



**State of Rhode Island and Providence Plantations**  
**Water Resources Board**  
100 North Main Street, 5<sup>th</sup> Floor  
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**MINUTES OF BOARD MEETING # 455**  
November 14, 2006

**Members Present:**

Daniel W. Varin, Chairman  
Michael Sullivan, PhD  
Clay Commons\*  
Frank Perry  
William Stamp, III  
Ian Morrison  
William Parsons\*  
Jon Schock

**Members Absent:**

Robert Griffith  
William Penn

\*Member designee

**Staff Present:**

Juan Mariscal, P.E.  
Kathleen Crawley  
Beverly O'Keefe  
Romeo Mendes, P.E.  
William Riverso  
Elaine Maguire  
Rob Christina

**Guests:**

Alicia Good  
Henry Meyer, RIWWA, Kingston Water District  
Heidi Green, Quonset Development Corporation  
Chantale Sarrasin, House Fiscal Office  
Harold Ward, Coalition for Water Security  
Carissa Richard, Providence Water Supply Board  
Peter Gengler, New Eng. Mountain Bike Association  
Leo Corrigan, New Eng. Mountain Bike Association

**CALL TO ORDER AND APPROVAL OF MINUTES**

With a quorum present Chairman Varin called the meeting to order at 12:14. He introduced Clay Commons who was representing June Swallow. He stated that Rob Christina is leaving the staff next Wednesday. He noted that the staff will now be down to seven and that Rob will be missed particularly for his skills in the IT arena.

**Motion** by Mr. Stamp second by Mr. Sullivan to approve the minutes of October 10, 2006 (meeting # 454) with three corrections:

1. Chairman's report to read:  
A second issue which Mr. Greene agreed to investigate (and get the Governor's opinion) was the possibility of transferring responsibility for operations and maintenance of the Big River Management Area from the WRB to the WRB Corporate.
2. Committee Reports and Action Items Resulting (p. 2) to include Mr. Schock's name in the vote as follows:  
The vote was seven in favor, one abstention (Mr. Schock) and one non-voting (Mr. Parsons).
3. Change the reporting of the motion (p.4) relating to the executive session to note that it was taken in open session.

The motion passed unanimously.

**Motion** by Mr. Parsons second by Mr. Sullivan to approve the minutes for the September 20, 2006 Board Meeting #453. The vote in favor was unanimous.

### **FINANCIAL REPORTS**

**Motion** by Mr. Schock second by Mr. Perry to approve the Chief Business Officer's Report for October, 2006 as reviewed and recommended by the Finance Committee. The vote in favor was unanimous.

### **CHAIRMAN'S REPORT**

Chairman Varin stated that he had received a letter from the Navy seeking comments on an Environmental Impact statement they are preparing for active sonar training along the east Coast and the Gulf of Mexico. The issue to be addressed in the EIS is emitting sonar waves into water and receiving the reflected sound waves; a practice that is different from prior practice. The Navy is soliciting public comments by December 1. Chairman Varin stated that he did not see any water supply implications in the EIS as it is all taking place in salt water but he will work with any Board members that may wish to comment.

He reviewed the efforts to date on the proposal presented in the October Board meeting to increase the water surcharge. He stated that they had met with several water suppliers on October 26. There was general support for the proposal. The only issue was what money from such a surcharge would be used for. The two options are capital investments or capital investments plus infrastructure. The majority of the suppliers at the meeting favored capital investments only.

He stated that he had attended the Clean Drinking Water Conference held at URI, Department of Engineering on November 10 along with Juan and Kathleen. WRB presented the opening session with an overview of water supply. He mentioned that Director Sullivan and Ms. Swallow also spoke at the conference. He reported that in the final session he learned that desalinization technology has improved rapidly, reducing the costs from \$20 per 1000 gallons of water produced to \$2-\$2.25 per 1000 gallons produced.

He asked members to forward any suggestions for new board members as outlined in the Separation of Powers legislation to Mr. Mariscal or directly to the Governor's office. In response to a question by Mr. Meyers, Mr. Mariscal provided detail about the members from the legislation.

### **GENERAL MANAGER'S REPORT**

Mr. Mariscal stated that there were many on-going activities and highlighted the following:

- Capital budget hearing: Mr. Mariscal and Ms. Crawley made a presentation to the Capital Committee.
- The Budget Office recommendations on the FY 07 revised and FY 08 capital and operating budget requests have been received and responses are being prepared. He noted that the Big River well development project has been included in the FY 07 budget; however, the total amount of money is \$50,000 with no allocation in FY08. There is an assumption that additional funding would be available from revenue bonds. Revenue bonds require a revenue stream that will not be in place by FY 08. A response to issues associated with the recommendations is being prepared.

- Nearly all the Water Quality Protection funds are either committed or expended (93% have been expended). Will Riverso will continue to work with suppliers with unexpended funds to ensure the monies are expended by the deadline of March 31.
- Mr. Mariscal, Mr. Varin and Mr. Riverso organized and attended a check presentation ceremony with the Pawtucket Water Supply Board. Governor Carcieri attended.
- Romeo Mendes inspected a cleaning and lining project on an emergency interconnection in Woonsocket and discussions are on-going with the Lincoln Water Department for potential connections in the next year.
- Big River has a new “resident” living in a truck body. Local authorities have been contacted.
- The former AMGEN parking lot restoration is nearly complete. The compost has been put down and the material should be acceptable based on sampling. Seeding will happen in the spring. The area was vandalized and the gate needs to be replaced.
- A section of Congdon Mill Road has been resurfaced as planned.
- Debris removal from two sites in the BRMA is underway.
- Quotes have been received to demolish two vacant properties.
- The annual report is being prepared as required in the Separation of Powers legislation. During the last legislative session, Mr. Mariscal had testified to request an extension of the deadline requirements anticipating that the substantial requirements would be difficult to prepare especially in the first year. He has communicated with DOA Director Najarian to indicate that our submission will be late. Their attorney is not very concerned about the submission this year.
- Construction activity in the building will result in displaced staff. Kathy Crawley’s office will be eliminated to construct the new stairwell to meet fire code. Romeo Mendes and possibly Will Riverso will also be displaced. Attorneys are working to negotiate relocation of staff and leasehold improvements required. The lease expires December 31, 2007. The Board has received approval from the State Properties Committee to locate new space.
- As stated by the Chairman Rob Christina is leaving. The Budget Office approved hiring a temp through RI Temps for the vacant Personnel Aide position.
- Hunt River Management plan: Mr. Mariscal and Ms. O’Keefe have been working closely with three water suppliers, the Coalition for Water Security, DEM and others to develop an application for a federal grant for a targeted watershed program. Hopeful to submit the application. The application requires a letter of support from the Governor. If successful WRB would receive \$750,000 over three years for education and to implement management strategies to resolve water supply issues on the Hunt.
- Ms. O’Keefe has been working with ECRI and RIDEM to plan a water conference as a follow up to the Water Booklet

### Discussion Summary

Mr. Morrison asked about the dumping in the Big River Management Area. Since the land is state property why isn’t the state, beyond the WRB responsible for cleaning up the property? This would be similar to a Municipal Public Works Department cleaning a municipally-owned property. There was additional discussion. The Chairman and others noted considerable volunteer efforts that clean up tons of debris and tires each year. Mr. Mariscal stated that the state owns a billion dollar asset and spend roughly \$80,000 to manage it. The budget request proposed 150,000 per year. The rental properties produce approximately \$250,000 per year in rental revenue.

## COMMITTEE REPORTS AND ACTION ITEMS

### Public Drinking Water Protection Committee

**Motion** by Mr. Perry, second by Mr. Morrison directing WRB staff to issue a Letter of Non-Compliance to the Providence Water Supply Board (PWSB) and to work with the PWSB to address the substantive deficiencies outlined in the memorandum to the Board dated November 6, 2006 and re-submit the Thirty-Month Interim Report within 90 days from the date of the letter of non-compliance. The vote in favor was unanimous.

#### Discussion Summary

Mr. Schock asked some detailed questions about the data requests for the Providence Water Supply Board. Ms. O'Keefe stated that there were a couple of issues. The first regarding reporting is that PWSB only provided the 2005 data and did not provide quantity information for the other years. The second issue regarding the drought management is that the Scituate levels were inconsistent with other reported data and need to be corrected. In addition, the level (273 ft.) evaluated in relation to their drought management section (consistent with the state Drought Management Plan) would have triggered conservation efforts that did not occur. Annual reporting has been initiated this year. The figures submitted in their 30 month report are different than the figures in the report. There was further discussion about timing and recourse. Mr. Perry noted that if the Board does not issue a notice of deficiency within the specified timeframe, then the plan is automatically approved. The only mechanism for addressing corrections is the notice of deficiency. It was noted that the representative from Providence Water stated at the Public Drinking Water Protection Committee meeting that it was their intent to provide the needed information

**Motion** by Mr. Perry, second by Mr. Stamp directing WRB staff issue a Notice of First Deficiency to the Greenville Water District (GWD) for the deficiencies outlined the memorandum dated November 6, 2006 and specify that GWD shall have 120 days from the date of notification to correct the deficiencies and resubmit the replacement plan to the Board. The vote in favor was unanimous.

#### Discussion Summary

There was a brief discussion about the length of time to correct deficiencies. Ms. O'Keefe noted that 120 days is specified for five-year updates. Ms. O'Keefe summarized the Greenville deficiencies as requested emphasizing the need for the plan to discuss regional planning efforts and rate structures. Board members discussed the need to work with suppliers.

**Motion** by Mr. Perry, second by Mr. Morrison directing WRB staff to issue a Letter of Non-Compliance to the Quonset Development Authority (QDC) specifying the substantive deficiencies outlined in the memorandum dated November 6, 2006 with the following stipulations:

That the QDC work with Kent County Water Authority and the Town of North Kingstown Water Department and WRB staff to define, develop, and begin to implement an interim water management plan for the Hunt River basin by April 15, 2006 to address the potential water availability issues (see WRB Hunt River Recommendations, June 13, 2006 & June 22, 2006) and;

That the QDC shall have one year from the date of notification to correct the substantive deficiencies and submit a Water System Supply Management Plan five year update to the Board and;

That a letter will be sent to the Town of North Kingstown Water Department and the Kent County Water Authority informing them of the Board's finding regarding the QDC plan and requiring their participation in developing the Hunt River interim management plan.

The vote in favor was unanimous.

#### Discussion Summary

There was considerable discussion resulting in the above stipulations. There was recognition that all water suppliers would need to work with the WRB to ensure that coordination between the suppliers occurs to address the problems and ensure that water will be available to meet economic development and overall water supply needs moving forward. There was recognition of the need to develop an interim plan before the summer with the understanding that the ultimate solutions will require a long term effort.

There was a question about timing of the QDC plan (five year update to the Water System Supply Management Plan) submission and the interim management plan development. Mr. Mariscal stated that the QDC plan was submitted at the same time as collaborative efforts were beginning with the other two suppliers and WRB. The plan was already completed and was deficient. It has not taken the planning efforts of five years ago any further. It is almost an exact duplicate. That said, QDC has exerted leadership. They have come to the table with suggestions and ideas. The interim plan recognizes that if there is a problem, it will occur by July and conservation actions must be taken prior to the summer in order to achieve benefits. A lead time of as much as three months is needed to realize the effects of reduced pumping. The interim plan may be as simple as agreeing to withdrawal limits and actions to reduce consumption and withdrawals- a kernel of the plan moving forward with more work to be done. The grant application referred to earlier would be a more detailed and long term effort to implement conservation efforts over a three year period. He stressed that if we have a summer like 2005 with 45-50 days of no or very little precipitation and the highest withdrawals ever recorded that we will have a problem. There will be stretches of the Hunt River that will dry up.

Chairman Varin concluded that in the absence of an interim plan, when we have the next dry period all three of the suppliers will start withdrawing more water.

The essence of the discussion regarding an interim management plan was that the Board members intended this action to start cooperative efforts to control and reduce withdrawals from the Hunt Aquifer, and that by the summer of 2007 at least some preliminary efforts would be underway, with a continuing effort by the three suppliers and the involved governments and agencies to formulate a larger range of plans and solutions. These efforts would need to include all of the other entities withdrawing from the aquifer also.

**Motion** by Mr. Perry, second by Mr. Morrison to approve the \$20,000 low bid and expenditure to clean up and remove debris from the two sites (pole 134 and 592 Nooseneck Hill Road) and demolish the two houses in the Big River Management Area. The vote in favor was unanimous.

#### **Finance Committee**

Mr. Schock reported that the committee had reviewed the expenditures to date for the Public Drinking Water Protection Program noting that all funds were committed or soon to be committed. There are three possible land projects that are still in process, but plan to be completed by the March 31 final deadline.

**Motion** by Mr. Schock second by Mr. Morrison to pay \$2,157.47 to RIDEM for legal and appraisal services related to the Groundwater Investigation/Acquisition Program rendered to the WRB from 6/11/06 – 6/30/06 as reviewed and approved by the Finance Committee. The vote was 8 in favor, 1 recusal (Director Sullivan).

**Motion** by Mr. Schock, second by Director Sullivan to exercise the five-year contract extension with B & E Consulting Services to conduct the Water Quality Protection Charge Audits as reviewed and approved by the Finance Committee.

The Finance, Construction, Engineering & Operations, and the Big River Ad Hoc Committees did not meet.

### **Legislative Committee**

Chairman Varin stated that there had been on the motion Mr. Perry introduced in last month's meeting to increase the surcharge. Mr. Mariscal distributed a series of handouts that have been used to fully explain how the surcharge/present system works as well as a summary of the meeting, prepared by Beverly O'Keefe. He reviewed the materials and reported the following:

- He has contacted the Governor's Office and is awaiting response.
- A meeting had been held with the water suppliers on October 26 as reported earlier by Chairman Varin. Highlights include:
  - Eight suppliers attended
  - Mr. Mariscal presented an overview of the surcharge (where the money goes and how the present system works)
  - There was no apparent resistance to the creation of a new fund but concern that any new funds should be set aside in a restricted receipt account that could only be used for water supply purposes.
  - There was support for a program that would address statewide priorities.
  - One supplier felt that maintenance projects should be funded with the increased surcharges noting that it is difficult to convince boards and/or municipalities to raise rates to cover the costs of operations and maintenance. Other felt strongly that the revenues of the supplier not a state fund should cover the costs of operations and maintenance.
- The Big River Well Development Project summary:
  - Estimated to cost \$30-35 million.
  - If we tried to finance the project today based on 30 year bonds and an interest rate of just above 5%, the annual principal and interest payment would be about \$2.3 million.
  - Currently the surcharge which is roughly 3 cents per 100 gallons generates about \$9 million including the amount that Providence Water Supply Board keeps.
  - A penny per 100 gallons could generate about \$3 million: enough to cover the principal and interest payments for the development of the wells.
  - However there are other costs associated with the project:
    - No market defined yet

- There is a need for back up supply for contingencies and/or emergencies. How do you finance a back up supply? If not for a specific customer how do you sell a revenue bond when you do not have a revenue stream defined?
- If revenue is produced this could free up some of the income that is generated from the surcharge to pay for projects above and beyond the \$2.3 million principal and interest expense.
- There would also be expenses associated with operating and managing the water supply.
- If the state expects a return on the investment, the payments to the state are another expense.

There was discussion about the concept of funding statewide water supply priorities versus redistributing all funds proportionately back to the suppliers. Chairman Varin indicated that work on this issue would continue to and be presented at the next board meeting.

### **New Business**

Mr. Leo Corrigan from the RI New England Mountain Bike Association made a brief presentation to the board regarding their desire to work with the WRB and to organize a one day fundraising event (May 25, 2007) in the Big River Management Area. He stated that the group has assisted in patrolling the Big River Management Area, participated in the volunteer clean-ups, provided a map, and had received an approval for a one day event from the Property Committee with stipulations last year, though the event was not held. The matter was referred to the General Manager and the Chairman of the Property Committee to determine what actions were necessary.

### **Other Business**

Mr. Morrison accepted appointments to the Public Drinking Water Protection and Finance Committees.

**Motion** by Director Sullivan, second by Mr. Stamp to recess the meeting of the Board to for Board Corporate Business at 1:45 pm. The vote in favor was unanimous.

**Motion** Mr. Stamp second by Director Sullivan to adjourn at 1:50 pm. The vote in favor was unanimous.

Respectfully Submitted,

Kathleen Crawley  
Staff Director