

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
OF THE BRISTOL COUNTY WATER AUTHORITY**

Wednesday, September 10, 2008

450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the regular meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Jannitto at 6:00 pm, 450 Child Street, Warren Office, Warren, Rhode Island. Executive Director Pasquale DeLise, and the following Directors were in attendance at the commencement of the meeting:

John Jannitto, Allan Klepper, Joseph Rego, John Saviano, Frank Sylvia and John Veader

Directors Absent – John McElroy, Ian Morrison,

Also present were numerous BCWA employees and retired BCWA employees.

HOUSEKEEPING

Minutes of the following meeting were reviewed.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the regular meeting of August 13, 2008, be approved.

Motion passed 5 – 1. Director Sylvia abstained.

Director Veader stated that legal counsel Ms. Sandra Mack would be arriving at 7:00 pm.

AUDIT FINANCE COMMITTEE

Director Sylvia reported:

Old Business

1. Fund Transfer Request, Staff request transfer of \$27,000 to cover July 2008 operations concerning the East Bay Pipeline at ProvPort.

Upon a motion duly made and seconded, it was

VOTED: To approve a transfer of \$17,000 from the Revenue Fund to the Operations & Maintenance Fund, to cover expenditures related to the East Bay Pipeline at ProvPort, as presented.

Motion passed unanimously.

2. Billing Reconciliation, Payment has been made by both customers.

At Board meeting of August 13, 2008 consensus of Board was that Staff handling in this regard is appropriate and that no policy is

necessary.

New Business

1. **Quarterly Charge-Offs, Committee recommends approval as presented.**

VOTED: To approve charge-offs in the amount of \$10,220.43, as presented.

Motion passed unanimously.

2. **Water Bill Notice (at the Request of Director Klepper), Committee requests Staff to: Work on language, Investigate other companies, and check legal impact if any.**

ENGINEERING COMMITTEE

Director Klepper reported:

Old Business

1. **Matters Related to BCWA Discharge to Warren Sewer Plant, Executive Director DeLise stated that a Draft Report from Consultant Ferrari has been received.**

2. **Nayatt Road Pump Station, Committee recommends to award low bidder, Weisman Roofing at a price of \$31,860. Upon a motion duly made and seconded, it was**

VOTED: To award low bidder, Weisman Roofing of Warwick, RI for

roof replacement at a price of \$31,860, as presented.

Director Veader questioned the extent of the work to be done. Executive Director DeLise stated that miscellaneous painting and replacing of the shutters will be done in-house.

Motion passed unanimously.

New Business

1. RWU Progress Report, Executive Director DeLise stated that a meeting is scheduled for Friday, September 12, 2008 with the Bristol Planning Board, Chairman Jannitto, the Bristol Directors, and himself plan to attend. A report will be given in October.

PUBLIC RELATIONS/PERSONNEL COMMITTEE

Director Veader reported:

New Business

1. Staff Employees Benefits Update, brief discussion on whether or not Staff employees should be granted 2 additional days off as Union employees. Traditionally Staff employees have received same number of days off as Union employees. Upon a motion duly made and seconded, it was

VOTED: To grant Staff Employees 2 additional days off, one day as a personal day and one day on employees birthday.

Motion passed 5 - 1, Director Sylvia voted Nay.

Old Business

1. 10 Year Anniversary of EBP (for Information Only), Executive Director DeLise stated he will have further information at the October meetings.

2. Health Benefits Review, Temporary Disability Insurance, Director Veader stated that these issues are for discussion and have feedback for BCWA retirees at the October meetings.

TDI is fully paid by the company and some Board members think employees should pay for their TDI. Chairman Jannitto questions whether these benefits were carried over from American Water Company and Executive Director DeLise stated that they were.

Life Insurance for retirees is paid for by the Authority.

Health Benefits for Retired Employees are currently paid for the Authority, \$51,000 for Blue Cross and \$9,000 for Dental.

Director Sylvia asked if other utilities pay benefits to their retirees. Information from Staff will be given at the October meetings.

Director Gosselin entered the meeting at 6:30 pm.

The Chair recognized Mr. Brian Mellor, Local 359 Union President, who stated that all of these items were provided by American Water Company. If TDI is changed it influences when an employee goes out on disability. Nothing can be taken away from the employees unless it's bargained for in the union contract. BCWA should have a letter from the old company with employee benefit information. BCWA should not take anything away from the retirees.

The Chair recognized Mr. Michael Munroe, retired BCWA employee, who stated that all retirees are on a fixed income, times are hard for the seniors. Do not take away seniors' benefits at this time.

The Chair recognized Mr. Ron Belmore, retired BCWA employee, who stated, I gave 35 years to this company, I deserve what I am getting.

Director Veader stated that we are not taking away anything, but certain conditions exist, if this should continue a compromise or alternative should be reached. Times are tough for everyone. Information is just being presented tonight, this will be discussed further at the October meetings.

The Chair recognized Ms. Donna Glover, BCWA employee, who stated that when these employees retired it was based on what they were made to believe their benefits were going to be.

Director Saviano stated that the country is seeing a lot of

foreclosures. BCWA has written off the highest amount ever in charge-offs, this is an indication of what is happening. Everything has to be looked at, benefits change. The contract to the retirees is very generous. Rates increase 3% per year and it's not enough to take care of expenses. We have to charge our rate payers more money. We are not out to get anyone. The company has to continue to survive.

Mr. Ron Belmore stated that BCWA has always done its own maintenance work in-house to save the company money.

Mr. Saviano stated that when Mr. Belmore retired there were a lot of people who wanted his job because of the benefits they would get. The federal government made changes in the retirement plan changing the retirement age from 65 to 67. This money comes from the ratepayers. \$578,000 has been spent in ProvPort.

Director Veader stated that this is new territory, a precedent is being set throughout the country with companies taking a second look at the cost of retirement benefits, lifetime benefits are unusual.

Director Saviano stated that in our financial analysis, for the first 5 months of this year there was \$144,000 less income.

Mr. Brian Mellor stated that last year at the BCWA rate hearing I spoke about increasing revenue for the company and not one item has been

done.

Director Saviano stated that he would like that list of items for the October meetings.

The Chair recognized Mr. Richard Landry, BCWA employee, who stated that gas for company trucks is purchased at one gas station; the company could investigate other gas stations for price comparison. When contractors are doing work and they break something, why does BCWA have to repair what the contractor broke for free?

Director Veader stated that the feeling of the Board for its employees is one of great respect. The union contract was negotiated fairly. Everyone is having difficulty in balancing a budget.

Mrs. Blemore stated that the employees worked many cold late nights, it was a small outfit of employees and they never failed to get things done in the 3 towns.

Director Veader asked if employees in other companies pay for their TDI, it would be fair to ask our employees to pay.

Mr. Brian Mellor stated that his legal counsel stated that it should be negotiated in the union contract.

The Chair recognized Mr. Kenneth Grey, BCWA employee, who stated that, at last year's Blue Cross contract negotiations Mr. Brian Mellor negotiated for a 1% increase in our Blue Cross rates, Brian does a lot to save money for the company.

Mrs. Zompa, wife of BCWA retired employee, stated that the Board should concentrate on financial savings, there is a lot of waste in the company, cut costs within the company. Don't hurt the employees.

Chairman Jannitto stated that he understands the fear of the employees, BCWA has to look for possible savings. This is a company with a heart, everyone should go home with peace of mind, they should not go home upset.

Director Gosselin stated that he negotiated the Union Contract this year, and it was dealt with fairly and squarely. The water company incurs a lot of costs. The retirees are part of the expenses. We are looking at the total picture, we are looking at all the details. Please bring to our attention any savings.

There being no further business, the meeting was adjourned at 7:20 pm.

John L. McElroy, Jr.

Secretary