

Joint Meeting of New Shoreham
Sewer Commission, Water Board and Town Council
Annual Allocation, Priorities and Capital Budget Meeting

October 25, 2006 Minutes

Present were Sewer Commission and Water Board Members: Sewer Chair Cliff McGinnes, Water Chair Steve McQueeny, Ann Cunningham, Frank Leslie, Rally Migliaccio, Howie Rice, Don Thimble and Sewer/Water District Clerk Janet Ziegler.

A. Cunningham and F. Leslie will not be voting.

Present were Town Council members: First Warden Jack Savoie, Ned Connelly, Mary Jane Balsler, Robert Ellis Smith and Town Clerk Fiona Fitzpatrick.

Absent was Second Warden John Sisto.

Also present were: Town Manager and Public Works Director Nancy Dodge, Sewer Superintendent Ray Boucher, Water Superintendent Dave Simmons, Sewer/Water District Counsel Elliot Taubman.

First Warden J. Savoie, Sewer Chair C. McGinnes and Water Chair S. McQueeny called the Annual Allocation, Priorities and Capital Budget meeting to order at 6:05 PM

Each year in October the Town Council, New Shoreham Sewer Commission and New Shoreham Board of Water Commissioners meets together in a public meeting, posted and otherwise publicized as required by law, with each body making a decision by a majority vote of the members to act upon the following matters:

(1.) 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;

- **Priorities.** The priorities for new or increased capacity shall first be considered for
 - 1st Public facilities necessary for public health, safety and/or welfare. Such facilities include, but are not limited to public safety facilities, public schools, affordable housing, day care centers, marine pump-outs, houses of worship. Public facilities are charged one fourth (1/4) the allocation rate as the private sector.
 - 2nd All other uses.
 - 3rd Where an application for a sewer allocation amounts to twenty-five (25%) of the total available allocation in a particular year or 20,000 gallons, whichever is less, the Sewer Commission may require special conditions or cost sharing and contributions in aid of construction from such applicant if it agrees to provide service.

Sewer Chair C. McGinnes inquired whether there were any changes for consideration to the established priorities for new or increased sewer or water use?

N. Dodge responded that new public facilities under construction would include the new Town Hall and the Rescue Fire Barn. There are no public projects known at this time which would affect the proportionality of public and private allocation. Total water allocation sold in past 12 months was 2,514 gpd (gallons per day). Total sewer allocation sold in past 12 months was 2,643 gpd. There are no other public projects known at this time.

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

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Board member S. McQueeney to continue the present priority policy to apportion available sewer allocation 25% for public use and 75% for private use based on the testimony of the Director of Public Works. The motion was seconded and the vote was:

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Councilor J. Savoie to continue the present priority policy to apportion available sewer allocation 25% for public use and 75% for private use based on the testimony of the Director of Public Works. The motion was seconded and the vote was:

AYE: 4 (Balsler, Connelly, Savoie, Smith). NAY: Ø. ABSTAIN: Ø.

- To Make Changes in Overall Rate Design As Necessary.

E. Taubman noted that rate payers have asked the Commission and Board for rate design changes to favor year-round residences since their demand does not significantly change over the year and they are inconsequential consumers in the summer season where rates are highest. Consultants have been hired to initiate a rate study.

Sewer Chair C. McGinnes stated that there were no recommendations to the basic sewer rate design. The current rate is proportioned over four quarters of a year and use charges per 1,000 gallons are: 1st quarter \$5.75, 2nd quarter \$11.50, third quarter \$23.00, fourth quarter \$11.50.

Water Chair S. McQueeney stated that there were no recommendations to the basic water rate design. The current rate is proportioned over four quarters of a year and use charges per 1,000 gallons are: 1st quarter \$12.50, 2nd quarter \$19.00, third quarter \$25.00, fourth quarter \$12.50.

MOTION: by Sewer Commissioner H. Rice to continue the present sewer rate design of 1:2:4:2.

The motion was seconded and the vote was:

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Board member C. McGinnes to continue the present sewer rate design of 1:2:4:2. The motion was seconded and the vote was:

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Councilor J. Savoie to continue the present sewer and water design rates as so stated. The motion was seconded and the vote was:

AYE: 4 (Balsler, Connelly, Savoie, Smith). NAY: Ø. ABSTAIN: Ø.

The motion carried.

- To Make Any Other Recommendations for Changes in This Article.

Sewer Chair C. McGinnes reported that engineer J. Geremia recommended two changes this year to the calculations that determines the available sewer plant capacity.

The first change is to replace the influent flow with effluent flows numbers based on the the sewer plant's new capability to meter effluent; the numbers reflect the actual parameter of the DEM's (Department of Environmental Management) PERMIT.

During the October 2005 Annual Allocation Meeting, and subsequently, a change in determining the sewer allocation from 80% to 85% of design capacity was approved. Improvements have been completed at the

facility and an application to increase the treatment plant's permitted capacity is pending. The second alteration to the historic formula would be to continue using 85% design capacity.

MOTION: by Sewer Commissioner R. Migliaccio to retain 85% of capacity in the sewer formula and use effluent numbers for flows. The motion was seconded and the vote was:

AYE: 5 (McQueeny, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Councilor J. Savoie to retain 85% of capacity in the sewer formula and use effluent numbers for flows. The motion was seconded and the vote was:

AYE: 4 (Balsler, Connelly, Savoie, Smith). NAY: Ø. ABSTAIN: Ø.

The motion carried.

J. Savoie noted that the next item on the Commission/Board's agenda was to consider an application for allocation that is not on the Council's agenda.

MOTION: by D. Thimble that the Commission and Board move consideration of the allocation to the end of the meeting. The motion was seconded and the Commission/Board voted:

AYE: 5 (McQueeny, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

(R. Boucher arrived at 6:20 PM)

(2.) TO DETERMINE SEWER AND WATER CAPITAL BUDGETS FOR AS LONG INTO THE FUTURE AS MAY REASONABLY BE ESTABLISHED, SUCH DETERMINATION TO INCLUDE THE COST-BASED ALLOCATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION (CAC).

J. Geremia, in an October 20 letter addressed to the Town Council (attached), reviewed the data that annually determines the cost of allocation. The CAC (Contribution in Aid to Construction), charged for new or increased use, represents a 'buy-in' fee for prior capital improvements and is based on loans outstanding. Accordingly, he recommended a decrease for the purchase of sewer allocation to \$6.78 gpd (gallons per day) and an increase in the cost of water allocation to \$15.28 gpd. Setting of these rates does not preclude either body from imposing a special assessment on any project representing 2,000 gpd or 25% of available allocation.

MOTION: by Sewer Commissioner H. Rice to change the sewer CAC cost from \$7.14 to \$6.78 gpd for allocation, based on the recommendations of the engineer. The motion was seconded and the vote to change was:

AYE: 5 (McQueeny, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Water Board member S. McQueeny to change the water CAC cost from \$12.55 to \$15.28 per gallon per day (gpd) supported by the engineer's advice. The motion was seconded and the vote for change was:

AYE: 5 (McQueeny, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Councilor J. Savoie that the cost for sewer allocation for the next year is set at \$6.78 gpd and the cost for water allocation be set at \$15.28 gpd. The motion was seconded and the vote was:

AYE: 4 (Balsler, Connelly, Savoie, Smith). NAY: Ø. ABSTAIN: Ø.

The motion carried.

(3.) TO DETERMINE THE AVAILABLE CAPACITY FOR THE NEXT YEAR THAT MAY BE USED FOR INCREASED USE OR NEW USE. Sewer superintendent R. Boucher stated that DEM's permitted treatment capacity for the plant was 300,000 gallons per day. He then reviewed the effluent flows for the past summer and calculated that

17,989 gpd allocation be made available for the upcoming year (distributed at 25% for public needs and 75% for private).

MOTION: by Sewer Commissioner H. Rice that 17,989 gallons per day of sewer allocation be made available; that 4,497 gpd be reserved for public use and 13,492 gpd be made available for private use. The motion was seconded and the vote to set sewer allocation was:

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

Water superintendent D. Simmons stated that water production capacity for Block Island Water Company was 200,000 gpd. Based on the past summer's flows and using the historic 80% design capacity, he recommended that 15,578 gpd of allocation be made available for purchase.

MOTION: by Water Board member C. McGinnes that 15,578 gpd water allocations be made available; that 3,894 gpd be reserved for public use and 11,683 gpd be made available for private use. The motion was seconded and the vote to set water allocation was:

AYE: 5 (McQueeney, McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: Ø.

The motion carried.

MOTION: by Councilor J. Savoie that, after hearing the motions by the Sewer Commission and Water Board, the Town Council concur with setting available allocation for sewer at 17,989 gpd and for water at 15,578 gpd. The motion was seconded and the vote was:

AYE: 4 (Balsler, Connelly, Savoie, Smith). NAY: Ø. ABSTAIN: Ø.

The motion carried.

First Warden J. Savoie announced that the Town Council would now take a recess from the meeting to allow the Commission and Board to finish its separate business. The Town Council completed its business with Seawinds by signing a Consent Agreement for the project.

C. McGinnes quoted from the Town Ordinances, "applications for 2,000 gpd or more, if received by August 1, shall be brought before this meeting for special consideration". Block Island Housing Inc. and Stanley Balles have requested 4,500 gpd sewer and water allocation for their housing project named Seawinds. The housing development contains ten (10) three bedroom units, two of which are to be affordable housing units

MOTION: by H. Rice on behalf of the Sewer Commission and Water Board that consideration of the Seawind's Allocation Application be postponed to the next meeting on November 15, to be held at 12:00 PM noon in the Old Harbor Meadow Community Center. Public input was then requested.

Members of the public asked that the application not be considered until after the preliminary injunction to stop the development was heard in the court and a determination was made. Neither the Commission nor Board can deny a project allocation if it is available. The mission of the utilities is to respond to needs of the public; zoning and planning are the avenues that determine development. The Commission and Board agreed that, since the Seawinds project has been a subject of controversy, the postponement would allow greater time to advertise the agenda item.

The motion was seconded, a quorum was present and the vote to postpone the consideration of allocation for Seawinds was:

AYE: 5 (McGinnes, Migliaccio, Rice, Thimble). NAY: Ø. ABSTAIN: McQueeney.

The motion carried.

(4.) ALLOCATION POLICY.

There were no recommendations for policy changes.

(5.) MANAGEMENT AGREEMENT.

The agreement shall continue in force from year to year unless either party gives the other notice on or before this meeting in October of its intent to terminate or revise the agreement. Unless otherwise agreed, the agreement shall continue to operate to the end of the fiscal year in which notice is given.

There were no recommendations for change to the Agreement.

Adjourn.

MOTION: by H. Rice that the Sewer Commission and Water Board adjourn the Annual Allocation meeting and that the time period for the filing of the minutes be extended to 75 days from today's date. A quorum was present and the vote to adjourn was approved unanimously by all Sewer Commission and Water Board members.

The joint meeting adjourned at 7:10 P.M. and the Town Council continued with their agenda.

Respectfully submitted,

Janet Ziegler

District Clerk

Approved: December 14, 2006.

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