

JOINT MEETING OF THE

NEW SHOREHAM SEWER AND WATER COMMISSION

Monday • November 19, 2015 • 3:00 p.m.

Fire Barn, Beach Ave, Block Island

PRESENT were SEWER Commission members: Peter McNerney (Chair), Steve Draper (Vice-Chair), Brad Marthens, Martha Ball, Tom Doyle, Kathy Szabo (Alternate), Terri Chmiel (Alternate)

PRESENT were WATER Commission members: Brad Marthens (Chair), Tom Doyle (Vice-Chair), Peter McNerney, Martha Ball, Steve Draper, Kathy Szabo (Alternate), Terri Chmiel (Alternate)

ALSO PRESENT were: Sewer Superintendent Chris Blane, Water Superintendent John Breunig, Town Manager Nancy Dodge, Finance Director Amy Land, Legal Counsel David Petrarca [up until 4pm], and Administrative Assistant Kara Stinnett.

With a quorum present the meeting was called to order at 3:02 p.m. by P. McNerney

MOTION by P. McNerney to amend the order of the agenda and move Agenda items 8, 11, 19, 20 and 21 to the beginning of the meeting, as Legal Counsel David Petrarca had to leave early due to weather constraints. Seconded by, Brad Marthens.

Ayes: 5 (McNerney, Doyle, Draper, Ball, and Marthens) Nay: 0

Abstain: 0

JOINT WATER and SEWER DISTRICT

11. Discussion and potential action regarding new proposed delinquent billing payment plans/policy and/or shut-off policy.

Legal Counsel Petrarca and Finance Director Land presented the new Tax Collection Forbearance and Payment Plan Agreement form that they had been working on. It was noted that this new form will make it easier for Legal Counsel to pursue shut-offs and/or tax sales for those in default of payment; also it will allow finance to move forward with delinquency notices and payment plans with more teeth behind them. One major change to the policy would allow the Finance Department in conjunction with Legal Counsel to approve individual payment plans as necessary. As it stands it is the whole commission who needs to approve each payment plan and it can become very inefficient at times. This new form in effect will make the payment plan process the intermediary step instead of the final step in the collection process; the final step becoming either a tax sale or shut off. It was also discussed and agreed that the policy change should also include the respective chairs as part of the payment plan approval process.

MOTION was made B. Marthens as proposed by Legal Counsel Petrarca to change the delinquency policy to allow the Finance

Department in conjunction with Legal Counsel and the Chair of the respective Commission to approve payment plans on an as needed basis. Seconded by P. McNerney.

Ayes: 5 (Marthens, McNerney, Doyle, Ball and Draper) Nay: 0

Abstain: 0

MOTION was made by P. McNerney to approve the payment plan in the form proposed by Legal Counsel Petrarca. Seconded by B. Marthens.

Ayes: 5 (McNerney, Marthens, Ball, Doyle and Draper) Nay: 0

Abstain: 0

SEWER DISTRICT

19. Discussion and potential action regarding the manhole cover update.

P. McNerney stated that the manhole covers are now sinking and with the winter season upon us they are only going to get worse, and that it seems the process of writing letter to try and resolve the issue has not been working. P. McNerney spoke with J. Geremia who is not in favor of going to the media as a next step in the process; Legal Counsel Petrarca feels the same way. Nancy Dodge spoke with Joe Baker, the DOT spokesperson, about the issue and he stated that Cardi's is not going to receive their balance of payment until the manholes are finished. This fee, only being 5% of the job cost, seems like it would not a big enough incentive to push them to fix their mistake. Legal Counsel Petrarca thinks there are really only two options. One is to bid the job out, get it done, and then send Cardi the

bill. When they don't pay the repair bill, then sue them for the money; or option two is to just sue them now; the down side to this option is that it's not going to get the job done and may take a while. P. McNerney feels the best solution right now would be to get them fixed and then go after Cardi for the money. P. McNerney also expressed interest in getting in contact with the Governor's office and trying to get a meeting in hopes that we can get the 5% fee released back to us to cover some of our losses/expenses. B. Marthens asked Petrarca exactly who would we actually be going after for the money. Petrarca stated that our agreement is actually with the DOT so we would be going after them for the money and in turn they would go after Cardi, he also suggests putting the political tack ahead of the legal track and seeing if things can get done that way first.

20. Discussion and potential action regarding Chase lease (apartment 1) and auto deduction form.

Included in the November meeting packets was a draft form of the lease to be signed by Dylan Chase. Since the packets were put together there had been two changes. The first change was the collected security deposit which will reflect a payment of half the deposit (\$350). Also due to this change Chase's auto deduction, for the security deposit only, which was set at \$50 every pay period until \$700 had been paid in full will change to \$25 every pay period until \$350 has been paid in full. The second change was to the utility section stating that kilowatt usage will be capped at 500 kWh per month; anything over this is to be paid by the lessee. T. Chmiel had

asked if having his rent auto deducted from his pay check and from his employer was a legal. Legal Counsel Petrarca said he would look into it but he was sure it was. N. Dodge also said they had looked into it for their town employees and it was legal.

MOTION made by P. McNerney, to have Legal Counsel Petrarca makes the changes necessary for Dylan Chase to sign the lease. Seconded by T. Doyle.

**Ayes: 5 (Doyle, Marthens, McNerney, Ball, and Draper) Nays: 0
Abstain: 0**

21. Discussion and potential action in regards to correspondence from BI Power about the Sewer rate change.

The Waste Water Treatment facility power rates were changed from a public authority rate to a demand rate. P. McNerney feels that the Block Island Power Company did not go about it properly and that if they were planning on doing this it would have been nice to have a little warning. P. McNerney would like Legal Counsel Petrarca to look into this and make sure it was all done properly. M. Ball had asked if we could maybe invite a representative of the Company to a meeting to discuss the issue.

MOTION was made by P. McNerney to have Legal Counsel Petrarca look into the legality of the rate change. Seconded by B. Marthens.

**Ayes: 5 (McNerney, Ball, Marthens, Draper and Doyle) Nays: 0
Abstain: 0**

MOTION made by M. Ball to invite a Block Island Power Company representative to discuss the rate change that is going to impact all sewer rate payers to the next Sewer Commission meeting. Seconded by P. McNerney.

Ayes: 5 (Ball, McNerney, Doyle, Draper and Marthens) Nays: 0

Abstain: 0

JOINT SEWER AND WATER DISTRICT

8. Discussion and potential action regarding Hagopian Market Place (Elis' Apartment) request for usage and penalty forgiveness.

Don Thimble who is Dana Hagopian's plumber was at the meeting to represent Mr. Hagopian. He stated that there usage for September 2013 was 12,000 gallons, in September 2014 it was 7,000 gallons and then this September it was 46,000 gallons. Don believes the only logical problem was a possible toilet leaking and that all the toilet cartridges have been fixed/replaced and he is hoping that the Commission will rescind the penalties for both the Sewer and Water bills. J. Breunig stated that you can see an anomaly for September's usage and that October's bill is back down to a minimal usage amount and that they are not repeat offenders of over usage.

MOTION was made by P. McNerney to rescind the Sewer and Water penalty charges for Hagopian Market Place (Eli's Apartment) in the

amount of \$408 for sewer and \$1,944.29 for water for a total of \$2352.29. Seconded by B. Marthens.

Ayes: 4 (McNerney, Marthens, Ball, Draper and Doyle) Nays: 0

Abstain: 1 (Draper)

1. Discussion and Potential Action Regarding the minutes of October 19th, 2015 monthly meeting.

MOTION was made by P. McNerney to accept the minutes of the October 19th, 2015 Monthly meeting. Seconded by T. Doyle.

Ayes: 5 (Ball, McNerney, Doyle, Draper and Marthens) Nays: 0

Abstain: 0

2. Discussion and potential action regarding the minutes of October 19th, 2015 joint meeting with TC.

MOTION was made by P. McNerney to accept the minutes of the October 19th, 2015 joint meeting with TC. Seconded by B. Marthens.

Ayes: 5 (Ball, McNerney, Doyle, Draper and Marthens) Nays: 0

Abstain: 0

3. Discussion and potential action regarding the minutes of November 5th, 2015 workshop meeting.

MOTION was made by P. McNerney to accept the minutes of the November 5th, 2015 workshop meeting. Seconded by B. Marthens.

Ayes: 5 (Ball, McNerney, Doyle, Draper and Marthens) Nays: 0

Abstain: 0

4. Discussion and potential action regarding the 2016 Joint Meeting Schedule.

A 2016 provisional monthly meeting schedule was presented to the Commission based on the 3rd Monday of the month. Discussion was had about a few holiday conflicts in January, February and November. The monthly meetings were set as shown on Exhibit A attached hereto.

5. The New Shoreham Sewer Commission and New Shoreham Water Commission may vote to move into Executive Session pursuant to RIGL §42-46-5(a)(1) Personnel (Employee Handbook).

At the request of Legal Counsel, this item was passed until a later meeting.

6. Discussion and/or potential action, announcement and/or vote(s) from Executive Session and/or Open Session concerning proposed Employee Handbook.

At the request of Legal Counsel, this item was passed until a later meeting.

7. Update on Ocean Ave/Center Rd/Beach Ave project survey letters
Water Superintendent J. Breunig and Administrative Assistant Kara Stinnett wrote a survey letter to 63 property owners on the projected loop. The letters have been sent out and they are awaiting responses back to see what type of interest there is in hooking into sewer, water

or both services in the future if given the option. P. McNerney stated that he had spoken with J. Geremia about the proposed project and he has extra data on the project and he will give the Commission and estimate of cost.

9. Discussion and Potential action regarding Tuschick's penalty abatement request.

Water Superintendent John Breunig saw their usage and realized there was a problem and went to the property and shut the meter off. If you look at the five year graph that was provided you can see there was excess usage in June, July and August as well as September. This shows that there was an ongoing problem all summer that was not addressed. Water Superintendent J. Breunig recommends to not approve the penalty abatement request due the fact that normal precedent is when you see an ongoing problem, like a high bill, you take care of the issue.

MOTION was made by P. McNerney to accept Water Superintendent J. Breunig recommendation to not approve Tuschick's request for penalty abatement. Seconded by T. Doyle.

**Ayes: 5 (McNerney, Doyle, Marthens, Draper and Ball) Nays: 0
Abstain: 0**

10. Discussion and potential action regarding correspondence for Cowell in reference to sewer usage.

Water Superintendent J. Breunig spoke to Mr. Cowell about his bill.

He stated that over the summer they were growing grass and that the water usage is correctly reflected but the sewer use is way over normal use. A precedent was set with Jennifer Phillips about three years ago, that the Commission is willing to abate some sewer usage based on the normal usage of the house. The discussion was had to maybe forgive 13,000 gallons.

MOTION was mad by P. McNerney to abate the sewer based on an average usage of 13,000 gallons totaling \$573.04 in sewer usage fees and \$21.18 in penalty fees.

Discussion was then had when B. Marthens made the point that Mr. Cowell was making a conscious decision to water his grass, and he should be aware of what he is going to use. It was agreed that the Commission would come to a compromise and set the refund amount to 6,000 gallons, which equates to \$264.48 in sewer usage fees and \$21.18 in penalty fees.

MOTION was made by P. McNerney to abate partial sewer fees as a onetime deal for 6,000 gallons in the amount of \$285.66. Seconded by S. Draper

Ayes: 5 (McNerney, Doyle, Ball, Draper and Marthens) Nay: 0

Abstain: 0

WATER DISTRICT

12. Discussion and potential action regarding financials and aging.

All user fees and revenue are tracking normal. All expenses are

within range; Water Superintendent J. Breunig stated that the electricity usage was up from previous months, this is most likely due to the Power Company installing a new smart meter. T. Chmiel had a few questions about aging; Customer #16 had a high usage amount of \$619.84, J. Breunig said he would look into this to see if there is a problem. Also customer #220 has a credit of \$3,026.43; Amy explained this was due to a double payment. Also account #337 has a credit of \$18,016.98 this was due to the account holder paying their water bill when they meant to pay their sewer bill, these will be adjusted as needed.

13. Operations Report.

Production was down about 10% in October; with such high summer production this year it will be ok to have a few slower winter months. The Water Plant is at 76% of their forecast as compared to last October which was 73%. Back flow retesting happened in the month of October and the Plant is in compliance with the state. The RO3 frame has been built and a bid will be awarded in a few agenda items. The Memorandum of Understanding for the \$20,000 grant from RI Office of Energy Resources is being looked at by their legal department; J. Breunig is waiting to hear back from them.

14. Discussion and potential action regarding feasibility study for the Block Island Water Company in regards to the Ocean Ave/Center Rd/Beach Ave project.

Water Superintendent J. Breunig put together a spreadsheet, report and map to go over the numbers of whether the project would be practical. After talking with J. Geremia and comparing the New Harbor extension, which was 4,000 feet of main, to this new projected project of 6,300 feet of main, the estimated total for the project came to 1.2 million dollars. J. Breunig then grouped potential customers into year-round, seasonal or vacant lots, of these there were also a couple multifamily homes as well as the Old Town Inn. The average use for these lots (not including vacant lots) was taken and a yearly revenue number was obtained, added to that was also fire protection revenue. The bottom line is that if there was 100% full compliance and everyone hooked up it still would not make financial sense; there is not enough revenue in the area to make an impact on the estimated project cost, in turn our current users would be fronting the bill and it would be near impossible to get the project money back. The alternative option would be to bring the main only up to the Heinz/McCombe residence, with 100% hook up in this case the debt service and project cost would come close to paying for itself but only if you had total hookup from all customers. J. Breunig did point out that they currently have 114 curb stops in their systems that are not currently being used, so they already have the potential to grow inside the operating system without adding supplementary costs. Also if everyone hooked up, this would require the plant to work at half its capacity and with 114 additional curb stops already in existence do we want to push it to that percentage. It was discussed by P. McNerney that if water was ever run, he would like to see sewer

run as well. J. Breunig stated that this particular study was based solely on water numbers. Both P. McNerney and B. Marthens thought J. Breunig did a great job on the study. T. Chmiel brought up the fact that in the town zoning ordinance there is a statement about the comp plan that states any expansion outside of the town center is prohibited.

15. Discussion and potential action regarding Jim Geremia's recommendation for hire for the Reverse Osmosis Electrical Control Panel Project.

J. Geremia recommended that the contract go to Watermark Electric Co., Inc. to install the Reverse Osmosis Electrical Control Panel for the existing water filtration system in the sum of \$67,300 for the base bid. An Add Alternate Bid for an electrical box was also discussed but not bid on at this time, this number was \$51,600. Both J. Breunig as well as Watermark Electric Co., Inc. felt this was on the high side. If this Add Alternate bid ends up being required, Watermark Electric says they will work with the Water Company to try and get that number down to a more realistic amount.

MOTION was made by P. McNerney to accept J. Geremia's recommendation to award Watermark Electric Co. the \$67,300 contract. Seconded by S. Draper.

Ayes: 5 (McNerney, Marthens, Ball, Draper and Doyle) Nays: 0

Abstain: 0

SEWER DISTRICT

16. Discussion and potential action regarding financials and aging.

Finance Director Land pointed out that there will soon be a decrease in the apartment expenditures. T. Chmiel thinks the aging looks great and wanted to say thank you to the Finance department for their hard work. T. Chmiel also asked what the next step with the default accounts would be. Finance Director Land stated that this was one of the reasons why they went back and revised the form; because they had a payment plan but nothing after it. The current default customers will be starting the delinquency process over and will have until around March to pay in full, which will then give finance enough time to prepare for tax sale around the same time next year if it is needed. A. Land also stated that when you implement the tax sale process after a year or two customers will start to understand the implications and realize it's not ok to fall behind.

17. Operations Report.

Sewer Superintendent Chris Blane stated that a major part of his time was getting the apartment ready; including painting, new rugs and a new refrigerator. New gutters were added to the chemical building and a new autoclave was purchased. C. Blane also attended a cyber security conference in East Greenwich. M. Ball also thanked C. Blane for a good job on his summarization of his report.

18. Discussion and potential action regarding Sewer Superintendent C. Blane's request for replacement skimmer tubes.

Sewer Superintendent Chris Blane requested a cost proposal from PED to furnish and install a scum skimmer. This will involve the removal and disposal of the existing skimmer and installation of new stainless steel units. The cost proposal is \$39,300 (Labor=\$20,430/Material=\$18,900). This is not eligible for USDA funding, therefore the funding will have to come from the budget. It was agreed by all members to let C. Blane purchase the new skimmer tubes.

ANNOUNCEMENTS AND OPEN FORUM.

22. Commissioners Announcements.

P. McNerney had suggested that in next month's agenda we add a discussion about the commissioners and the employees getting a turkey for the holiday.

23. Public Comments for items on the agenda.

NONE.

24. Adjournment.

MOTION was made by B. Marthens to adjourn the meeting at 04:43 p.m. Seconded by P. McNerney.

**Aye: 5 (McNerney, Doyle, Ball, Draper, and Marthens) Nay: 0.
Abstain: 0.**

Respectfully Submitted,

Kara Stinnett

ACCEPTED: 12/21/15

The New Shoreham Sewer and Water Districts are an equal opportunity provider and employer

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send you completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

EXHIBIT A

New Shoreham Sewer Commission New Shoreham Water Commission 2016 Joint Monthly Meeting Schedule

Date: Time: Location:

January 19th, 2016 4pm Town Hall

February 16th, 2016 4pm Town Hall

March 21st, 2016 4pm Town Hall

April 18th, 2016 4pm Town Hall

May 16th, 2016 4pm Town Hall

June 20th, 2016 4pm Town Hall

July 18th, 2016 4pm Town Hall

August 15th, 2016 4pm Town Hall

September 19th, 2016 4pm Town Hall

October 17th, 2016 4pm Town Hall

November 15th, 2016 4pm Town Hall

December 19th, 2016 4pm Town Hall