

Minutes of Warwick Sewer Authority Review Commission

Thursday, October 17, 2013

Warwick Sewer Authority Conference Room

Attendance: Ed Ladouceur, Joseph Gallucci, Michelle Komar, Jim Boyd, Peter Ginaitt, Aaron Guckian, Angelo Liberti, Jane Austin, Joanne Cournoyer, Janine Burke

Meeting convened at 8:15 AM by Chairman Ladouceur

Public comment invited. Mr. Russo recommended that invitations to planned public meeting be sent to all Warwick elected officials.

Commission discussed options for notifying public about October 30th meeting, including letter drops, mailing postcards, volunteer distribution. The commission considered effectiveness, cost, time required of Sewer Authority employees, level of detail, color to draw attention and amount of information. Commission reached consensus that a post card would be best approach. The postcards are to be supplemented by outreach through the neighborhood associations and Commission members were encouraged to use their e-mail lists to spread the word. The Chairman is reaching out to the Beacon and utilization of the City's red-alert phone system is to be explored with the Fire Chief. The regular meeting notice will be filled with the Secretary of State. A full agenda and background information will be made available on the Warwick City Council and Warwick Sewer Authority websites. Draft card in development by WSA staff.

Commission members discussed the agenda for the October 30th meeting. A 30 - 45 minute program with a question and answer period is planned. Two options for a facilitator were identified. Bob Martin of the Warwick MIS Dept. has been contacted and an inquiry is being made to the New England Interstate Water Pollution Control Commission (NEIWPCC).

The Chair reviewed a draft statement to open the meeting, introducing the commission members and describing the Commission's goals and activities. Commission members said that the statement provided a good overview, offered observations and comments in a number of areas, including the importance and benefit of collaboration between City Council and WSA, and noting that WSA has undertaken a number of substantial steps to "right the ship" but cannot move forward in important ways without the City Council and General Assembly. Other points to be made or emphasized included:

- importance of transparent, affordable, reasonable, responsible rates;
- resistance to paying for sewers if alternative seen as zero cost;
- benefits of paying for sewers over time versus immediate investment in OWTS
- Need to explain why city is facing these issues now:
 - 100's of residents faced with state cesspool phase-out requirements,
 - low tie-in rates in the city, lack of connect capable fee
 - costs going up,
 - need to maintain and upgrade city's existing \$250M investment in infrastructure;

Commission members discussed the comparison of sewer rates to other utility rates, the extent to which sewer costs are discretionary, and the fear of liens or loss of homes for non-payment. Sewer Authority representatives pointed out that the WSA works with customers and that the frequency of loss is close to, if not, zero.

The second portion of the program will be a presentation by the WSA. Burke and WSA Board member Ginnatt are to present. The presentation to outline steps currently underway to improve and move the system forward as well as challenges faced. System expansion, facility upgrades and levee improvement plans are to be described. Burke noted that WSA in middle of a ten year turn around and that the Sewer Authority was addressing significant problems on the revenue side. Changes are needed in enabling statute to allow establishment of equitable, affordable rates going forward. The WSA planning horizon is 20 years and facilities plans have been updated. The floods in 2010 did affect the WSA's ability to move forward with elements of those plans. Burke did note that WSA has excellent treatment standards.

Additional information from presentations made previously to the Commission by Loomis, Patenaude and Sequino will be provided in handouts or as part of the PowerPoint presentation by WSA.

Situation of the WSA was characterized as "at a crossroads". The importance of teamwork between the Council and the WSA was emphasized. The analogy was made of the City Council as the roof with the WSA as one of the pillars of the city's structure.

The status of changes to the enabling legislation to achieve fairness and equity was discussed along with the goal of reviewing changes and approving in time for early filing with the General Assembly. Members noted that a thorough review of the proposed amendments was needed and that further changes were anticipated.

Commission members discussed the distinction between general obligation bonds and revenue bonds. The impact of declining federal, state and local funding sources on the burden now to be shouldered by individual users was discussed. The possibility of re-allocating some of the debt that is currently being repaid to the city by the WSA in order to reduce that burden or to help to create a maintenance reserve was discussed. The need to clarify for the public how the various components of the WSA debt are related to system-wide capital expenditures versus collection system extensions was noted. The WSA is going to quantify the portion of the debt now being covered by usage rates that are in fact related to under assessments for sewer construction.

Vice-Chairman Gallucci reviewed next steps and dates for Council action. The bonds will be considered at the November 13th City Council meeting and enabling legislation changes targeted for the December Council meeting.

The agenda for the 10/30 meeting was reviewed. Vice-Chair Gallucci will provide comments before opening up the question and answer period characterizing the preliminary recommendations of the Commission. The Commission will meet during the week after the 10/30 public hearing to consider the testimony and approve a final recommendation to the City Council regarding the two bond ordinances.

The Commission scheduled its next meeting for Wednesday, October 23rd at 8:00AM at City Hall. The commission will review preparations for the public meeting and the two bond ordinances.

The meeting was adjourned at 10:25 AM.