

The New Shoreham Sewer Commission, Water Board and Town Council
Meeting Jointly for the Annual Allocation Meeting;
New Shoreham Sewer Commission and Water Board Monthly Meeting

October 8, 2008 Minutes

Present were members Robby Brown, Ann Cunningham, Frank Leslie, Rally Migliaccio, Bob Pokraka, alternates: Sandra Finizia and Jason Howarth, and District Clerk Janet Ziegler.

Also present were Public Works Director Nancy Dodge, Superintendents Dave Simmons and Ray Boucher and Counsel Elliot Taubman.

Absent was Finance Director Amy Land.

Also present were 1st Warden Kim Gaffett, 2nd Warden Ray Torrey, Peter Baute, Ken LaCoste, Dick Martin and Clerk Millicent McGinnes.

R. Migliaccio called the meeting to order at 4:30 P.M. S. Finizia and J. Howarth will not be voting.

1. Report on Tree Management at Sewer Plant by Harold 'Turtle' Hatfield. *Postponed to November.*
2. Annual Allocation Meeting. Management Agreement. New Priorities, Available Capacity for the Next Year, Determination of Contribution-in Aid of-Construction. Rate Design. Presentation by J. J. Geremia.

- Management Agreement.

Proposed changes to the Agreement were passed to the Town in July; N. Dodge requested reviews by the Town Solicitor and Finance Director. E. Taubman summarized the Sewer Commission's major changes: adding the Sewer Commission's responsibility pursuant to the Town's Wastewater Ordinance, review of the annual audit figures prior to the Exit Audit meeting and, in agreement with the Town's charter, clarifying that the Agreement is between the Sewer Commission and Director of Public Works acting for the Town. N. Dodge stated that a review of the Town's draft changes would be on the Town Council's agenda in November.

- Allocation Meeting.

Each year in October the Town Council, New Shoreham Sewer Commission and New Shoreham Board of Water Commissioners meet together in a public meeting to act upon the following matters: To Determine Any Changes That Should Be Made in the Established Priorities For New or Increased Use, to make Changes in Overall Rate Design as Necessary and to make Other Recommendations for Changes in this Article.

Presentation by J. J. Geremia, Engineering Recommendation Summary for Allocation, Contribution in Aid of Construction.

Geremia outlined the remarkable changes that have come into play for allocation over the past year. RI DEM (Department of Environmental Management) increased Sewer's permitted treatment capacity by fifty percent; additionally sewer gained more than a million gallons of summer capacity when a discharge permit was approved for Block Island Water Company (BIWC). The new combined RIPDES (Rhode Island Pollution Discharge Elimination System) Permit allows flows up to 450,000 gallons per day (gpd), a 66% increase in effluent flows.

The Town's "Wastewater Facility Plan", adopted February 2004 and updated January 2008, addresses the twenty (20) year growth cycle and is in sync with the Town's Comprehensive Plan. For the first time in four

years, limited sewer capacity will not in any way restrict water availability from the BIWC's production capacity of 225,000 gallons per day (plus 300,000 gallons in tank storage).

The Contribution in Aid of Construction (CAC) is the cost of purchasing allocation for new or increased use of water requirements and/or sewer treatment capacity; it allows the utility to plan for increased demand. The CAC is called an impact fee on the mainland and represents a buy-in to the infrastructure and is directly related to the costs of infrastructure (grants/loans).

Geremia said that the difference between the costs of infrastructure between the two utilities should be pointed out. The sewer plant was built in the 1970s with the aid of the Town's general funds to protect the sole source aquifer; property taxes are paying off the remaining loan - abutters to the collection line pay four times more than a non-abutter. Since the Town took over BIWC in 1999, significant improvements have taken place with \$5.2 million having been spent on new wells, reverse osmosis technology and tanks – a long way since Fresh Pond was used as a summer standby. Water customers pay for these capital improvement investments in their user fees, without the benefit of a Town's contribution that sewer customers received. The recommendation of CAC for water is \$11.22 per gallon and for sewer is \$4.76 per gallon; both decreases from last year's.

There is only one USDA grant outstanding, the 2006 Water Grant which has ~\$40K remaining. There are no active sewer grants at this time.

In determining the amount of allocation available for the upcoming year, the utility's capacity minus its average summer load, is available for future growth. Geremia recommended allowing 80% of water's availability (allowing for emergencies) and a conservative 50% of sewer's availability be made available in the upcoming year.

- New Priorities.

N. Dodge announced that there were no known Public facility priorities for the upcoming year.

MOTION: by Sewer Commissioner A. Cunningham, based on the testimony of the Director of Public Works, to continue the present priority policy to apportion available sewer allocation 25% for public use and 75% for private use. The motion was seconded a quorum was present and the vote to continue was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Commissioner A. Cunningham, based on the testimony of the Director of Public Works, to continue the present priority policy to apportion available water allocation 25% for public use and 75% for private use. The motion was seconded a quorum was present and the vote to continue was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by D. Martin to continue the present priority policy for sewer and water.

The motion was seconded a quorum was present and the vote to continue was:

AYE: 5 (Baute, Gaffett, LaCoste, Martin, Torrey). NAY: Ø. ABSTAIN: Ø.

The motion carried.

- Available Sewer Capacity for the Next Year and Determination of CAC.

Noted were several changes recommended by engineer J. Geremia this year to the calculations that determines the available sewer plant capacity for the up coming year:

1. New Permitted flows of 450,000 gpd
2. Return to the historic '80% of design capacity' to calculate available allocation.
3. Average Daily Flow based on the average of influent & effluent metered flows.
4. Reserve 50% of available allocation for future growth.

MOTION: by Sewer Commissioner R. Migliaccio, based on the recommendations of the engineer & superintendent, to set sewer available allocation to 81,526 gpd and CAC purchase cost to \$4.76 per gpd. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Commissioner A. Cunningham, based on the recommendations of the engineer & superintendent, to set water available allocation to 40,155 gpd and CAC purchase cost to \$11.22 per gpd. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by First Warden K. Gaffett to set sewer allocation to 81,526 gpd and CAC cost to \$4.76 per gpd and to set available water allocation to 40,155 gpd and its cost to \$11.22 per gpd. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Baute, Gaffett, LaCoste, Martin, Torrey). NAY: Ø. ABSTAIN: Ø.

The motion carried.

Rate Design:

R. Migliaccio announced that at the 2006 Annual Financial Meeting, rate payers asked the Commission and Board to consider changes in the rate design to support the year-around users who do not significantly impact the utilities' infrastructure in the summer yet offer a consistent presence. RCAP Consultants (Rural Community Assistance Program) were hired to initiate a rate study. The study was halted temporarily last spring when the Finance Office announced that there would be changes to the utility software package.

MOTION: by R. Migliaccio to continue the present sewer rate design of 1:2:4:2. The current sewer use charges per 1,000 gallons are: 1st quarter \$6.00, 2nd quarter \$12.00, 3rd quarter \$24.00 and 4th quarter \$12.00. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Commissioner A. Cunningham to continue the present water rate design of 4:6:8:4. The current use charges per 1,000 gallons are: 1st quarter \$12.50, 2nd quarter \$19.00, 3rd quarter \$25.00 and 4th quarter \$12.50. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by First Warden K. Gaffett to continue the present sewer rate design of 1:2:4:2 and water rate design of 4:6:8:4. The motion was seconded a quorum was present and the vote to set was:

AYE: 5 (Baute, Gaffett, LaCoste, Martin, Torrey). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by First Warden K. Gaffett to adjourn the Annual Allocation between the Town Council, Sewer and Water Boards. The motion was seconded a quorum was present and the vote to adjourn was unanimous.

The motion carried.

The Town Council adjourned at 5:23 PM

3. Reports from Officials.

DIRECTOR OF PUBLIC WORKS AND ENGINEERING.

- Updates to:

- Status Conference RIPDES Permit No. RI 100196, October 7.

- N. Dodge that the conference to clarify sections of the new RIPDES Permit was not continued and had been resolved

– Revisions to Wastewater Management Ordinance and Zoning Section 506. Changes, as advertised, were unanimously adopted by Town Council.

- Wastewater Management Report. Request from G. Ross, Plat 8 Lot 12.

The request for a Hearing has been continued until a new system is installed.

- Act on Amended Rules of Procedures by the Town Council. An August 21 memorandum was circulated regarding changes to the Town's "Rules of Procedure" for meetings. Noted was that a "majority vote" of the whole number of members would be needed to carry a motion, instead of a simple majority of those present.

MOTION: by R. Migliaccio to adopt the amended Rules as policy for the Sewer District and Water District.

The motion was seconded, a quorum was present and the vote to adopt was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

- Service Building Renovations and Addendums. R. Migliaccio announced that discussion of the subject was to be continued to the next meeting.

- Hiring of Town's IT (Information Technology) Person To Review Computer Set Up At Sewer Plant.

A. Cunningham stated that all sewer employees should attend computer classes to update their skills and learn new applications. The Commission particularly focused on the sewer operators' skill levels. R. Boucher said that the laboratory computer was purchased for data keeping and agreed that there was need for IT input on setup, protocols and staff training.

Other computers at the plant are the Districts Clerk's and the Sewer Superintendent's who each have a desktop and laptop. The two desktops are hardwired via a router to a DSL line, the lab computer's access is by WLAN. Most computers operate on the XP platform, however, one laptop and the lab's is VISTA business.

N. Dodge said that the Town's IT group had configured computers at the Town Hall and is working with the Police Department; the School and Water Company have not been involved. Dodge suggested that IT could review the current status at the sewer plant for the Commission, and then IT could come up with recommendations and a price for implementation; hourly consultation charges were not available.

MOTION: by S. Finizia to proceed to have the Town's IT group initiate a review of sewer computers, not to exceed a cap of \$750. The motion was seconded, a quorum was present and the vote to review was:

AYE: 5 (Brown, Cunningham, Leslie, Migliaccio, Pokraka). NAY: Ø. ABSTAIN: Ø.

The motion carried.

FINANCE. Financial Reports for July, August, September. Aging Reports.

- Progress on Energy Surcharge Implementation.
- Utility Software - Rate Design.

A. Land was absent and reports were not available. The Commission said that, in the future, they would like the financials before the meeting so that they had time to review the figures.

WATER PLANT OPERATIONS.

- Request for Advice Regarding Water Pressure, J. Stone, Plat 9 Lot 101. The property on Pilot Hill Road is serviced from Payne Road by an old galvanized line. Geremia proposed that the private line should be taken over by the Town since it is on a State road; the State will not permit individuals to dig along State roads. He recommended that the current service be capped and a new water line be brought to the property line by BIWC conforming to the current Utility Standards. Additionally, the line should be installed with a "T" for the only remaining municipal customer in that area. B. Pokraka stated that the new line would bring greater volume, but not more pressure since BIWC is a gravity system. R. Brown, who lives nearby, said that the residences of Ambrose Lane, with a similar elevation, all installed pressure tanks. With a Water Board consensus to proceed, A. Cunningham offered to respond to Stone.

Simmons continued with his monthly report noting that he expects revenue from users fees to be down ten-percent by the fiscal year end; the strategy will be to be more efficient to keep costs down. The plant moved the oil storage tank to the outside.

- Update on Cozy Cottage Request. N. Dodge reported that CRMC (Costal Resource Management Council) said that municipal water service would not be available to Plat 5 Lot 55 via Corn Neck Road nor Beach Avenue because of the 'barrier beach' classification.

SEWER PLANT OPERATIONS.

- Recommendation for Lateral to Plat 17 Lot 41, C. Damm. Geremia recommended that the Sewer Commission install a separate lateral to the property line since the nearby collection lateral is surrounded by water lines. Additionally a stub for the next lot would be added. A. Transue, who holds the Town's Road Work contract, will be notified, however, the lateral would probably have to go out to bid because the work is below sea level. R. Hiza, present as Damm's engineer, will notify his client that the property needs to be formally added to the Sewer District.

(N. Dodge and J. Geremia departed at 6:07PM.)

- New Shoreham Compliance Evaluation Inspection, June 2008. R. Boucher reported that he asked DEM for a continuation in September, knowing that he would be out because of surgery. Most of the work will be completed shortly.

4. Approve Minutes of September 10.

A. Cunningham motioned that the September 10 be adopted as circulated; the motion was seconded and unanimously approved by the Commission and Board.

5. Discussion with Town Council. K. Gaffett suggested that the item was a left-over from last year's agenda.

6. Correspondence, Announcements and Public Comment.

September 12. J. Stone to Water Board requesting input regarding water pressure.

September 15. Letter from Geremia regarding changes to proposed sewer lateral for Damm.

September 29. Letter from Geremia to DEM re: clarification of Permit conditions.

Adjourn.

MOTION: by Bob Pokraka to adjourn was seconded, a quorum was present and the vote to adjourn was unanimously approved by all members present.

The meeting adjourned at 6:15 PM

Respectfully submitted,

Janet Ziegler

District Clerk Approved: November 12, 2008

The New Shoreham Sewer Commission and Water Board are an equal opportunity providers and employers.