

The Narragansett Bay Commission
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Vincent J. Mesolella
Chairman

Raymond J. Marshall, P.E.
Executive Director



OFFICIAL MINUTES OF:

Meeting of:	Long Range Planning Committee Meeting
Date:	April 28, 2015
Time:	9:30 a.m.

MEMBERS PRESENT:

Mario Carlino, Committee Chairman
Richard Burroughs
Seth Handy
Ronald Leone
Vincent Mesolella
Alan Nathan
Harold Gadon, CAC

MEMBERS ABSENT:

James S. Bennett

STAFF AND GUESTS PRESENT:

Raymond J. Marshall, NBC Executive Director
Thomas Uva, NBC
Jennifer Harrington, NBC
Karen Musumeci, NBC
John Zuba, NBC
Richard Bernier, NBC
Jamie Samons, NBC
Steve Maceroni, PFM
Rich Raiche, MWH
Dan Berger, PFM
Robert Andrade, NBC Commissioner
Pamela Reitsma, NBC

Joanne Maceroni, NBC
Sherri Arnold, NBC
Tom Brueckner, NBC
Karen Giebink, NBC
Paul Nordstrom, NBC
Christine Cooper, NBC
Laurie Horridge, NBC
Gail Degnan, NBC
Sean Searles, MWH
George Palmisciano, Pare Corp.
Robert Otoski, CDM Smith
Richard Worrell, NBC Commissioner

1. Call to Order

Long Range Planning Committee Chairman Mario Carlino called the April 28, 2015 Long Range Planning Committee Meeting to order at 9:30 a.m.

2. **Approval of Minutes** – March 17, 2015 – Long Range Planning Committee

Chairman Carlino asked for a motion to approve the March 17, 2015 Long Range Planning Committee meeting minutes as written. Commissioner Leone moved to approve the minutes of the March 17, 2015 Long Range Planning Committee as written. Commissioner Handy seconded the motion. The vote taken by the Long Range Planning Committee was unanimous. The motion carries.

3. **Items for Action**

A. **Review of Resolutions 2015:09-1 (Alternative 1); 2015:09-2 (Alternative 2); and 2015:09-3 (Alternative 3);** Selection of one of the three Alternatives to be undertaken for CSO Phase III

Committee Chairman Carlino stated the most of the Long Range Planning Committee was in attendance last night for the second NBC Board of Commissioners CSO Phase III workshop and noted that both the Long Range Planning Committee and the Board of Commissions have received a voluminous amount of information on the CSO Phase III Alternatives through numerous presentations by MWH, PFM and the NBC staff.

He advised that Mr. Marshall would review the Resolution before the Committee today.

Mr. Marshall stated that NBC entered into a contract with MWH in January 2014 to do a Reevaluation of the currently approved plan for Phase III of the CSO Program. The facilities to be built in accordance with the Conceptual Design Report Amendment (CDRA) that was approved in 1998 include a 13,000 foot long deep rock tunnel, five sewer separation projects and three CSO Interceptors to convey flow to the Phase III tunnel. The work was to be completed in a very compressed time schedule.

The purpose of the Reevaluation was to determine if there is a more cost effective approach that could lessen the rate impacts by either reducing the cost and/or extending the schedule of Phase III while employing new techniques and approaches that are now available, specifically Integrated Planning, Affordability Analysis and Green Technology.

MWH after an extensive evaluation developed four alternatives as part of the Reevaluation process. These alternatives were evaluated on their impact on water quality, affordability, compliance with EPA CSO Policy and impact on sewer rates. The four alternatives evaluated were:

Alternative 1. This is the Baseline alternative which is the currently approved alternative in the CDRA. It consists of the deep rock tunnel, five sewer separation projects and three CSO interceptors to be constructed in one phase by 2025.

Alternative 2. This alternative is similar to Alternative 1 except that one of the three interceptors is replaced by a stub tunnel, two of the sewer separation projects are replaced by a storage interceptor and it includes green infrastructure to eliminate some storm water from the combined sewer system. Also, this alternative would be constructed in four phases and the construction schedule would be extended until 2038.

Alternative 3. This alternative has the same facilities as Alternative 2 except that the construction is in six phases and the construction schedule is extended until 2047. Also, some interim facilities that are not in Alternative 2 would be constructed in the first two phases to obtain some immediate water quality improvements.

Alternative 4. This alternative is similar to Alternative 2 except that a storage and treatment facility would be constructed at the Bucklin Point WWTF in place of the tunnel and a disinfection facility would take the place of the stub tunnel.

After presentation of these alternatives to the Board at a workshop on January 6, 2015 the Board decided to eliminate Alternative 4 from further consideration because it did not provide sufficient water quality improvement to comply with EPA requirements. In addition, the Board also decided to hire PFM Consultants to review the impact on rates of the three remaining alternatives using a different methodology than that which MWH had to use to comply with the EPA methodology for determining affordability. PFM used a Net Present Value methodology that considered the effect of interest rates and inflation over the life of the project on sewer rates. The Board also decided to have 4Ward Planning do an analysis of the impact that the proposed construction would have on the local economy.

Because the facilities to be constructed for three remaining alternatives (Alternatives 1, 2 and 3) were similar, except that Alternative 1 did not include any green infrastructure, the water quality benefits were deemed to be essentially the same for all three alternatives.

While the affordability analysis conducted by MWH in accordance with the approved EPA methodology determined that all three alternatives were affordable based on the district wide median household income (MHI), a closer evaluation showed affordability concerns for the ratepayers that reside in the urban core of the service area, that is, Providence, Pawtucket and Central Falls.

A comparison of the MWH and PFM cost impacts and projected sewer rates is presented below for the three alternatives. It is important to note that the two analyses were based on different assumptions and followed different guidelines hence the variation in the actual numbers.

Alternative	Construction Cost		Projected Rate (Annual Max)	
	MWH	PFM	MWH	PFM
1	\$740M	\$703M	\$812	\$777
2	\$815M	\$721M	\$769	\$767
3	\$924M	\$781M	\$776	\$838

This comparison indicates that both the MWH and PFM construction costs for Alternative 2 are higher than for Alternative 1 but the projected sewer rates for Alternative 2 are lower than for Alternative 1. The PFM and MWH construction costs and sewer rates for Alternative 3 are higher than for both Alternative 1 and 2. One advantage of Alternative 2 over Alternative 1 is that because the project will be done in four phases. Regulatory guidelines require a “Reaffirmation” every five years providing an opportunity to reconsider if the planned action is affordable after each of the phases.

Chairman Mesolella made a motion to approve Resolution 2015-09-2 (Alternative 2); Selection of one of the three Alternatives to be undertaken for CSO Phase III. Commissioner Nathan seconded the motion.

There was discussion on the motion. Commissioner Burroughs expressed his concern with moving forward on Phase III and gave a presentation to that effect.

After the discussion was concluded there was a roll call vote and the following votes were recorded. Chairman Mesolella, Aye, Commissioner Nathan, Aye, Commissioner Handy, Aye, Commissioner Leone, Aye, Committee Chairman Carlino, Aye and Commissioner Burroughs, Nay. The motion carried.

4. Other Business

None.

5. Adjournment

A motion to adjourn was made by Commissioner Handy, seconded by Commissioner Burroughs and the Long Range Planning Committee meeting adjourned at 10:13 a.m.

Respectfully submitted,



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