

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

Thursday, November 13, 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, Frank Sylvia and John Veader

Directors Absent – Joseph Rego, 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 unanimously

VOTED: That the minutes of the regular meeting of October 7, 2008, be approved.

Upon a motion duly made and seconded, it was unanimously

VOTED: That the Executive Session minutes of October 7, 2008, be approved.

Director John Saviano entered the meeting at 6:04 pm.

PUBLIC RELATIONS/PERSONNEL COMMITTEE

Director Veader reported:

New Business

1. Pension Plan Quarterly Report, Director Veader introduced Mr. Gene McCabe from Washington Trust Investors who presented BCWA's Quarterly Report to the Board.

Director McElroy entered the meeting at 6:05 pm. Director Veader introduced BCWA's legal counsel Ms. Sandra Mack.

2. Recent Correspondence from Attorney L. Schneider, Director Veader stated that Mr. Schneider represented Local 359. Ms. Mack stated that BCWA had received a request from the Union for all documents pertaining to the acquisition of BCWA. There are numerous original documents stored off-site and Ms. Mack needs specific dates from Mr. Schneider to retrieve the necessary

documents.

3. Ms. Mack stated that the Rehoboth Water District has sued BCWA. A response has been filed in Federal Court asking for the suit to be dismissed and for attorney's fees.

4. Matters Related to BCWA discharge to Warren Sewer Plant. Ms. Mack stated that the independent consultant reached the same conclusion, that the fees charged by the Warren Sewer have to be reasonable. Executive Director DeLise stated that BCWA has been paying Warren Sewer on a monthly basis on the basis of the existing fees and charges.

5. East Bay Pipeline, ProvPort. Ms. Mack stated that BCWA and ProvPort incurred numerous costs. Both sides should pay their costs. If ProvPort were to sue us for damages, then BCWA will counter-sue.

Executive Director DeLise stated that the extra cost/delay was due to DEM.

Ms. Mack left the meeting at 6:53 pm.

New Business

1. Section 125 Cafeteria Plan, this plan allows pre-tax deduction of medical and dental expenses paid by the employees, as required by

the Union contract. It is a benefit to both the employee and to the company. Upon a motion duly made and seconded, it was

VOTED: To approve Board Resolution as presented and attached hereto.

Motion passed unanimously.

2. Health Benefits Review, Director Veader passed out a handout (attached) and stated that the recommendation of the Sub Committee is to pursue this matter. The handout is a comprehensive look at retirees benefits. Upon a motion duly made and seconded, it was

VOTED: To go ahead and study the question of health benefits for retirees.

Motion passed unanimously.

Chairman Jannitto asked whether the employees could be given the handout and Director Veader stated that they could.

Director Gosselin stated that at the Sub Committee meeting Director Klepper had researched local municipalities and their health benefits. Director Gosselin stated that retirees should pay 20% of their health benefits. Employees hired after 1986 will have their health benefits stopped at the age of 70. Any employee hired after January 1, 2009

will not receive any benefits after the age of 65.

Director Klepper stated that a professional consultant should be engaged by BCWA to study and evaluate BCWA's benefit package.

Director Veader stated that this item is to remain on the agenda for December meetings. The Board must approve any fees charged by consultant. Director Sylvia stated that depending on the cost BCWA may have to go out to bid. Director Klepper stated that he would be more comfortable voting on this matter after hearing from a professional. Director Veader stated that it costs BCWA \$60,000 per year for retiree benefits.

Local 359 Union President, Mr. Brian Mellor stated that the Union feels this item should have been discussed during Union negotiations. When BCWA bought the company it was that nothing would change unless it was negotiated. Director Veader stated that was questionable.

Local 359 Union Vice-President, Ms. Donna Glover stated that after working 25 years I expect the benefits that I was told I was going to receive when I retire.

Director Veader stated that, concerning what was stated by Brian Mellor, after BCWA purchased the company, the Board has the right to make and alter policy decisions and benefits for retirees.

Ms. Glover stated, when I was hired and I did a good job I was told of the benefits that I would receive. Now that I am looking at retiring, I'm being forced to work until I'm 70 years old and then I will not be getting any benefits.

Director Veader stated that he appreciated the input and there will be further study by the Board.

Director Saviano stated that all BCWA employees are valuable but the economy has changed. We have to do the right thing for employees and our customers.

Engineering Technician, Ms. Susan Andrade stated that things are bad now, but when things get better will benefits change? I was hired 21 years ago and I was told the benefits that I would receive. It was an oral contract.

Director Saviano stated, was not part of the union contract, there is no oral agreement with you.

Director Veader stated that the Board is trying to preserve the company. People have to make sacrifices.

AUDIT FINANCE COMMITTEE

Director Sylvia reported:

Old Business

1. Status of Water Resources Board Grant Requests, Executive Director DeLise stated that he would report at the December meetings. RIWRB is down to 3 staff members and some of their reports are being put on hold. There will be meetings at RIWRB concerning our money requisitions.

ENGINEERING COMMITTEE

Director McElroy reported:

Old Business

1. WTP Project Update, Five proposals for Phase II Plant Improvements were received at the State Division of Purchases by the due date of 10/10/08. CDM – Providence, Dewberry – Boston, Fay, Spafford & Thorndike – Burlington, MA, Maguire – Providence, Wright-Pierce – Providence. These proposals are being reviewed by RIWRB, Health, DEM and BCWA.

2. RWU Progress Report, Agreement for 16´ pipe upgrade executed on 10/21/08. RWU will refund BCWA approximately \$325,114.

New Business

1. FY09 Water Main Installation, Approximately 6,000 linear feet of main out of estimated 9,820 lf, has been installed (Total main 8” 6,000 lf, 16” 3,820 lf.) Item to be updated monthly.

There being no further business, the meeting was adjourned at 7:45

pm.

John L. McElroy, Jr.
Secretary

At the present time, retirees from the Bristol County Water Authority do not contribute to the cost of their medical or dental health plan coverage for themselves or their family members. As of July 22 1986, employees of the American Water Works became employees of the BCWA. There are 14 people who are still employed with the BCWA. The remaining employees were hired after July 22, 1986. I am proposing that effective December 1st, 2008, the following changes be implemented with regard to current and future retirees and their contribution to the rising health care cost.

Current retirees will pay 20% of the premium for his or her Medical and Dental cost, including those with a spouse or other type of family plan. This policy is in effect until the death of the retiree.

Current employees of the BCWA who were employed by American Water Works will be "grandfathered" in under the same policy as the current retirees, effective December 1st.

Employees who were hired after July 22, 1986 with at least 30 years of service, will be entitled to the same benefits as above, with the

exception that their spouse or family member's benefits will cease when the retiree reaches the age of 70. Only the retiree will be allowed to continue with his or her medical and dental plan for the remainder of his or her life.

Employees with at least 20 years of service, but less than 30, will be entitled to the same benefits as above, with the exception that all benefits, including the retiree, will cease when the retiree reaches the age of 70.

Employees with at least 15 years of service, but less than 20, will be entitled to the same benefits as above with the exception that only the retiree will receive these benefits until he or she reaches the age of 70.

Employees with less than 15 years of service will be entitled to the same benefits as above until he or she reaches the age of 65. At the time of retirement, all retirees will pay 100% of the premium for any life insurance policy that existed while employed. Any employee who chooses to retire after the age of 65, will not be entitled to any of the medical benefits listed above.