



OFFICIAL MINUTES OF:

Meeting of:	CEO Committee Meeting
Date:	April 26, 2016
Time:	9:30 a.m.

MEMBERS PRESENT:

Robert Andrade
Jonathan Farnum
Vincent Mesoella
Al Montanari
Angelo Rotella
Richard Worrell

MEMBERS ABSENT:

John MacQueen, Chairman

STAFF AND GUESTS PRESENT

Raymond J. Marshall, Executive Director
Tom Brueckner, NBC
Karen Musumeci, NBC
Tom Uva, NBC
Paul Nordstrom, NBC
Rich Bernier, NBC
Karen Giebink, NBC
Jennifer Harrington, NBC

Mark Thomas, NBC
Deborah Samson, NBC
Laurie Horridge, Esquire, NBC
David Negriz, NBC
John Zuba, NBC
Tony Dalmazzi, NBC
Jamie Samons, NBC
Joanne Maceroni, NBC

1. Call to Order

In the absence of CEO Chairman MacQueen , NBC Chairman Mesoella recognizing a quorum called the April 26, 2016 Construction/ Engineering/Operations (CEO) Committee Meeting to order at 9:43 a.m.

2. Approval of Minutes – March 15, 2016- CEO Committee

NBC Chairman Mesoella asked for a motion to approve the March 15, 2016 CEO Committee meeting minutes as written. Commissioner Rotella moved to approve the minutes of the March 15, 2016

CEO Committee. Commissioner Farnum seconded the motion. The vote taken by the CEO Committee was unanimous. The motion carried.

3. Items for Action

A. Review and Approval of Resolution 2016:07; Award of Contract 304.38C Interceptor Easement Restoration-Abbott Valley Interceptor

Mr. Marshall advised that six bids for construction Contract 304.38C Interceptor Easement Restoration – Abbott Valley Interceptor were received by the Commission’s Procurement Section on April 7, 2016. The contractors and their bids are:

Manafort Brothers Inc.	\$574,745
D’ Ambra Construction Co.	\$683,500
DiGregorio, Inc.	\$737,488
Cardi Corp.	\$963,450
Equality Construction Works Inc.	\$981,000
John Rocchio Corp.	\$1,011,425

Contract 304.38C consists of clearing and grubbing approx. 14,000 L.F. of easements. This stretch of easement runs through wooded areas of Cumberland from RI Route 295 to Central Falls. The interceptor was installed in the 1970’s and the easement was never been maintained and has become overgrown. We cannot access all of our manholes. This contract will clear and grub the area so that we can access our manholes and we will be able to maintain the easement and sewer in the future.

Manafort’s bid of \$574,745 was approximately 18.9% less than the next low bidder. As there was a significant differential between the bids, we checked with the low bidder to ensure they were comfortable with their bid. They indicated that they are satisfied with their bid. They reported that their RI office is located in Cumberland and that they own the equipment necessary to complete the work.

Manafort is a large road contractor who has been in business since 1911 and completed many large projects for the Conn. DOT. They are currently working on replacing the RI Route 95 Bridge at the Providence Place Mall for RIDOT.

As with all projects of this size and complexity there will be ancillary costs associated with the project including but not limited to: advertising, printing, police details, specialty engineering consultants (maximum contract ceiling of \$20,000), material/soil testing firm and staff time associated with contract inspection and administration.

The Contractor must comply with the Contract requirements for MBE/WBE compliance, including state approval of the MBE/WBE Plan.

Based on the above we find that Manafort Brothers Inc. is the lowest responsive and responsible bidder. We recommend that Contract 304.38C be awarded to Manafort Brothers Inc. in the amount of \$574,745 subject to the approval of the Contractor’s MBE/WBE plan and EEO requirements by the Rhode Island Department of Administration.

Commissioner Montanari made a motion to approve Resolution 2016:07, Award of Contract 304.38C Interceptor Easement Restoration-Abbott Valley Interceptor. Commissioner Farnum seconded the motion and the vote taken by the CEO Committee was unanimous. The motion carried.

B. Review and Approval of Resolution 2016:08; Authorization to Procure Engineering Services for Design of Greenville Avenue Sewer Extension

Mr. Marshall stated that in 2008, NBC issued a Request for Qualifications and Proposals (RFQ/P) for development of a Facilities Plan (Plan) for the Town of Johnston. The RFQ/P included language allowing the selected respondent to provide design and construction-related services that were eligible as a result of an approved facilities plan. NBC selected Pare Corporation to develop the Plan. The Rhode Island Department of Environmental Management (RIDEM) approved the Plan in 2011.

The Plan evaluates the ability of NBC's interceptor system to accommodate growth and development in unsewered areas in the Town of Johnston and proposes an expansion of sewer infrastructure for unsewered areas. This Plan proposes a 12-inch diameter pipe on Greenville Avenue to transport sanitary flow from unsewered areas along Greenville Avenue to NBC's interceptor system.

Citizens Bank recently announced their plan to construct their headquarters on a lot just west of Route 295 and north of Greenville Avenue in Johnston. Construction of this new facility is contingent upon NBC constructing up to 8,700 linear feet of 12-inch diameter sewer westward from the intersection of Salina and Greenville Avenues. Citizens has stated that they would like to be into their new facility by June 2018 which means that design of the sewer must be completed by the end of 2016 and construction of the new sewer must be completed during the 2017 construction season.

In order to meet this aggressive schedule, NBC would like to enter into an agreement with Pare Corporation to complete final design of the Greenville Avenue sewer extension. Pare Corporation has provided a proposal for final design in the amount of \$175,200. Staff would like to add a 20% contingency to this amount to cover unanticipated costs that may arise during the project for a total cost of \$210,240. In addition to the cost for the design contract, this project will also include administrative costs for NBC labor and other costs.

Therefore, it is recommended that the Board approve Resolution **2016:08** authorizing staff to enter into an Agreement with Pare Corporation to provide engineering services for design of the Greenville Avenue sewer for an amount not to exceed \$210,240.

Mr. Rotella asked what the cost would be for the entire project design through construction and when it would be complete.

Mr. Marshall advised that the anticipated cost for the project is \$3.5 million dollars and the project is expected to be complete at the end of the 2017 construction season. NBC will be ready to accept the discharge sometime in the middle of 2018. In addition to Citizens Bank the NBC will be able to provide service to another 110 properties immediately adjacent to where the pipe is being installed. The NBC will provide connections and they will be available for the property owners to tie in. Citizens Bank's annual user fee to NBC should be around \$200,000 per year.

Commissioner Rotella made a motion to approve Resolution 2016:08, Authorization to Procure Engineering Services for Design of Greenville Avenue Sewer Extension. Commissioner Montanari seconded the motion and the vote taken by the CEO Committee was unanimous. The motion carried.

C. Review and Approval of Resolution 2016:09; Authorization to Bid Work for Improvements to the Omega Pump Station under Project 708.00C and to Award the Bids in Accordance with NBC's Procurement Regulations

Mr. Marshall advised in 2010, the Board approved Resolution 2012:24 authorizing staff to award bids for improvements to the Rack Room Building at the Omega P.S. That work has been completed and we would now like to make improvements to the Pump Building at the Omega P.S. This work includes the replacement of the roof, masonry repairs to the exterior brick, exterior painting, replacement of the pump controls, improvements to the heating and ventilation system and other work as needed.

The estimated cost for this work is \$200,000. The work will be competitively bid and awarded in accordance with NBC's Procurement Regulations. This work will also include the cost for NBC staff to prepare the specifications and to oversee the work.

Therefore, it is recommended that the Board approve Resolution 2016:09 authorizing staff to bid work for the repair of the Omega Pump Station Pump Building under Project 708.00C and to award the bids in accordance with NBC procurement regulations for a cost not to exceed \$200,000.

Commissioner Rotella made a motion to approve Resolution 2016:08, Authorization to Bid Work for Improvements to the Omega Pump Station under Project 708.00C and to Award the Bids in Accordance with NBC's Procurement Regulations. Commissioner Montanari seconded the motion and the vote taken by the CEO Committee was unanimous. The motion carried.

D. Review and Approval of Resolution 2016:10: Authorization to Enter into an Agreement with Wind Energy Development, LLC for a project that includes Three (3) 1.5MW Wind Turbines

Mr. Marshall noted that at the November 10, 2015 meeting the Board approved Resolution 2015:24 Authorization to Enter a Power Purchase Agreement (PPA) with Coronal Municipal Energy Services to Provide Electricity to NBC From Up to Two 5MW Solar Energy Projects (copy attached).

It was noted that with the approved power purchase agreement associated with the solar installations NBC would be obtaining 83% of its' power needs from renewable sources. During the discussion on this agenda item the Board expressed an interest in working towards a goal of purchasing 100% of our power needs from renewable sources. In that context the Board urged staff to also continue discussions and evaluation of the Wind Energy Development, LLC (WED) offer made to NBC in the RFP process.

The staff and the Chairman have pursued both opportunities (solar and wind) with the goal of increasing and balancing our portfolio of renewable energy sources and obtaining the best possible result for the ratepayers.

We are pleased to report that significant progress has been made working with the WED group. At this point, the project involving three (3) 1.5 MW turbines has been negotiated to NBC's advantage with the capital cost decreasing from the original \$18.8M to \$17.8M. In addition, we have identified the best

source of capital to utilize is NBC's restricted capital account which has a balance of approximately \$32M, thereby eliminating the need to borrow funds for this project. The result is the estimated average \$/KWh cost over the project's 25 year life decreases from \$0.096 to \$0.073. The projected net savings in power cost over 25 years is \$14.8M.

We also want to report that negotiations with Coronal Solar are ongoing. Progress has been made on several fronts but site locations for the two projects have not been finalized. Several modifications/clarifications have resulted in the effective electric rate increasing from \$0.0725/KWh to \$0.0881/KWh. In spite of that increase the combined net savings of the two solar projects over 25 years is estimated to be \$24.6M.

At this time, we request the Board's approval of Resolution **2016:10** to enter into an agreement with Wind Energy Development, LLC for a project that includes three (3) 1.5MW turbines. While there are several details that need to be worked out we are confident a positive outcome is reachable. The long term benefits will be reduced power costs, reduction of our carbon footprint and achieving the goal of acquiring 100% of our power needs from renewable sources.

Commissioner Rotella made a motion to approve Resolution 2016:10, Authorization to Enter into an Agreement with the Wind Energy Development, LLC for a Project that includes Three (3) 1.5MW Wind Turbines. Commissioner Andrade seconded the motion and the vote taken by the CEO Committee was unanimous. The motion carried.

4. Other Business

None.

5. Adjournment

A motion to adjourn was made by Commissioner Rotella seconded by Commissioner Farnum and the CEO Committee meeting adjourned at 10:28 a.m.

Respectfully submitted,



Raymond J. Marshall, P.E.
Executive Director/Secretary