

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

Tuesday, February 9, 2010

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, Legal Counsel Ms. Sandra Mack, and the following Directors were in attendance at the commencement of the meeting:

David Dugan, William Gosselin, John Jannitto, Allan Klepper, John McElroy, Frank Nencka, Frank Sylvia

Directors Absent: Lloyd Matsumoto, Joseph Rego

HOUSEKEEPING

Minutes of the following meetings were reviewed.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Regular Meeting of January 13, 2010,

be approved.

Motion passed unanimously.

Upon a motion duly made and seconded, it was

VOTED: That the minutes of the Special Meeting of February 3, 2010, be approved.

Motion passed unanimously.

AUDIT FINANCE

Director Sylvia reported:

New Business

1. FY11 O&M Budget, Director Sylvia stated that this item will be voted on 2/17/10.

Director Nencka asked if Mr. Gary Morse had provided any materials. Executive Director DeLise stated that he had not.

Chairman Jannitto asked Legal Counsel, Ms. Sandra Mack to explain the statement made by Mr. Morse who stated that BCWA does not have to fund its pension plan for 30 years.

Ms. Mack stated that she had spoken to ERISA and BCWA's actuary. The recommendation was for BCWA to fund \$800,000, which Mr. Goodwin stated that BCWA could not afford. The Plan was amended

– (1) the Plan is a government Plan now (2) prior to 1986 it was a private plan. Government plans have the flexibility not to be funded for a period of time. Not funding the plan is not fiscally responsible. The plan must be kept solvent. Director Sylvia stated that BCWA will fund what it can afford.

Executive Director DeLise stated that there was a revision to disbursements, values are now lower.

Chairman Jannitto stated that the funding of the plan was reduced this year from \$800,000 to \$180,000.

Executive Director DeLise stated that the right decisions have been made by our consultants concerning the pension plan.

2. Water Rates Structure Analysis. Director Klepper asked if there was a legal impact to move some of the current contracts to FY12. Executive Director DeLise stated that BCWA could issue a change order to reduce the scope of work on the contracts.

Director McElroy stated that the meter replacement program needs to continue.

Director Sylvia asked if projects with contractors could be put off until the 3rd quarter.

The Chair recognized Mr. Webster Goodwin who made the following statement – As Manager of Accounting and MIS of the Bristol County Water Authority, I am making the following statement for the records: If the Authority raises its rates by 9% or less, based on the currently proposed Operating and Maintenance Expense and Capital Budgets for the fiscal year ended February 28, 2011, any unforeseen increases in expenses or decreases in revenue could jeopardize the Authority in attaining the Debt Service Requirement Ratio required by Section 603 The General Bond Resolution.

Director Klepper questioned the Senior Citizen Discount. Senior citizens save \$68 per year on their bills. Surcharge amount does not apply to seniors. BCWA will save \$200,000 if the senior citizen discount is eliminated. Elimination should be phased out in a 3 to 4 year period.

The Chair recognized Mr. Brian Mellor who stated that a vote to eliminate the senior discount should not be taken tonight, seniors should be informed and attend the meeting.

Director Klepper stated he would be making the following motion

MOTION: Eliminate the Senior Discount by 25% reduction in 2010, 50% reduction in 2011, 75% reduction in 2012 and 100% reduction in 2013.

BCWA would save \$50,000 this year. Director Klepper stated he would make this motion on 2/17/10.

The Chair recognized a customer who stated that this would be a double whammy to seniors, this is unfair to them.

Legal Counsel Ms. Mack stated that this motion would require a super majority vote, it affects rates.

ENGINEERING COMMITTEE

Director McElroy reported:

Old Business

1. Storage Tank Rehabilitation, Executive Director DeLise stated that the Bay View Tank will be done this month.

The Chair recognized Mr. Black who questioned which agenda the Board was following, it was not the agenda that was published.

Director Klepper stated that the Board was following a short agenda, if there is no news, there is nothing to add.

Director Klepper stated that during a Barrington Town Council Meeting the Council asked to have 7 items acted upon by BCWA.

Chairman Jannitto stated that any Board member could bring up any item on the agenda for discussion.

2. FY11 Capital Budget, item to be voted on 2/17/10.

New Business

1. Annual Maintenance Contract – Contract Award, Committee recommends approval as presented. Upon a motion duly made and seconded, it was

VOTED: To award contract to low bidder, JML Excavating Inc. of Bristol, at a price of \$149,864, as presented.

Motion passed unanimously.

PUBLIC RELATIONS/PERSONNEL COMMITTEE

Director Gosselin reported:

Old Business

1. Health Benefits Actuarial Report, Ms. Mack explained to the Board the GASB-45 Post-Employment Benefit Liability Valuation. Upon a motion duly made and seconded, it was

VOTED: It is hereby recommended to accept the valuation report, GASB 45 OPEB Valuation, attached, and to authorize the Executive Director to provide copies thereof to the Authority's auditors.

Motion passed unanimously.

New Business

1. Recent Customers Request of Information, Executive Director DeLise stated that correspondence has been mailed to individual who has requested information.

Chairman Jannitto stated the BCWA is complying with the law.

Director Sylvia stated that BCWA had received a letter from the Attorney General. When the Attorney General received the complaint they notified our legal counsel. Our legal counsel is on the clock working on this complaint. Please put on Audit Finance agenda a line item for legal costs.

The Chair recognized Mr. Black who asked if Director Sylvia was speaking about his request. Mr. Black stated that BCWA did not need to spend money with their legal counsel if the records that he requested had been given to him.

Director Sylvia stated that when a request goes to the Attorney General, it then goes to our legal counsel.

Mr. Black stated that budgets were handed out at the meeting and improperly withheld.

Legal Counsel Ms. Mack stated that there is the publics' right to know and an individuals right to privacy.

Chairman Jannitto asked that information on Providence water rate increases be added to March agenda.

Director Nencka stated that Kent County Water is requesting an 8% rate increase due to loss of revenue.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director's Report was self-explanatory.

NEXT STEPS

- 1. Audit Finance Committee Meeting, Wednesday, March 3, 2010, 5:15 p.m., Warren Office, Boardroom, 450 Child Street.**
- 2. Engineering Committee Meeting, Wednesday, March 3, 2010, 5:20 p.m., Warren Office, Boardroom, 450 Child Street.**
- 3. Personnel/Retirement Committee Meeting, Wednesday March 3, 2010, 5:25 p.m., Warren Office, Boardroom, 450 Child Street.**
- 4. Board of Directors Monthly Meeting, Wednesday, March 10, 2010, 6:00 p.m., Warren Office, Boardroom, 450 Child Street.**

Chairman Jannitto made the following motion which was duly seconded

MOTION: To end this meeting.

Motion passed unanimously.

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

John L. McElroy, Jr.

Secretary