

**Draft – Pre-Approval
Narragansett Bay, Watersheds and Rivers Coordination Team
Meeting Notes
May 9, 2006
Room 203, State House**

Participants

Team Members: J. Mariscal, P. Pinault, M. Sullivan, M. Walker, J. Willis

Others: J. Austin, K. Bergstrom, G. Cimerino, T. Getz, M. Hogan, G. Lefebvre, T. Uva, S. Whitehouse, C. Young

The purpose of the meeting was to discuss ideas that would possibly fund the state's monitoring needs. At previous Coordination Team meetings, the group prioritized the state's needs and determined it would require \$1.3M to fund the top six monitoring priorities of the bay, rivers and streams. This meeting was called to discuss potential revenue streams to fund this effort.

Michael Sullivan, with consent from the group, agreed to chair the meeting. There were four proposals placed on the table for discussion purposes, i.e.,

1. The OSPAR account currently has \$150,000 identified for the Narragansett Bay Safety Commission. This Commission has never been constituted or has met. It is suggested that \$100,000 be added to the funding that was to support the commission and shift a total of \$250,000 to the Coordination Team. Bay monitoring would allow the State to determine the current condition of the bay, rivers and watersheds. This would be useful information to determine the status of these areas in the event of a large petroleum spill in state waters.
2. Shift \$280,000 from the UST Fund to the Coordination Team. The UST fund collects \$0.01 from every gallon of gas sold. Petroleum products represent a significant portion of the pollution discharged from roads into the waters of the state. There is an existing budget article that deals with UST that could be modified to codify this change.
3. Create a new fee of \$1 per 100 gallons of septage dumped at collection stations throughout the state. Septic systems are often part of the problem of excess nutrients that are being added to state waters.
4. Create a Submerged Land Fees for cables that would raise \$240,000. This fee would be applied to three transatlantic cables that are laid in the bay. A fee similar to this is assessed in other states. The public use of these areas has been modified. Boats cannot use those parts of the bay for moorings and shellfishing is prohibited nearby.

Discussion of these proposals included the following:

1. OSPAR

Mike Sullivan thought using this source of funding was a possibility under the existing statute. He thought there could be a slight increase in the existing funding mechanism. He mentioned this would be equitable since Massachusetts companies pay a portion of the fee. Massachusetts is a major part of the watershed and they would be paying for part of the watershed monitoring efforts. Kip Bergstrom and Sandra Whitehouse thought it might be better to increase the shift of funding but not to increase the fees. Kip thought it might make sense to shift the funding now and if needed in the future, request a fee increase that would fund monitoring efforts. Sandra Whitehouse indicated the yearly draw down from OSPAR would be \$250K. Mike Walker questioned if the fund was ever maxed out. Mike Sullivan responded that he did not think the fund was ever maxed out. Mike Sullivan said he could agree to the withdrawal of funds from this program this year, but there needs to be support for the program to justify a yearly withdrawal. He mentioned OSPAR is used to fund DEM response actions. He would prefer to look at OSPAR as a long-term source of monitoring funding in nine months. Juan Mariscal thought the group should be looking for a sustainable source of funding. He would rather fix the problem now and not spend a lot of energy every year on this issue. Mike Sullivan indicated the revenue from the OSPAR and UST funds would impact the oil industry. We need to get their support on the proposal in order to make this a sustainable program. Kip thought the OSPAR legislation should be amended to include a provision that \$250K be designated to the Coordination Team for monitoring activities. Mike Sullivan suggested the group should consider a transfer of funds for two years. At this time the assessment would sunset and the issue would be revisited. He also thought it was appropriate to increase fees slightly. The cost of fuel has increased significantly; response costs have increased yet the fee has remained static. Sandra Whitehouse thought the two-year sunset provision should be considered and the monitoring program should be evaluated to determine if the charge should be assessed in future years. Jane Austin was concerned that funding would not be designated for habitat issues. Mike Sullivan indicated funding could be used for monitoring habitat

2. UST Funds

Mike Sullivan thought this would be equitable use of funds since fuel distributors contribute fees to this program through a consumer paid surcharge on gasoline. Fuels have been a major part of the watershed and they would be paying for part of the watershed monitoring efforts.

3. Septage Fee

Paul Pinault indicated the Narragansett Bay Commission (NBC) had raised their septage dumping fees from \$42 to \$53. They noticed a drop in septage dropped at their Lincoln collection facility. He said the system is cost sensitive. He suggested an across the board increase that would prevent most people from shopping for the lowest cost. He indicated NBC would need to file a tariff increase with the PUC. When asked what the administrative costs would be to collect the fee, Paul indicated NBC should be able to be accomplished without an increased cost. Juan Mariscal raised the concern about this fee having a negative impact on the prospects of the proposed cesspool phase out bill. Mike Sullivan noted he didn't think it should impact the proposed legislation. Juan Mariscal also noted that with the City of Warwick has the highest number of septic and cesspool systems. With the expansion of the Warwick sewer system and mandatory sewer connections, the number of septic and cesspool systems in Warwick will be reduced thus reducing any anticipated revenue from this proposed source. Other points raised included:

- The cost to the consumer would be about \$3 to \$4 on an annual basis, assuming their systems are pumped out every three years.
- There is no statewide enforcement of ISDS pump-outs. There are about three communities that have formed wastewater districts. Pump-out enforcement would be accomplished at this level.

4. Submerged Land Fee

Jeff Willis indicated this fee was defined as a fee on underwater cables. At this time there are 2 or 3 cables in Rhode Island. Sandra Whitehouse requested Jeff to research this issue to determine the exact number of cables. Jeff indicated he would do this. It was mentioned that Rhode Island does not have a fee associated with this use of public lands. Other states in the region do have fees for underwater cables. Mike Sullivan cautioned the group that the marine trades could look at this a first of many fees that would be instituted. Examples marine trades could cite include aquaculture, mooring, boat slips in public areas etc. Juan inquired on the connection of this fee to bay activities. Jeff said there are use restrictions in the bay around these cables and the companies who get the economic advantage of the cable should pay a fee for the use of this resource that is no longer available to the public. Kip also mentioned the Navy has a cable system installed in the bay called GATR. This might be another possible source of funds.

GENERAL DISCUSSION

Mike Walker, Kip Bergstrom and Juan Mariscal thought the team should be looking to fund the program on a sustainable basis. The revenue sources identified are just funding the priority monitoring needs. Guy Lefebvre said the total monitoring needs are in the neighborhood of \$4-5M. The Coordination Team should look at supporting a long-term effort. He mentioned he was working on a committee that was studying water quantity needs and there are significant needs in that program as well. Mike Sullivan thought we should first grow the existing program. The Coordination Team needs to improve its functionality first before we consider expansion. The Team has to make a case to the public that the monitoring effort is essential in bay health. Sandra Whitehouse thought the House Finance Committee was looking for a five-year budget for monitoring activities. She received this information from Peter August and Kip Bergstrom and would welcome it from the other team members.

The group seemed to agree there is a need for both short and long-term revenue sources to fund the state's monitoring effort. Sandra Whitehouse indicated we need to look at both issues, but the Coordination Team needs to make a decision on what short-term revenue sources they recommend for this year's budget. She wanted to know if the Team could agree with this proposal. Kip and Juan were concerned the proposal would not raise the whole \$1.3M that is needed this year. Mike Sullivan indicated if this is a one-year proposal, we could live with the \$200,000 shortfall since the personnel to work on the monitoring effort will not be hired on July 1. In addition, the Team can develop other long-term revenue proposals. Juan was concerned funding would not be available for the stream gages. Mike Sullivan indicated this should not be a problem because he thought the shortfall would be in personnel expenses.

At this time the Coordination Team members present voted unanimously to move forward with the proposal. Mike Sullivan indicated he would draft a letter to Representative Constantino forwarding the proposal to fund the next year's monitoring effort.

NEXT TOPIC

Mike Sullivan wanted to introduce two other issues. Kip questioned if this discussion was noticed. Mike indicated it could be introduced under the "Other" category. Mike Walker wanted to suggest future discussions on the possibility of if there was ability to use bond funds to allow people to hook up their residences into sewers if they were prohibited from using their cesspool. Mike Sullivan would also like to encourage the issuance of a greater Bay Bond to help people to defray costs. Bonds usually fund infrastructure needs. In this instance he would like to clarify that bonds would be appropriate to help with hookups to sewer systems. Paul Pinault indicated there is a bond for advanced nutrient control. \$10M has been set aside but nothing has been spent to date. He questioned if the Clean Water Finance Agency had the ability to fund sources other than municipalities. He also mentioned it took the state eighteen years fund to NBC \$86M that helped pay the cost of rebuilding their facility. The question in his mind is not having bonding authority, but the ability to spend money that has been approved. Paul also mentioned that bonds usually come to a vote in even years. Paul questioned if we have the time to get this on a ballot this year. Mike thought we should try to get a bond this year.

The next meeting will be May 24th and will meet in the NBC conference room. Chip Young indicated agenda items needed to be sent to him by May 22.