

**PUBLIC HEARING  
OF THE BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, February 3, 2010**

**450 CHILD STREET, WARREN OFFICE, BOARDROOM, WARREN, RI**

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**Chairman Jannitto called the hearing to order at 6:30 pm.**

**(Handout, attached, available at BCWA's office)**

**Directors in attendance were: David Dugan, Allan Klepper, John Jannitto, William Gosselin, Joseph Rego, John McElroy, Lloyd Matsumoto, Frank Nencka, Frank Sylvia**

**Chairman Jannitto stated that the Executive Director would give a presentation. Then there would be input from the public, everyone should be civil and allow others time to speak.**

**Executive Director DeLise gave a brief history of BCWA. BCWA has 3 supplemental programs – Senior Citizen Discount \$200,000, Residential Booster Pump Program \$2,000 and Educational Program \$3,250 – these programs would be the first to go to save money. There are currently 4 engineering studies being conducted that may not be completed if we don't have the money to complete them. In the**

**past 20 years BCWA has replaced 70 miles of pipe for a total of \$17,000,000. Total Capital Expenditures to date are \$77 million with \$18 million in Grants.**

**BCWA currently purchases 80% of its water from Providence Water. BCWA has not, to date, passed-on to its customers rate increase in the amounts as Providence has passed-on to BCWA. To purchase BCWA from a private company and build the East Bay Pipeline BCWA had to borrow \$30 million. The East Bay Pipeline has a life expectancy of 80 years. BCWA does not have a Capital Improvements Emergency Reserve Fund or a Rainy Day Reserve Fund.**

**BCWA experienced unusually low water consumption due to excessive rainfall during June, July and August of 2009 and this became known in November 2009. The total revenue lost from water sales was \$421,000 and \$108,000 in a loss of interest.**

**To recover from this deficit BCWA is asking for a 12% rate increase which represents \$1.12 more per week on the average residential water bill.**

**Chairman Jannitto stated that he would accept comments now, but to please make them brief.**

**The Chair recognized Mr. Adam Iervolino who stated that he has been**

**purchasing water from BCWA for 77 years. He stated that his son has to take a day off without pay at his job for a total of 10 days per year. I have to cut down at home, BCWA is not budgeting their money. I have nothing against the employees.**

**The Chair recognized Mr. Jim Ferreira who asked why BCWA doesn't just charge for the water used, instead of raising the service charge.**

**Manager of Accounting and MIS Mr. Webster Goodwin stated that the service charge is built into the rate formula.**

**The Chair recognized Representative Raymond Gallison who stated that no one can afford a 12% increase. He asked how many consultants BCWA is using.**

**Executive Director DeLise stated BCWA is currently using – Pare Engineering, studying the low pressure in Bristol for \$15,000. Dewberry doing a study on the Shad Pipeline, which is being paid for by the State. Camp Dresser & McKee, Inc. – emergency connection with East Providence and a study of the Water Treatment Plant which is being paid for by the State. BCWA has an outstanding debt of \$29 million and pays an interest rate of 2 ½ to 4 ½ .**

**Representative Gallison questioned why BCWA is not refinancing its bonds and he also asked if the Board is paid a stipend.**

**Mr. Goodwin stated that it costs \$300,000 to \$400,000 to refinance its bonds. He also stated that Directors receive \$35 per meeting with a maximum of \$1,000 per year and the Chairman receives \$50 per meeting with a maximum of \$1500 per year.**

**Representative Gallison asked the duration of the current contract and what percent employees pay for their medical.**

**Executive Director DeLise stated that it's a 4 year contract and employees pay 17% toward their medical benefits.**

**Chairman Jannitto stated the Board is revisiting the Union Contract. Also the low pressure study is at the request of the Bristol Town Council. BCWA is trying its best to make ends meet.**

**The Chair recognized a customer who asked if their would be water rationing next year.**

**The Executive Director stated that there are no more water rations because BCWA is connected to the East Bay Pipeline.**

**The Chair recognized a customer who asked if employees get 1 weeks sick time for every week that they work.**

**Mr. Webster Goodwin stated that 1 week for each year of service is for long term illness. No one gets paid if they don't use it. No**

**employee abuses these benefits. There have only been three employees who have used this benefit.**

**The Chair recognized Mr. Ed Martel who asked how much money BCWA had in the bank.**

**Mr. Goodwin stated that BCWA had \$5 million in the bank and that amount is required by the Bond Debt Service. BCWA cannot be in default on our bond Resolution.**

**The Chair recognized Mr. Raymond Cordeiro, Bristol Town Council, who stated that he has been on the Council for 14 years asked when the Plant would be up to full capacity.**

**Executive Director DeLise stated that a study is being done now.**

**Mr. Cordeiro asked if BCWA could get any federal money.**

**The Chair recognized a customer who stated that he had worked at BCWA and the plant will never be able to produce 2.5 MGD. We're second in the State paying for water, 192% over the State average. I'm a union guy, I go way back at BCWA. BCWA negotiated one hell of a good contract, it's a shame you let them get away with it. I blame the Authority not just DeLise.**

**The Chair recognized Mr. David Frerichs, Warren Town Council Chairman, stated that the State is cutting its budget, people can't pay any more taxes, BCWA has to dig deep, cuts are needed.**

**The Chair recognized a customer who asked when Executive Director DeLise got his raise.**

**Executive Director DeLise stated that he received his raise in December and it was retroactive to July. BCWA didn't know at the time that it was in a deficit, we can't know until November.**

**The Chair recognized Mr. Gary Morse who spoke about BCWA's pension plan. BCWA has a government pension plan similar to State employee's pension plan and they fund a large percent of their plan. BCWA should be funding its plan under IRS. BCWA should have a means test for senior citizen discount, there would be fewer people who would be eligible for the discount and it would save the company money. Under a government pension plan you do not have to fund the plan for 30 years, you should recalculate to standards. BCWA should redefine it's plan.**

**Chairman Jannitto stated that BCWA would look into these options.**

**Executive Director DeLise stated that BCWA has lawyers and financial consultants who handle the Pension Plan.**

**Director Nencka stated that BCWA should get rid of the senior discount. Mr. Morse stated that Bristol has the forms for the means test for seniors. BCWA should recalculate its unfunded liability.**

**The Chair recognized Mr. Joseph DePasquale, Warren Town Council, who stated that he supports the comments made by Mr. Raymond Cordeiro. The towns are dependent on the EBP. Infrastructure improvements are needed for the Water Treatment Plant in the near future, it's a problem that needs to be fixed. It's essential to support the EBP and the debt service, we need a 5-year plan for the Water Treatment Plant and the pipeline. There are no guarantees on obtaining grants, money is obtained from usage and consumption. We are all in this for the long haul.**

**Mr. Webster Goodwin stated the debt service for 1995 Bond which was refinanced in 2004 is due in 2016.**

**Executive Director DeLise stated that most of the work done on the Water Treatment Plant was paid for by the State.**

**The Chair recognized Mr. Jack Baillengeron who stated that he has been denied access to documents he requested. This meeting should be continued, there should be no rate hike.**

**The Chair recognized a customer who asked if BCWA had worked with East Providence in asking for money to build a bigger pipeline.**

**Executive Director DeLise stated that we have been working jointly with East Providence. BCWA built a pump station in East Providence connecting to the East Bay Pipeline. The pipe is 30", 24" in the bay.**

**The Chair recognized Mr. Jack Baillarger on who stated that he read BCWA's rate increase in the minutes of 10/14/09, stating that rates should be increased if Providence Water's rates increase. BCWA's web site needs to be removed, it's a total waste of money, it has no useful information. The agenda and meeting minutes should be added with a link to DOH. BCWA has spent \$1500 for calendars, and I have never seen a calendar. \$3,000 for the annual banquet, Barrington Town Council recommends to quit the banquet. Awards could be given at the Board meeting. \$500 for the annual outing. In the September minutes I read about vehicle purchases, in times of problems with money keep your trucks running, and then purchase new ones. There is no COLA for 3 years. The mailings to rate payers are worthless on chemical breakdown. Audit services cost \$42,000 for 3 years, you are not doing your due diligence. Documents needed for this meeting under open meetings law. DeLise won't let me get the facts, he believes in secrecy. The hydraulic report, DeLise didn't want it made public. 48% of the hydrants under pressure, he doesn't want this known. DeLise should resign or be fired for mismanagement and lack of oversight, he has a severe image problem throughout the State. It's not right to pick on the employees, it says a lot that 34 employees run this place. You should open the**

**contract to work things out, try to help the BCWA. In the minutes Roger Williams University said BCWA bought the tank. I can't find any agreement. Who paid for the connections? Did RWU pay for the 16" pipeline?**

**Chairman Jannitto stated that RWU and BCWA shared the costs.**

**Mr. Baillageron – BCWA paid \$1.00 for the tank because of chemical and maintenance. There is a problem with the contract bid with Ferry Road, there is too much ledge. Why didn't the contractor know this and also on Arlington Avenue? There should be more due diligence with contracts. BCWA doesn't have to supply water pressure. State code is 25 lbs. of pressure, I have 10 lbs. at my house. Proper pressure is needed for fire service, I'm a retired firefighter. If a life is lost, they can sue because of having less pressure. A Board member told me not to buy a house with no pressure, I spend \$30 a month on electric to run a water pump.**

**Chairman Jannitto stated that there is an on-going study being done about water pressure.**

**The Chair recognized a customer – how does BCWA get billed by Providence Water? In 1999 the EBP went online. Now we find out when sales are low for the summer we have to pay more. BCWA should reduce spending. Should I pay for water or my medication?**

**Mr. Webster Goodwin stated that BCWA is billed monthly from Providence. BCWA bills quarterly.**

**The Chair recognized a customer. What is the amount of water being used by RWU? Where is this information?**

**The Chair recognized a customer who stated that the fountain and the ball fields at RWU all used recycled water and they also have wells in case of an emergency.**

**The Chair recognized Mr. Jeff Black, BCWA is short \$529,000 for 2009, and you have 16,670 customers. You'll receive \$1 million.**

**Mr. Webster Goodwin stated that BCWA has to meet its debt service requirement ratio of 1.25. BCWA didn't raise its rates enough in the past.**

**Executive Director DeLise stated that we have a shortage now, we had a 3% increase and we're adding 9% for a total of 12%.**

**Mr. Black asked – what expenses do you have to meet?**

**Mr. Webster Goodwin stated that expenses are for the coming year, the O&M Budget and debt service.**

**Mr. Black stated that he needs the public records to evaluate, this is a**

**misrepresentation. There is a \$180,000 pension deficit.**

**Mr. Webster Goodwin stated \$180,00 is in the budget, it's a reduction from last year.**

**Chairman Jannitto stated to Mr. Black that the records you asked for are being handled by our attorney, and are being sent to the Attorney General. We have 10 days to file.**

**Mr. Black – your late already, your wrong.**

**Chairman Jannitto – we are complying with the law.**

**Mr. Black asked why rate payer money was being used for the annual banquet.**

**Chairman Jannitto stated that this was carried forward from the old company.**

**The Chair recognized a customer who asked if the \$4,000 parties were over.**

**Chairman Jannitto stated – I will vote no, but there are 9 Board members who have a vote.**

**Mr. Black – Mr. DeLise received a 3.75% increase when there was a**

**deficit, why?**

**Director Gosselin – the non union increase is effective July 1st, his raise was given in October.**

**Mr. Black asked if the raise was the result of an evaluation.**

**Director Gosselin stated that it was a merit increase, also Mr. DeLise did not receive a raise in 2006 and 2007.**

**Mr. Black stated that the Board should take into consideration to reduce his pay. You say you didn't know about the effect of the rainy season. I spoke to Providence Water about your water use.**

**Chairman Jannitto stated – we didn't know how much it would be affecting our bills. You are misleading the public.**

**Mr. Black stated that he was an accountant. I think you've lied, this is mismanagement, the way I'm being treated. Operations are suspect, inconsistencies. 80% of our water comes from Providence.**

**The Chair recognized Mr. Kenneth Marshall, Bristol Town Council President, who asked if the Public Hearing could be continued.**

**Chairman Jannitto stated that negotiations were going on now with the Union. I'm ready to take a vote tonight.**

**The Chair recognized a customer – I have issues with open meetings and the Attorney General, you should vote after the public has all the information.**

**The Chair recognized a customer – What is the function of this building? Do we need all this space? There is cash in the sale of this building.**

**Executive Director DeLise stated that BCWA is required to keep all of its records. There is a protocol to give out documents. Mr. Black walked in here with a list of things he wanted right away. His request is being worked on.**

**Mr. Jack Baillarger on asked if the second floor could be rented out.**

**Chairman Jannitto stated that the Board had explored that possibility.**

**Mr. Baillarger on – I asked for the Union Contract and the Budget draft. I know you have 10 days but you should not take 10 days. My 2 items were easy.**

**Hearing was closed at 9:25 pm.**

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**John L. McElroy, Jr.**

**Secretary**