bid conference, more like pre-application meetings—once someone is on board and actually beginning to put together the permit applications and they review the regulations and they start developing that baseline information.

Chairman Varin drew the membership's attention to last page of the General Manager's cover memorandum, which notes that there are two things yet to be addressed: the first is adequate funding; therefore, we cannot proceed with the bidding process. The Division of Purchases will not issue an RFQ/P without a purchase order and a purchase order will not be issued without the money. The second item is that if Mr. Penn's motion is approved, the Ad Hoc Committee will meet again to identify anything that needs to be changed or added to this document.

Mr. Griffith wanted to know if it was the intent of the Board to allow the Ad Hoc Committee to make these changes without bringing it back to the Board. This was stated as being the intent.

Chairman Varin added that at the February 14 meeting, Dr. Sullivan's motion called for an RFQ/P by the end of April, which was a very ambitious schedule. Staff and the Ad Hoc Committee were thanked for all the work put into this document, but with the question about funding, it does not appear that we can accelerate this process.

Mr. Penn noted that at the Ad Hoc Committee's meeting of July 10, this recommendation was endorsed to bring it forth as a motion to the Board. The Committee feels strongly that this means it has done its work, and now there are two other things beyond our control which must come into play. We have the document ready to go, now give us the funding and the DEM comments. Mr. Penn moved approval of this recommendation and Ms. Good seconded and offered assistance to the Ad Hoc Committee regarding changes to the language of the RFQ/P. It was noted that DEM's assistance would be greatly appreciated. Ms. Good noted her wish for DEM to be more specific, but stated there is a broad set of regulations currently and as DEM receives information on the project's impacts—baseline environmental conditions—the better able DEM will be to refine the issues to be addressed. This motion carried unanimously.

7. NEW BUSINESS

8. OTHER BUSINESS

(1) Kent County Water Authority: Request for Development of Statewide Water Conservation Program

Chairman Varin stated that at the last Board meeting, he had distributed a letter from Mr. Brown (General Manager, Kent County Water Authority), which referred to an earlier letter (March, 2005). This was not assigned to a committee, but we are trying to give this some consideration. The Chairman noted that currently there is no looming threat of a drought. He stated that he is unsure where we would put such a policy. The policies of this type which relate to water are in the State Guide Plan, but they are too global—they need definition. This will be one of the functions of updating the plan, but that is a process requiring two different agencies' participation as well as the State Planning Council. It is uncertain as to how the Board could enforce such policies particularly when we are having a period of adequate precipitation, never mind a drought. A policy to do anything could be adopted, but making it "real" is another step. Finally, the Chairman stated that he had to point out that the staff is overburdened as it is and while he will continue to work on this, but he could not put this on the staff right now.

Mr. Griffith added that a look at this request within the context of the updates to the water supply elements of the State Guide Plan will occur in the current fiscal year. This doesn't necessarily mean that it will result in an overhaul of the demand management pieces and the drought management pieces of the State Guide Plan, but it will ensure that they receive formal review and consideration. The State Guide Plan development and approval process also includes public hearings and provides opportunities for input from the interested public. So Kent

County among others would have the opportunity to comment on any recommended changes. One thing that is also being taken under review in general regarding the water supply elements of the State Guide Plan will be issues of authority and enforcement.

Mr. Penn stated his belief that enforcement is the crux of this issue; consequently, perhaps the Board should be thinking about going to the legislature and actually getting authority to establish a statewide outdoor water ban or whatever it may be and then having the ability to enforce it. If we set up a policy, it is just a policy that doesn't really do anything. What we need is to have a mechanism to stop the very situation which Kent County is in, where in Warwick one side of the street can water its lawn and the other side cannot.

Mr. Stamp added his belief that pricing had a better affect on curbing demand—supply-side economics should be pursued. Mr. Griffith noted his agreement, but that Kent County is a situation which falls into the dilemma where they have large numbers of private wells in their area, which do not fall within the regulations or guidelines. Mr. Stamp noted his aversion to statewide regulations. He looks at the various agencies involved in water and education in the state—Department of Education, Department of Health and the Water Resources Board—and believes that the three can get together to work on education. So the public will understand that water is a resource that isn't infinite—it's finite. Chairman Varin stated that some progress was being made in the educational arena and he hoped to have something to bring to the membership at the next meeting. There is evidence that a concentrated education program produces good results. Whenever we have been confronted with drought or near drought situations, the water suppliers have responded voluntarily, which may not be enough for the big dry period.

Ms. Marks stated her belief that what was needed was to develop a culture of conservation—we need to think beyond the strictures of drought and for example, automatic lawn sprinklers that go on regardless of whether or not it is raining. There are many areas in which we do not have a culture of conservation and the Board has shown its interest in conservation in its support of the Environment Council booklet and many other ways—the continuation of the Drought Committee and the many actions which the Board takes. What can be done to promote the idea that water is a resource which we need to attend to at all times regardless of availability? The Chairman noted his agreement with both Ms. Marks's comments and Mr. Stamp's comments that pricing can have substantial impact on demand. The WAPAC Committee did recommend and the Board adopted that recommendation to get all the water suppliers on billing schedules, which make pricing a useful terminal. It is moving in that direction, but not very quickly.

Mr. Perry agreed with the comments of both Ms. Marks and Mr. Stamp, but the problem is that we must get there. Currently, we have areas of the state where there is a belief that there is plenty of water. Chairman Varin interjected that the whole state believed that and also that if water is not free, then it must be very inexpensive. Mr. Perry continued that there are certain areas of the state which have limitations, particularly the southern part of the state and the central part. Kent County happens to be on that line. The bigger part of KCWA's problem is distribution as well as supply. We have a system that is over 100 years old — we have pipes through which we just cannot move the water. Everything we do must be pumped; it doesn't flow by gravity as some of the other systems do. We have all the high elevations in our area. We are constantly faced with water management — not even conservation, it's management. It is trying to get everyone not to be using water at the same time. Use the water on alternate days. This doesn't really cut down on how water people use, it cuts down on much Kent County's peaks are — that is the problem, pumping twice as much in the summer as we do on an average day. Water use fluctuate wildly — on a day like today, KCWA is probably pumping about 12 mgd, but in the winter KCWA may only be pumping 7 or 8. KCWA may max out at 19 mgd when it gets hot. Beyond 19 mgd we just can't move the water to the people. We must have consistent management between water systems. KCWA runs into the problem with adjacent systems that do not have to restrict usage as KCWA does — what must be done is that the whole state must face this problem because it is only migrating. It will get worse for others, too. It is time to start building this culture of management/conservation now rather than waiting. Mr. Perry noted that Mr. Stamp had mentioned cost. One of the best ways to control water usage is to go to seasonal billings. Block Island has very high rates for summer and people do not use water outside. Most of the companies like KCWA in order to do this must have automatic reading meters on a monthly basis. However, KCWA reads on a quarterly basis. Therefore, they have no mechanism to put in place summer rates because all of our customers don't pay them, but we are getting ready to go through a new meter cycle and we are going to put in automatic reading meters so that we can do this. We will then switch to a monthly billing; however, everyone must begin doing this. We cannot have some water companies saying, "Hey, it's revenue; we'll sell

them as much as they want—let them use as much as they want because we’re making money.” We must build this culture statewide because whether or not people believe, our supplies are maxed out. The Scituate Reservoir is not an unlimited resource of water.

Mr. Ward noted that at the July 10 meeting of Big River Ad Hoc meeting, there had been much discussion of the need to focus on resource conservation. There was an understanding that water conservation would go forward at the same time as the Big River RFQ/P. He noted concern at the Chairman’s comment that this would not be given to staff right now. He made note of the Coalition’s intent to follow through on the conservation aspect of water, but also noted that the Coalition would need help from the Water Resources Board staff.

Chairman Varin responded that this will get attention, but it is not an easy issue. We are very lucky to be in our current position so far this spring and summer—no serious problems exist so far this year. He assured Mr. Ward that the issue is not being ignored and that the Board will continue to work on it, but it is a tough issue.

Mr. Commons responded to the comment that statewide legislation might be necessary. He stated that the one group left out of this discussion is the municipalities, which have zoning authority and they can require Xeric landscaping, and automatic sprinkler systems in new developments. Municipalities must be involved in this discussion as there are water issues all over the state. People who want putting greens as front yards must be forced to re-think it and zoning is a way in which we can accomplish this goal.

Chairman Varin added that there are ways to get at it. First we must develop a strong position demonstrating that there is a real problem, and work with everyone involved.

Mr. Stamp noted his belief that zoning creates more of a bureaucracy. The tiers of bureaucracy are what cause the problems because no one can ever do anything. You always get stuck behind a cement block that you cannot move out of the way which is unfortunate. In the business community, we seem to be able to take actions without a lot of bureaucracy to find solutions. The more he is involved with this board and others, he sees how encumbered we are. We need to clear away the bricks, not add to them.

Mr. Griffith noted that one of the reasons we have the bureaucracy in the public sector is that we are dealing with other peoples’ money. The private businessman is more able and more willing to take the risk because he is dealing with his own money. We are answerable to the public in how we spend their money. The other point is that the review and update of the water supply elements of the State Guide Plan is being done also with an eye towards its relationship to the new land use plan, which has just been issued. We are going to be taking a hard look at how we can make it both compatible with and supportive of the new land use plan.

Mr. Stamp added that even if it is not the “Board’s money,” it must be wisely spent.

Mr. Meyer stated that conservation means to “set aside” and he doesn’t know how you can set aside water. He continued that he was one of the “blocks” to which Mr. Stamp referred. He is on the Planning Board of South Kingstown, which has adopted model ordinances and they are as close as any municipality in developing the next stage, which will involve natural resources. He also runs a water utility. In the drought of 1999, the Kingston Water District had record consumption. In the dry summer of 2002, the consumption was dramatically lower than in 1999. In 2005 another drought year, consumption was even lower than 2002. One of our biggest attributes has been our customers. We bill quarterly, but have annual charges that are applied system wide during the July billing, which coincides with the highest demand times of the year. Because those charges coupled with the water usage charges are so high, people become very conscious of the expense of using water. Virtually all of the new developments have automatic sprinkler systems that use far less water than the old style lawn sprinklers, let alone those used at the State House. Even with outside water use, consumption has dropped dramatically. Our production has dropped by about 9 percent from last year to this year during the current period. That is the variable that we are now talking about in water use. Water management is doable, but emphasis must be shifted from the overburdened concept of conservation to that of reduced water use, and the term “water allocation” needs to be changed to “water management.” Most utilities will respond to a general mandate from the state that we need to manage water. The individual utilities should be held to the water supply system management plans. Using the water supply system management plans, the suppliers can carry out the general policy of the state without having to get into a huge discussion of what water conservation should be. The tool is there, and it is up to us as individual citizens to fine tune it.

Chairman Varin stated his hope that when the updated State Guide Plan element really gets going that we will also have an opportunity to really look at what is in the water system supply management plans, how they can be improved, but he does not want to open this issue at the same time when we get the annual legislation saying, "make the entire document public" because there are parts of every supplier's plan which they do not want made public. As we were recently reminded from the Blackstone Water Supply contamination situation, vandalism does happen and we can't pretend it doesn't exist.

Ms. Marks thanked Mr. Meyer for his comments on changing the thought from conservation to efficiency of use in the full economic sense.

9. RECESS OF BOARD FOR BOARD CORPORATE BUSINESS

With no objection, Chairman Varin recessed the Board for Board Corporate business at 1:30 p.m.

10. RETURN FROM BOARD CORPORATE BUSINESS

At 1:34 p.m., the Board returned from Board Corporate business.

11. ADJOURNMENT

On a motion by Mr. Perry, seconded by Mr. Stamp, the Board unanimously voted to adjourn at 1:35 p.m.

Respectfully Submitted,

Tracy Shields
Personnel Aide

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