



**OFFICIAL MINUTES OF:**

Meeting of:	Long Range Planning Committee
Date:	April 21, 2009
Time:	9:15 a.m.

**MEMBERS PRESENT:**

Vincent J. Mesolella, NBC Chairman  
Richard Brown  
Richard Burroughs  
Alan Nathan  
Michael Salvadore  
Harold Gadon, CAC

**MEMBERS ABSENT:**

Leo Thompson, Chairman LRP

**STAFF AND GUESTS PRESENT:**

Raymond J. Marshall, Executive Director  
Laurie Horridge, NBC  
John Zuba, NBC  
Thomas Uva, NBC  
Joanne Maceroni, NBC  
Paul Nordstrom, NBC  
Tom Brueckner, NBC  
Rich Bernier, NBC  
Joe Pratt, Louis Berger Group  
Jennifer Harrington, NBC  
Debra Samson, NBC  
Rafael Cuello, NBC  
Karen Musumeci, NBC  
Michael Smith, The Maher Corp.

**1. Call to Order**

Noting that a quorum was present and in the absence of Chairman Thompson, Vincent Mesolella, NBC Chairman called the Long Range Planning Committee to order at 9:37 a.m.

**2. Approval of Minutes – March 11, 2009 Long Range Planning Committee**

Chairman Mesolella asked for a motion to approve the minutes of the March 11, 2009 Long Range Planning Committee meeting as written. Commissioner Salvatore moved to approve the minutes of the March 11, 2009 Long Range Planning

Committee meeting as written. Commissioner Nathan seconded the motion. The vote taken by the Long Range Planning Committee was unanimous. The motion carries.

### **3. Items for Discussion**

#### **A. Review and Approval of Resolution 2009:07, Recommendation for Use of Environmental Enforcement Funds**

Chairman Mesolella stated that we have before the Committee a recommendation for use of Environmental Enforcement Funds for the Providence Children's Museum. The Museum is one of the entities on our list that uses Environmental Enforcement Funds to advance educational programs that are consistent with our mission and our function.

Commissioner Brown asked if the Providence Children's Museum was a recipient of Environmental Enforcement Funds last year.

Executive Director Raymond Marshall advised that the Museum was a recipient of Environmental Enforcement Funds last year and that this has been an ongoing request. The funds are used for the Waterways Exhibit which is an educational program and one of the most popular exhibits at the Museum.

Commissioner Salvadore made a motion to approve Resolution 2009:07 Recommendation for Use of Environmental Enforcement Funds. Commissioner Brown seconded the motion and the vote taken by the Long Range Planning Committee was unanimous. The motion carries.

Commissioner Salvadore stated that a few years ago a commitment of sorts was made to our late Commissioner Lenny Walker's memory that, we would revisit on an annual basis, making a donation to the MET School in Lenny's memory. He advised it is his understanding the MET School is going to open a college/school of higher education. Commissioner Salvadore asked if it is time for the Committee to talk about the commitment to the MET as it is in order for this item to be placed on the May agenda and might the Committee give consideration to a donation to the college to help them get started.

Mr. Marshall stated that NBC is in contact with MET School personnel on a fairly regular basis and one of the more recent conversations with the school is that they would like to begin a science program for 9<sup>th</sup> and 10<sup>th</sup> graders. They would like NBC to be a part of this program. He advised that we have a good line of communication with the school and will over the next few months explore where the school is with their timetable in regard to the college and what their needs may be.

Chairman Mesolella stated that he feels the MET School is a great partner to advance our educational programs and suggested that we place this item on the May agenda to discuss how we can maintain NBC's commitment to the MET School.

Chairman Mesolella advised the next order of business on the agenda is the presentation of the Narragansett Bay Commission's System Expansion Plan. He stated that we began discussions several months ago regarding expanding our system into otherwise non-served areas because it is appropriate and necessary in light of our shrinking revenue base.

Mr. Marshall stated the Power Point presentation viewed today will provide the Committee Members with information regarding the beginning of a long term program to find additional sources of revenue within and on the fringes of our system.

Mr. Marshall began the presentation by reviewing a map which showed our current service area, interceptor pipes and where the service areas breaks are located. He noted that Bucklin Point is to the north and Field's Point is to the south. He noted that today's presentation will focus on the Field's Point area and the opportunities within and outside the existing service areas. Mr. Marshall advised that expansion of our service area will require us as an organization to make sure we have the capacity and the availability within our own facilities to receive the additional flows. If improvements are needed to accommodate new flows we would have to establish timetables and evaluate the cost involved to make these improvements.

Mr. Marshall stated that NBC has several projects currently underway that will assist us in trying to evaluate our capacity and availability. As examples, the Johnston Facilities Plan, the smoke testing in North Providence and the extensive metering program at that NBC over the last three or four years is helping us to determine what our flows are during both dry and wet weather conditions.

The three areas we will be discussing today are labeled Area A, B & C.

Area A is located in the southeast corner of Smithfield at Twin River Road and Douglas Pike. He noted the Town of Smithfield does have a sewer system and treatment plant however it is located uphill approximately one mile away on Douglas Pike at Whipple Road. Mr. Marshall stated that it is his understanding that the Town of Smithfield does not intend to bring sewers to this area of Smithfield for many years, if ever. NBC does have sewers about 4,000 feet away from the intersection of Twin River Road and Douglas Pike in North Providence near the Wenscott Reservoir. However, the closest sewer to Twin River Road and Douglas Pike is located in Lincoln not far from the Lincoln town line. Mr. Marshall stated that the Town of Lincoln recently passed an ordinance which will not allow anyone outside of Lincoln to discharge into their sewer system. This creates a problem for anyone in the southeast corner of Smithfield that needs service and there are several areas that do.

Mr. Marshall stated that NBC has looked at bringing our sewer and extending it across the Wenscott Reservoir up to the intersection of Twin River Road and Douglas Pike to try pick up a number of potential users. Wedgewood Plaza is a small commercial strip

which includes a pizza place, Dunkin Donuts and dry cleaners. It is experiencing sewage disposal problems. Douglas Lumber, which is located right next door to the Wedgewood Plaza, has several septic tanks in the rear of their property which need to be pumped once per week. Heritage Hills Nursing Home is also located in this area and is a large water user. They are always trying to keep up with their sewage disposal needs and appear to be very interested in having a sewer brought to them. In addition there are other nearby locations where we would be able to pick up additional users that are all within the existing serviced area.

Mr. Marshall advised that at the intersection of Douglas and Mineral Spring Avenues in North Providence previously occupied by a Ford dealership is the new location of a Lowe's Home Improvement Center that is currently under construction. As a result we are assessing the capacity in our pipe as it moves downstream through Town of North Providence and into the City of Providence. Mr. Marshall advised the Committee that a very rough estimate was done regarding anticipated revenue if NBC were to provide service to Douglas Pike into the Town of Smithfield. He stated a back of the envelope estimate suggested that the additional annual user fees could generate \$47,000 - \$48,000 per year. He noted that a full cost benefit analysis including the cost of extending the sewer to this area would have to be performed if NBC chose to proceed.

Mr. Marshall stated that Area B is located in Johnston and it is nestled within the already serviced area. He stated that NBC needs to work with the Town of Johnston and we are doing that through the facilities plan that NBC has agreed to pay the cost for. The Town has a couple of projects that have been designed and they are getting ready to go to bid, in the Cherry Hill section, and in the Central Avenue area, near FM Global. He stated that it is important for us to know what is going on in our own system and work with the Town to determine where we would want these additional flows to go. He stated that at Central Avenue we have under design a replacement pumping station which will help provide service to this neighborhood as well as any potential expansion at FM Global. Mr. Marshall advised that we might be able to capture from the two Town projects approximately 300 homes when they are constructed and tied in. He stated that this is a good example of what can happen within an existing system and the cost to NBC is virtually negligible when you consider our pipes are already in this area and would require only a few minor improvements.

Mr. Marshall stated Area C is located in Johnston in the Hartford Avenue area. He advised that heading up Hartford Avenue past Memorial Park, there are three individual private sewers which are connected to the NBC line, one from the Shell Gas Station, one from Metro Honda and one from Hurd Chevrolet. The sewers were approved by the Town of Johnston and installed by the developers after the Town advised they would not be providing sewers to this area. This is not a very efficient way of providing service but is the existing situation. He advised that there has been a great deal of interest in a parcel of land located at the intersection of Route 295 and Hartford Avenue. A developer has shown interest in building a development similar to the Smithfield Commons located on Route 44 in Smithfield. The developer has presented a conceptual plan to the Town of Johnston's Planning Board.

Mr. Marshall stated there is another plaza that has been underutilized close to this location, which formerly housed Stuart's Department Store. A developer has expressed interest in constructing a hotel with a few chain type restaurants on the premises. We are presently evaluating the capacity of our pipes, how we might go out and service this parcel, and we continue to work with the Town of Johnston so that we keep in mind what their goals are. NBC does have a line that could be extended to pick up this area and could be a situation where the developer might be willing to contribute to the cost of building the pipe. He stated that he believed at one time the estimated cost for this development was somewhere in the \$400 million dollar range. To contribute \$1 million dollars to bring sewer service to this area might be something that would be very attractive to the developers.

The next area that the Johnston has a big interest in is a cluster of homes around Oak Swamp Reservoir. The homes are tightly grouped around the Reservoir and probably started off as a summertime community that has now evolved into full time residences. With the homes being grouped so closely together, high ground water and aging sub-service disposal systems there are a high number of failures in this area. The Town has expressed an interest in providing sewers to this area in the future. To do this they would need to have a Bond Referendum authorizing the Town to borrow. We would be able to provide sewers to this area by extending the sewer that would be built to service the commercial developments. The Town also has expressed an interest in providing water service to these homes since a number of them have wells. This is an example of an area where the existing NBC service boundaries would have to be changed and that is what the facilities plan will identify. Right now the service area boundary is Route 295 and anything to the east. When the facilities plan is completed it will include the area west of 295 to a certain extent, it will not encompass the entire town.

Another area in Johnston which is just beyond the existing service area is located on Greenville Avenue. There is a parcel, the developer is Charda, with 144 proposed units located just off of Greenville Avenue west of 295. There is another parcel owned by Killian Development, located just inside of 295 with 70 proposed units. A few years ago there was a large development proposed for the parcel just south of the Smithfield town line. It was going to be a senior or assisted living facility, approximately 1500 units, but after doing the math regarding cost vs. the potential income the developer walked away from the project. Some of these projects are likely to happen fairly soon while others may take years to surface. What we did in Johnston is we looked at each of the existing and potential developments, the 144 units proposed by Charda, 70 proposed units by Killian, the existing Cherry Hill and Central Avenue developments which approach 300 homes plus the proposed commercial developments along Hartford Avenue and estimated that NBC could see an increase in user fees of somewhere around \$300,000 dollars per year if all of these projects actually come to fruition.

Mr. Marshall advised that one of the key components to expanding is to make sure that we know what is going on in our existing system and to identify problems that can be fairly easily solved within our own system, whether it's a cleaning and lining contract or by making any needed repairs. NBC needs to be ready to address any questions from the

Town of Johnston and potential developers in regards to accepting additional flows, what would need to be done to provide service, etc.

Mr. Marshall asked if there were any questions regarding his presentation?

Commissioner Burroughs stated that the presentation was very informative and useful. He stated the question on his mind is if we look at the additional volume of water to be treated that we would be getting from proposed expansion how does that compare with the volume contraction in our core district and water treatment requirements as industry leaves the area? Is this a big or small step?

Mr. Marshall stated it is an off-setting step and at this point we don't know exactly what we have lost in terms of consumption from the loss of industries, businesses and home foreclosures. We would have to get to the end of the year and do an analysis of how much less flow we had billed and what we have seen at the treatment plant in terms of changes in flow. The capacity at the treatment plant can handle the additional flows from the proposed developments. It would be more what happens out in the collection systems. Would it off-set one to one in terms of flow and revenue? We are not sure. We would, at the end of the year run an analysis to see how much less flow and less revenue we received because businesses are closing and homes are being boarded up.

Harold Gadon, CAC Board Member stated that it appears the expansion is focused on residential and commercial properties and he asked if there were any industrial uses that could be seen coming into these areas in the future.

Mr. Marshall stated we have not been made aware of very much in that regard although a few days ago we did receive an application from what he considered to be an industrial user, a meat processing facility that wants to expand within the district.

Commissioner Salvadore asked where the proposed developments of 144 units and 70 units are located.

Mr. Marshall stated the 144 units proposed by Charada are located right at the intersection of Greenville Avenue and Route 295. There are several homes located along Greenville Avenue and he believes the entrance to the Charada property is going to be just west of these homes. It is a good sized portion of land. However, there are a lot of wetlands and ledge on the property so the developer is proposing a cluster type development of low income housing. He advised that the proposed development has gone from low income housing to senior living, and now it appears they have gone back to low income housing. The Killian's proposed 70 unit development is located on the east side of Route 295 right off Greenville Avenue. To service these locations the sewer would have to be extended. In the past, we have spoken to the Charada developers and have informed them that they would have to get the sewage to our line. The problem is in this economy people will move forward on certain aspects of the project then hold off for a while and come back several months later so it has not been a smooth process. I believe they are trying to get approvals in place to be ready when the economy turns around and properties start moving again.

Commissioner Nathan asked Mr. Marshall if there has been any ongoing communication with other communities that might be interested in joining NBC and is it a done deal that East Providence is going to sell their facility to a private company.

Commissioner Brown stated that East Providence does not plan on selling their facility. He advised that an RFP that will be coming out in early May and it is based upon a design, build, operate. He stated he is sure the City Council would take alternative proposals but what would drive that whole decision would be the rates. East Providence sets their rates based upon the input received from staff or from the vendor in what will be this case. The NBC is subject to review by the PUC we don't know what that would mean long term.

Commissioner Nathan asked Mr. Marshall if this would be something NBC would be interested in.

Mr. Marshall stated that this is something that can be discussed as a Board. If we wanted to submit a proposal we would be than competing with private companies.

Chairman Mesolella stated that in the past we have come across situations where private vendors are offering cities and towns economic incentives, cash up front. What happens is it's a smoke and mirrors games, a cash incentive is offered up front with a commitment to hold rates for about 3-5 years and after this point the rates jump 40 or 50 percent. It's a business proposition and this is a decision the Administration or Town Councils have to make. So, in the past, these are the kind of situations we were confronted with as opposed to a "stay the course rate" and basically any increases were the direct result of increases of operating expenses and not the recapture and return of capital and return on investments.

Commissioner Nathan stated that he believes that the Town Council in their due diligence should be talking to some of the communities that in the past have gone that route, an example would be Cranston and Woonsocket, as he understands that they are not happy for the same reasons that Commissioner Mesolella stated.

Chairman Mesolella asked if there were any more questions regarding Mr. Marshall's presentation.

With no further questions Chairman Mesolella stated that he would like to respond to Mr. Gadon with regard to the industrial sector. He stated that we started discussing several months ago that the concept for NBC was to look into areas which offer potential expansion so that we could mitigate loss of our revenue base. If there is an opportunity for us to expand into an area where there may be significant industrial expansion that would not preclude us from moving in that direction as well. Looking at the proposals presented today we can see that all of the areas we are proposing expansion provide for pretty significant economic and property development. We are not out making a capital expenditure and waiting 20- 25 years in the future to start to get some return on that

investment. They are relatively short term investments and NBC will start to realize some revenues from the capital expenditure in the near future.

Commissioner Brown stated that it was mentioned that there were three private sewer lines in the Hartford Avenue area. Would NBC's plan include acquiring those lines or building around them?

Mr. Marshall stated that NBC has not come to a conclusion regarding the private sewers. The expectation would be to look at the existing sewers to see what size they are. If they are a size that may accommodate the future development west of 295 we may acquire them. On the other hand, if they are only 6 or 8 inch pipes that would not handle that kind of flow. In that case we would build a pipe that would accommodate both the existing and expected flows and have those people tie into our pipe as we pass their property.

There were no further questions and the presentation concluded.

**4. Other Business**

None.

**5. Adjournment**

A motion to adjourn was made by Commissioner Salvadore, seconded by Commissioner Brown and the Long Range Planning Committee meeting adjourned at 10:20 a.m.

Respectfully submitted,



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