

Minutes of the December 5, 2013 Meeting
Warwick City Council Sewer Review Commission

Meeting was called to order by Councilman Ed Ladouceur, Chairman at 8:22 AM in Warwick City Hall in the Finance Conference Room.

Councilman Ladouceur welcomed the Commission members and roll call was taken.

Commission members present:

Councilman Ed Ladouceur, Chairman

Councilman Joe Gallucci, Vice Chairman

Angelo Liberti, RI Dept. of Environmental Management Appointment

Jane Austin, Save The Bay Appointment

Michelle Komar, Chairman's Citizen Appointment

David Picozzi, City of Warwick Dept. of Public Works Director

Peter Ginaitt, Warwick Sewer Authority Board Rep.

Members not present: Mark Carruolo, City of Warwick Mayor's Chief of Staff, Doug Harris, Narragansett Indian Tribe, Representative Frank Ferri, District 22; Senator William Walaska, District 30; Ernie Zmyslinski, City of Warwick Finance Director; Aaron Guckian, Warwick Sewer Authority Board, Chairman; James Boyd, RI Coastal Resources Management Council Appointment

Also present: Janine Burke, Executive Director of the Warwick Sewer Authority (WSA); Gary Jarvis, Warwick Sewer Authority, Eric Hindinger and Eric Earls, City of Warwick Department of Public Works.

Members of the public provided comments.

- Recently proposed Providence Water rate increase and the high cost of Narragansett Bay Commission stormwater tunnel project noted. Suggestion made that cesspools and failing systems along the Pawtuxet be addressed before upgrade of plant. Not in favor of WSA ever being under control of NBC. (Roy Dempsey)
- What is status of WSA's response to Sen. McCaffrey questions? Do you believe that rain runoff pollutes the Bay? Everyone wants sewers but can't afford them. Have you discussed ways to bring the cost down? Mentioned that he and Roger Durand spoke with Councilman Ladouceur at the Cozy restaurant and Ladouceur said to them that 95% of the people in his ward want sewers no matter what the cost. (Don Fife)
- Excerpt of article re: Roger Williams State Park stormwater project read to highlight impact of stormwater. (Eugene Nadeau)

Gary Jarvis of Warwick Sewer Authority presented background on the Warwick Sewer Authority's look at assessment equity questions. He described the WSA efforts to address antiquated elements of the enabling legislation, in particular the frontage assessment provisions which result in widely different costs for residential units based on lot shape and location. Board efforts to provide relief can result in project deficits. Other factors affecting the assessment revenues include treatment of City properties, non-profits and religious institutions. Costs are then shifted to usage fees. The analogy of seven diners paying the bill for a party of ten was cited by Jarvis. Jarvis reiterated the WSA goal of equitable treatment and noted the pockets of need in

the city and operational demands faced by the WSA. He pointed out the benefits of sewers in terms of property values and the ability to spread costs over a period of time for the resident. Jarvis said that he was not a fan of mandatory connections, but believes a connect capable fee is needed. He welcomed opportunity to work on enabling legislation with the Commission and opportunity to move forward, noting that indecision is a decision.

Member Komar raised four questions:

1) When did WSA begin to look at the issue of sewer assessment inequity? Jarvis responded that he had raised the issue when he arrived. It had been discussed earlier, but agreement has emerged in last five years among members on need to act.

2) What would the impact be of changing from one method to another in terms of how WSA would address owners of single family properties greater than 1 acres who say that the change may be unfair to them? Councilman Ladouceur noted that costs for past assessment were less overall and that consistency was not a good reason to continue to implement a faulty system. It was noted that retroactive changes were difficult to make. Ginaitt characterized the WSA situation as a cascading problem that needed to be addressed, even if no new pipes were put in the ground. Bebyn report on rates highlighted the importance of assumptions regarding connection rates and connect capable fees on the revenue base of WSA.

3) Komar asked if a connect capable fee was consistent with 2013 legislation prohibiting mandatory hook-ups and if WSA had checked with legal counsel? Burke responded yes.

4) Komar asked if WSA expected to assess for actual project costs or to under assess and shift costs to user fees. Jarvis stated that projects were properly assessed but not all the revenues collected and that is why help was sought on the enabling legislation. He noted that projects need to get done; there are failing systems throughout the city. Projects were not under assessed purposefully. Jarvis said that question of how to best distribute costs needs to be addressed and the WSA is looking for assistance.

Austin noted that Warwick is an outlier in the state and nationally without mandatory tie-ins or connect capable fees and is feeling the financial impact of tie-in rates in the 70% range compared to the high 90% range for most other RI communities. Komar noted that Bill Sequino said that East Greenwich had no mandatory tie in requirement, with the exception of one street.

Picozzi noted the burden of paying for past sins and asked if projections had been done to determine when deficits would be covered. Burke said that projections were included in comprehensive rate study with the goal of stabilizing in ten years but assumptions regarding revenues were not met. Some members noted benefits of increasing size of base to distribute costs, possibility of a payment in lieu of taxes type arrangements. Ladouceur asked about comparative assessment rates in other communities. Austin noted need to determine what portion of project costs included in assessment. Liberti cited example of East Greenwich, where city pays portion of costs. Gallucci stated that every taxpayer contributes now.

David Picozzi then provided Commission members with information regarding the proposed Mill Creek Bridge construction project. The project was originally bid in 2007 for \$1.2 MM with 9 months to complete. The project is to be re-bid. He does not expect to re-design although there is interest by kayaking group for raising the bridge; all permits were issued but expired and Picozzi sees no problem with permit renewals. Members discussed impact of sea-level rise, status of permits, mechanisms for oversight and incentives for timely completion. Regular inspection, liquidated damages, performance bonds, impact of poor performance on reputation and future work was discussed. Ways to insure performance in spite of low bid procedures were discussed along with impact of prevailing wage requirements.

Ladouceur asked Picozzi if the bridge construction project was an appropriate one for the city public works department to undertake. Picozzi identified a number of factors which would not make it a good fit for the City, including: length of project (9 mos.), need to reroute traffic and coordinate with multiple utilities, need for specialized equipment, possibility of other emergencies pulling city employees away.

Eric Earls spoke regarding the construction bid process and awareness of low bidders and change orders where low bidders may not always be the best choice. Picozzi noted that funding sources to construct the new bridge are still to be explored and the allocation of costs (including archaeological expenses) between the DPW and WSA have yet to be determined. Picozzi left to attend to City Hall construction project.

Ladouceur noted that there was no longer had a quorum and asked for motion to adjourn (Ginaitt, Komar). The meeting was adjourned at approximately 10:15 AM.

The next Commission meeting date is scheduled for Wednesday, December 11, at 8:00 AM at the Warwick Sewer Authority Building.