

JOINT MONTHLY MEETING OF THE  
NEW SHOREHAM SEWER COMMISSION and BOARD OF WATER COMMISSIONERS

January 9, 2007 Minutes

Present were members Ann Cunningham, Frank Leslie, Cliff McGinnes, Rally Migliaccio, Howie Rice, Don Thimble and District Clerk Janet Ziegler.

Absent was member Steve McQueeney.

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

C. McGinnes called the meeting to order at 4:31 P.M. A. Cunningham will not be voting.

**PUBLIC HEARING. Amend the New Shoreham Water District's Rules and Regulations.**

Proposed changes to the Rules and Regulations were considered at the Water Board's November 15 and December 14 meetings. A Public Notice for amending the Rules was posted on January 5. Copies of the Water District's Rules and proposed changes were made available for public input at the Island Free Library, Water District Office and Town Hall.

Several questions regarding clarification of sections were received. E. Taubman noted that the Rules lacked a definition for the Block Island Water Company and proposed language will be added. He stated that there were inconsistencies between the existing Town Ordinances, which are out of date, and the District's Rules.

**MOTION:** by H. Rice to amend the Water District's Rules & Regulations as posted, adding a definition for the water plant's name and with other minor changes as discussed. The motion was seconded, a quorum was present and the vote to amend was:

AYE: 3 (Leslie, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

1. Reports from Officials.

DIRECTOR OF PUBLIC WORKS AND ENGINEERING.

- January 4 Bids for Fire Suppression System at the Block Island Water Company.

N. Dodge announced that two bids, \$196K and \$220K, had been received; both are being reviewed by engineer J. Geremia. She noted that the actual sprinkler system was quoted as ~\$60K, however the add-ons and electrical work added considerably to the quotes. The USDA grant/loan budget is for \$103K.

- Final Draft to Amend Town Utility Standards.

New Shoreham's Utility Standards were adopted as an Ordinance in 1996; they were previously adopted by the Planning Board in 1994 and the Sewer Commission in 1995. Jim Geremia and the two superintendents have worked since last October to bring the specifications, requirements and design standards for water and sewer up to date. The completed work was distributed. E. Taubman stated that a legal review would be ready for the February meeting.

- New Grants for Sewer and Water.

C. McGinnes reported that no input has been received from RI Department of Environmental Management (DEM) regarding permitting the water company's proposed sewer line (USDA 2006 grant/loan). The Commission and Board requested the superintendents to prepare a wish list for future grants this winter in order to give engineering more lead time for preparations. Long term planning for replacements is an essential part of

Asset Management and Rate Design – a project initiated in December with consultants from RCAP (Rural Community Assistance Program).

- Block Grant for Affordable Housing.

N. Dodge announced that two meetings would be held for applicants seeking grant money from this year's Community Development Block Grant (CDBG); dates have not been set. The Sewer Commission wants to fund the renovation of two affordable apartments over the service building; R. Boucher volunteered to take responsibility to follow up with the grant applications and attend meetings.

#### FINANCE.

- Summary Report on Exit Audit Relative to Sewer and Water.

A. Lewis distributed sewer and water sections of the Town's (draft) financial statement FY 2006 prepared by the auditors. She noted from the Statement of Revenues, Expenses and Changes in Fund Net Assets report that sewer has been using reserves to fund depreciation. The Statement of Net Assets shows the water fund net assets quickly approaching that of the sewer fund. For the fiscal year, the sewer fund had an operating loss of \$323,490 and water had an operating income of \$37,444.

- December 2006 Balance Sheets.

A. Lewis reported that sewer's cash position was good. She noted a significant increase in the 'system maintenance' line and that the 'supplies' line was high. R. Boucher responded that he would review the specifics in each account as some items may have been misfiled.

Water's cash position was very good. A significant unplanned expense will be to replace the west wing roof.

- Changes to Aging/Collection Process.

A. Lewis said that the finance office was still ironing out the process to take over collections enforcement. Additionally, she announced that although finance was upgrading all outdated software, no upgrades existed for the DOS base Fundware utility billing used for water and sewer. The department is open for suggestions.

- Policy for Capital Asset Replacement.

C. McGinnes stated that Asset Management was not a minor project, having undertaken it at the BIPCO, and will take some time. The time line is to go out twenty (20) years and realistically deal with replacement life; the efforts were pretty dry stuff, but very necessary to the overall health of the business. It was requested that the superintendents go over capital asset replacements and bring a list to the table, before finance reviews it.

E. Taubman added that once there is a handle on asset replacement figures, recovery for capital needs can be spread over a reasonable amount of time.

(A. Lewis leaves meeting at 5:15 PM)

#### LEGAL.

- Response to Seawind's Attorney Iglizzi Request for Payment Extension.

E. Taubman informed the Commission/Board that payment for sewer and water infrastructure had been received. Interest will accrue on the allocation approved.

Responding to a request from E. Taubman to amended the agenda in order to address Rate Design and Asset Management, the Commission voted unanimously to do so.

E. Taubman, who has expertise in rate design, initiated the formation of the committee: Simmons and Boucher, the superintendents, would be responsible for gathering and crunching production and customer numbers, McQueeney and Cunningham volunteered to represent the Board and Commission, Pam Glenn and

(occasionally) Debbie Howarth will represent public input. E. Taubman procured consulting services with RCAP and will act as advisor.

The Commission unanimously agreed to amend the agenda and return to Reports from Officials.

#### WASTEWATER INSPECTOR'S DECEMBER REPORT.

- Second Notices of Violation for Non-compliance to Town's Wastewater Ordinance.

Inspector D. Thimble said that a very bad leaking ISDS (individual septic disposal system) was recently discovered at a house on Champlin's Road normally unoccupied during the winter, but presently occupied by a large work crew. As brush by the roadway was cleared, the raw sewage was discovered on the surface. The owners have been notified that weekly pumpouts are required.

The Wastewater Management office has begun to send out '2<sup>nd</sup> NOV' (second Notice of Violation) to homeowners "neglecting or refusing to comply with a written Notice of Violation" previously issued. It is in the purview of the Sewer Commission's authority to levee fines and hold hearings.

D. Thimble, both Inspector and Commissioner, recused himself from further discussion and voting; A. Cunningham will vote.

A. Cunningham, who also sits on the Island Steering Committee overseeing the wastewater program, noted that the ordinance has two levels of fines; the first is for failure to respond to present a system for inspection and the second for neglecting and/or refusing to comply with a NOV. A discussion ensued of the wording in the 2<sup>nd</sup> NOV letter along with what the actual fines should be. The Wastewater Ordinance is ten-years old and the program has been very lenient with non-complying properties to date. E. Taubman's objection, to the second notices already mailed out, was that owners should know in advance what the particular fines are and that they again be given another opportunity to request a hearing.

**MOTION:** by R. Migliaccio that the Sewer Commission authorize the Wastewater Management Inspector to issue fines for notices. Daily fines for neglecting or refusing to comply with a 2<sup>nd</sup> NOV shall be set at \$50 per day up for the first 30 days, to be increased to \$100 per day for the next 30 days, and to be increased to \$150 per day for the next 30 days, and continuing thus up to \$500 per day. The 2<sup>nd</sup> NOV are to be mutually revised by Thimble-Cunningham-Taubman and mailed out again restating the right to a hearing. Fines are to begin with the date and mailing of the revised letter. The motion was seconded, a quorum was present and the vote to revise and set was:

AYE: 3 (Cunningham, Leslie, McGinnes, Migliaccio, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

The Commission did not discuss fines for failure to present a system for the first inspection; there are eighteen such systems known.

**MOTION:** by R. Migliaccio to authorize E. Taubman to look into wastewater enforcement procedures, how fines would be handled by finance and how fines would be collected if not paid, etc. The motion was seconded, a quorum was present and the vote to authorize was:

AYE: 3 (Cunningham, Leslie, McGinnes, Migliaccio, Rice). NAY: Ø. ABSTAIN: Ø.

The motion carried.

(Thimble jointed the meeting, A. Cunningham will be non-voting)

#### WATER/SEWER DECEMBER PLANT OPERATIONS.

Water. D. Simmons reported that Sands Pond seems to have reached a static state; the level oscillates within six inches regardless of rain events. The replacements of the older water mains were completed in 2005; it was noted that since that time, water losses have been at a record low.

Sewer. R. Boucher noted an unusual amount of dissolved copper was detected in the influent early in December, but the discharge was held to below permitted levels.

- 2001 Sewer Grant Reallocated to Sewer Plant Improvements. With permission from USDA, funding to extend the sewer outfall was reallocated for plant upgrades. The projects will include a new anoxic zone at the headworks and a bulk lime feed station.

- Service Building. N. Dodge noted that the Town would likely receive ~\$250K from the State for the CDBG; the Sewer Commission should be eligible for perhaps \$100K depending on what other applications were received and granted by Town Council. The building of the two affordable units has been a pet project and has been stalled for lack of funding. R. Boucher recommended using reserves and start with some framing.

**MOTION:** by H. Rice to allocate \$50K from reserves to begin framing work for the two units. E. Taubman objected to spending money from reserves, when the item was not in the sewer budget, without notifying voters. The motion was seconded, a quorum was present and the vote to start framing was:

AYE: 3 (Leslie, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

APPROVE MINUTES OF OCTOBER 10, 17 AND DECEMBER 14.

**MOTION:** by D. Thimble to approve the three sets of minutes as submitted. C. McGinnes noted that he was absent at the December 14 meeting. The motion was seconded, a quorum was present and the vote to approve was unanimous.

## 2. Parking Lot Project.

- Develop Six Spaces on Phillips Property, Alternate Contractor.

Although the Commission stated that they were not usually in favor of changing a contractor in mid-stream, past promises for completion had not been fulfilled and the parking area is worse off in inclement weather for the permit holders. Extra engineering plans will be requested from Geremia's office. N. Dodge reminded the Commission that they agreed to excavate an area on Phillip's property sufficient for six parking spaces.

## 3. New Business.

- Sewer/Water Rate Design. The new committee has not convened. D. Simmons said that he had preliminarily looked at the data entry requirements for the Utility Rate Design software recommended by B. Morency of RCAP. The RI League of Cities and Towns will present a seminar on Asset Management at the end of the month and J. Collins will attend. E. Taubman volunteered to also attend.

- Set 2007 Meeting Schedule for Posting, Winter Vacation Schedule. A schedule of meetings dates for 2007 was unanimously approved by all members present. The monthly meetings will be held on the second Tuesday of the month, an additional meeting on the first Tuesday in May is scheduled, the Annual Financial meetings will be Tuesday June 19 and the Annual Allocation meeting will be Wednesday October 17.

## 4. Correspondence and Public Comment.

- C. McGinnes noted that he would contact the Theves regarding obtaining a right-of-way for the proposed sewer line from Block Island Water.

- The Sewer Commission's sponsor of The Lunch Bunch was postponed to January 16.

- 12/18/06 Letter from N. Dodge to J. Breunig congratulating him for obtaining Class 3 Treatment and Class 2 Distribution water licenses from RI Department of Health.

- 12/15/06 Memorandum from R. Migliaccio responding to Seawind's attorney David Igliazzi regarding payment of allocation and infrastructure.

**Adjourn.**

**MOTION:** by H. Rice to adjourn the meeting. The motion was seconded, a quorum was present and the vote to adjourn was approved unanimously by all members present.

The meeting adjourned at 6:40 P.M.

Respectfully submitted,

Janet Ziegler

District Clerk

Approved: February 13, 2007.

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