

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

**Thursday, May 26, 2011**

**450 Child Street, Warren Office, Warren, RI**

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**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 6:30 pm, 283 County Road, Barrington Town Hall, Council Chambers, Barrington, Rhode Island. Executive Director Pasquale DeLise 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, Joseph Rego, Frank Sylvania**

**Director Absent: Lloyd Matsumoto**

**HOUSEKEEPING**

**Minutes of the following meeting were reviewed.**

**Upon a motion duly made and seconded, it was unanimously**

**VOTED: That the minutes of the Board Meeting of April 13, 2011, be**

approved.

## **PUBLIC RELATIONS/PERSONNEL COMMITTEE**

**Director Gosselin reported:**

### **Old Business**

**1. BCWA Website – Presentation by RWU, RWU students made a presentation of BCWA “prototype” website at the committee meeting of May 18, 2011.**

**2. Recent Tri-Town Meeting Concerning BCWA Operational Review, A Tri-Town meeting was held on Tuesday April 26, 2011 at 7:00 pm at Bristol Town Hall, to discuss completion time of the Review and delivery of the findings.**

**3. Staff Employee Salary Review, Executive Director DeLise stated that this item will be on hold for 2 months.**

**4. RI State Science Fair (for Information Only), Chairman Jannitto thanked Director Matsumoto for his work at the Science Fair.**

**5. Review of Legal Services (Possible Executive Session), Executive Director DeLise stated this item will be discussed at the June sub committee meeting.**

### **New Business**

**1. Policy for Legal Services, The preparation of a legal policy will take**

**time and effort. Executive Director DeLise stated that information is still being gathered.**

**2. Quarterly Pension Report, Item for information only.**

## **AUDIT FINANCE**

**Director Klepper reported:**

### **Old Business**

**1. Meter Replacement Program Update, program is ongoing.**

**2. Legal Costs Update, item for information only.**

**3. RICWFA Recap, item for information only.**

**4. Rate Structure Revisited, Executive Director DeLise stated that this item will be discussed at a later date.**

**5. Water Allocation Regulations, item for information only.**

### **New Business**

**1. Quarterly Charge-offs, Committee recommends approval as presented. Upon a motion duly made and seconded it was**

**VOTED: To approve quarterly charge-offs in the amount of \$6,681.67, as presented.**

**Motion passed unanimously.**

**2. Credit Card Water Bill Payments, Committee recommends additional information to be provided at June meetings.**

**3. Proposed Loan Application to RI Clean Water Finance Agency, Committee recommends approval as presented. Upon a motion duly made and seconded it was**

**VOTED: To approve the Resolution (attached herewith), as presented.**

**BRISTOL COUNTY WATER AUTHORITY  
RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE BRISTOL COUNTY WATER AUTHORITY APPROVING  
THE FINANCING OF IMPROVEMENTS TO THE BRISTOL COUNTY  
WATER  
AUTHORITY WATER SYSTEM AND APPROVING THE ISSUANCE OF  
GENERAL  
REVENUE BONDS, 2011 SERIES THEREFORE IN AN AMOUNT NOT  
TO EXCEED  
\$1,000,000,000**

**Dated: May 26, 2011**

**WHEREAS: The Bristol County Water Authority (the "Authority") desires and intends to borrow up to One Million Dollars (\$1,000,000)**

from the Rhode Island Clean Water Finance Agency (the "Agency") to finance (i) replacement of water meters; and (ii) replacement of water services (the "Project").

**WHEREAS:** The loan from the Agency to the Authority will be evidenced and secured by a Loan Agreement between the Authority and the Agency pursuant to which the Authority will issue to the Agency and the Agency will purchase from the Authority, the Authority's General Revenue Bonds, 2011 Series (the "Bonds") in an amount not to exceed One Million Dollars (\$1,000,000).

**WHEREAS:** The Bonds will be issued pursuant to a 2011 Series Resolution of the Authority amending and supplementing that certain General Bond Resolution of the Authority adopted on November 13, 1986, as supplemented by that certain First Supplemental Resolution dated November 21, 1995, as further supplemented by that certain Second Supplemental Resolution dated July 23, 1997 and as further supplemented by that certain Third Supplemental Resolution dated September 27, 2001 (collectively, the "Resolution").

**WHEREAS:** The Authority will agree to provide continuing disclosure as to certain matters as set forth in a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement").

**NOW, THEREFORE,** be it resolved that:

**SECTION 1.** In order to finance the Project, the Authority is hereby authorized to borrow from the Agency an amount not exceeding One Million Dollars (\$1,000,000) and enter into the Loan Agreement upon such terms and conditions as any Authorized Officer, acting singly

and in his sole discretion, shall approve.

**SECTION 2.** For purposes of this Resolution, the signatures or other acts of an "Authorized Officer" of the Authority shall be those of the Executive Director, Chairman, Vice Chairman, Treasurer or Secretary of the Authority, signing singly.

**SECTION 3.** Any Authorized Officer is hereby authorized and instructed to (i) take all actions, on behalf of the Authority, necessary to ensure that interest on the Bonds will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds to become subject to federal income taxes, and (ii) execute, acknowledge and deliver the Loan Agreement, the Bonds and any and all other documents, certificates or instruments necessary to effectuate the purposes of this Resolution and the issuance of the Bonds at any time and from time to time, in such manner and for such purposes as the Executive Director, acting singly and in his sole discretion, shall deem necessary, desirable or advisable; and do and perform all such other acts and things deemed by the Executive Director to be necessary, desirable or advisable with respect to any matters contemplated by this Resolution in order to effectuate the intent hereof.

**SECTION 4.** Pending the issuance of the Bonds as provided in this Resolution, the Authority may expend funds for the Project upon Board approval. Any advances made under this section shall be repaid without interest from the proceeds of the Bonds issued hereunder or from the proceeds of applicable federal or state

**assistance or from other available funds. Any expenditures of costs incurred to date in connection with the Project are hereby authorized, approved, adopted, ratified and confirmed.**

**SECTION 5. This Resolution is an affirmative action of the Authority toward the issuance of the Bonds and constitutes the Authority's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse the Authority for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this Resolution, but prior to the issuance of the Bonds. Such amounts to be reimbursed shall not exceed One Million Dollars (\$1,000,000) and shall be reimbursed not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date on which the Project is placed in service or abandoned but in no event later than three (3) years after the date on which the expenditure is paid.**

**SECTION 6. Any Authorized Officer is authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver a Continuing Disclosure Certificate in connection with the Bonds in the form as shall be deemed advisable by the Executive Director in order to comply with the SEC Rule. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Bonds, failure of the Authority to comply with the Continuing Disclosure Certificate shall**

**not be considered an event of default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Section and under the Continuing Disclosure Certificate.**

**The Chair recognized Mr. Jeff Black who stated that the last Annual Report had a 1.26 Debt Service. Has BCWA looked at this impact on the borrower?**

**Executive Director DeLise stated that he had.**

**Director Klepper stated that BCWA is moving forward borrowing this money because of the work that is going to be done in Bristol. We will not be able to touch the roads for years. BCWA can meet its obligations to our Bond holders.**

**Motion passed unanimously.**

**4. Check-Signing Authority, Committee recommends approval as presented. Upon a motion duly made and seconded its was**

**VOTED: To approve the Resolution (attached herewith), as presented.**

**Resolution**

**The Board of Directors of the Bristol County Water Authority hereby adds Joseph Granata and removes Webster Goodwin, Jr. as authorized signers on the following Authority's Bank of America accounts effective June 17, 2011:**

**Business Checking**

**Business Checking (Lockbox)**

**Business Investment**

**Director Rego stated that he was Chairman of the Board when Web was hired, he has been great for BCWA. Web, Job well done, we will miss you.**

**Mr. Webster Goodwin thanked the Board for their kind words.**

**Motion passed unanimously.**

**The Chair recognized Mr. Brian Mellor, Local 359 Union President who asked if BCWA needs \$850,000 why is it borrowing more. Mr. Goodwin stated that RI Clean Water requires a Debt Service Reserve of \$90,000, and there may be other expenses in connection with the loan.**

**5. FY11 Annual Report (for Information Only)**

**Mr. Black asked for a copy of the Annual Report.**

**Executive Director DeLise stated that the report was approved**

tonight, each Board member received a copy. The remaining copies of the report are still at the printers.

**6. City of Newport Water Rate Increase for City (for Information Only),**  
The City of Newport Water Division has filed with PUC a multi-year rate increase, totaling 75.7%.

## **Engineering**

**Director McElroy reported:**

### **Old Business**

**1. Water Treatment Plant Project Update, Three proposals were received by the due date of 5/16/11 at State Purchasing submitted by CDM, Dewberry and Maguire. A pre-proposal conference was held on 5/5/11.**

**2. Serpentine road Drainage Project Update, No news at this time.**

**3. Emergency Interconnections – Water Supply During Emergencies, A presentation concerning the existing emergency interconnection is being prepared and scheduled for June 8, 2011 Board Meeting.**

The Chair recognized Mr. Gary Morse who handed out a letter from RIWRB to Board members.

Director Nencka asked how Mr. Morse had obtained this letter dated

today 5/26/11 and addressed to Pasquale DeLise? This is not on the agenda.

Mr. Morse questioned the emergency connection with East Providence.

Director Nencka again asked Mr. Morse how he had a copy of a letter before BCWA had received it. I am going to contact my State Representative.

4. Anawan Reservoir Spillway – Miscellaneous Damage Due to Heavy Rain the Week of March 29, 2010, P. DeLise and R. Fennessy met on-site with Jack Hutson on April 27, 2011.

Executive Director DeLise stated that the work should be completed by Fall 2011. Permits are needed to complete the work.

5. BCWA Master Plan Progress Report, Executive Director DeLise stated that RIWRB had approved the Plan at its March meeting. \$6.9 million has not been yet allocated by RIWRB due to interference from private interest groups.

Mr. Morse asked if the Emergency Interconnection was part of the Master Plan.

Executive Director DeLise stated the Act requires a Master Plan of the

**then existing facilities, plant, Shad Pipeline, etc. Emergency connections are a part of the Emergency Response Action Plan.**

## **New Business**

**1. Recent Rupture of the Shad Pipeline (for Information Only), The pipeline ruptured on May 4, 2011 and was on May 12, 2011.**

**Executive Director DeLise stated that BCWA had to wait for the pipeline to be exposed during low tide in order to be repaired.**

**2. Progress Report Concerning Shad Pipeline Design/Rehabilitation, Dewberry has started the design for the new pump station at the Shad Reservoir, and has contacted several pump vendors for sizing a new below-grade pump station.**

**Executive Director DeLise stated that a preliminary design should be ready by the end of June.**

## **NEXT STEPS**

**1. Audit Finance Committee Meeting, Wednesday, June 1, 2011, 5:15 p.m., Warren Office, Boardroom, 450 Child Street.**

**2. Engineering Committee Meeting, Wednesday, June 1, 2011, 5:20 p.m., Warren Office, Boardroom, 450 Child Street.**

**3. Personnel/Retirement Committee Meeting, Wednesday June 1, 2011, 5:25 p.m., Warren Office, Boardroom, 450 Child Street.**

**4. Board of Directors Monthly Meeting, Wednesday, June 8, 2011, 6:00**

**p.m., Warren Office, Boardroom, 450 Child Street.**

**The Chairman made the following motion, which was duly seconded**

**MOTION: To accept the dates for the June meetings.**

**Motion passed unanimously.**

**The Chairman made the following motion, which was duly seconded**

**MOTION: To adjourn the meeting.**

**Motion passed unanimously.**

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

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**John L. McElroy, Jr.**

**Secretary**