

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

Thursday, July 14, 2011

450 Child Street, Warren Office, Warren, RI

Pursuant to proper notice, the Special Meeting of the Board of Directors of the Bristol County Water Authority was called to order by Chairman Jannitto at 5:15 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:

William Gosselin, John Jannitto, Allan Klepper, John McElroy, Lloyd Matsumoto, Frank Nencka, Joseph Rego

Directors Absent: David Dugan, Frank Sylvia

Executive Director DeLise stated that DOH had approved our loan for \$1 million.

Executive Director DeLise handed out a spreadsheet, attached, of B&E Audit Report recommendations and BCWA's comments.

Item #1 – Change of rate structure, the Board can consider to revisit the rate structure.

Director Rego stated that he does not agree with B&E's Mr. Walter Edge's philosophy of conservation system. Ours is a business friendly system. High water users, Blount, laundry mats, should not pay more for water.

Executive Director DeLise stated that BCWA has the lowest consumption in the State at 49 gallons per day per person.

Item #2 – Senior Citizen Discount, B&E makes no recommendation on this item.

Director Matsumoto stated that a special ad hoc committee should be created to study rate structure.

Director Rego made the following motion which was duly seconded

MOTION: Establish ad hoc committee to establish rate study.

Motion passed 6 to 1, Director Gosselin voted Nay.

Chairman Jannitto appointed Director Rego as chairman of committee. Also on the committee will be Directors Gosselin and

Klepper.

This committee will study rate structure, senior citizen discount and fire service fees.

Item #3 – Increase in fire service fees, fees are \$70,000 per year.

Director Klepper stated the 3 Towns have a pilot program, if we increase the fees it will affect the Towns. We should notify the Towns of any changes or recommendations.

Item #4 – Impact fees, Executive Director DeLise stated that this is our Specification 100 for developers, installing water mains. This item is not a priority.

Item #5 – Budgeting, this item is also addressed in item 51.

Item #6 – IFR & Emergency Fund, infrastructure replacement plan. Executive Director DeLise stated that BCWA had an emergency fund before the EBP was built. We do not put money into this account now. After we pay off our bonds in 2016, 2017 and 2018 we will have annually \$2.7 million on hand.

Item #7 – Line of credit, Executive Director DeLise stated that BCWA is already looking into this matter.

Item #8 – Fees included in separate accounts, current income goes into different general ledger accounts.

Item #9 –P&P coordinator position be eliminated, this position will not be filled. Director Rego asked for this item to be placed on the Public Relations/Personnel agenda.

Item #10 – Staff positions salary increases be eliminated for 2012, Executive Director DeLise stated that last increase for staff was in 2009. Director Rego stated that the Board should take action on this item in August to discuss FY2011 and FY2012 salary adjustments.

Item #11 – Janitorial salaries, temporary change was put into effect on July 7, 2011. Existing practice has been stopped.

Item #12 – Update job descriptions, item to be done in-house.

Item #13 – Evaluation of meter department salaries, this item dependent on union negotiations. Mr. Brian Mellor, Local 359 Union President stated that plant operators who work on Sunday get paid an extra two hours.

Item #14 – Engineering Technician, job description should be updated.

Item #15 – Freeze all salaries in the T & D department, Engineering

Aide, item dependent on union negotiations.

Item #16 – Production (Treatment) department OT, item being evaluated in detail, item dependent on union negotiations.

Item #17 – Decrease production department salaries by 10%, item dependent on union negotiations.

Item #18 – Water sampling, This item is being evaluated in detail.

Item #19 – Change in shift hours, production department, Executive Director DeLise stated he will work with the Production Supervisor on time item.

Item #20 – Maintenance Techs, change in shift, item dependent on union negotiations.

Item #21 – Contract change – shift employee working Sundays, Sundays and holidays have to be covered.

Item #22 – Covering holidays, Sundays and holidays have to be covered.

Item #23 – Reassignment provision – item being evaluated.

Item #24 – Plant shut-down/lay-off of three employees, shutting down

the plant violates the BCWA Act. One employee retired in the Production Department, and two in the Distribution Department.

Item #25 – SCADA System, Chairman Jannitto stated the Mr. Edge recommends shutting down the plant and at the same time putting in a SCADA System.

Item #26 – Use of Funds from reduced debt service – FY2016, Executive Director DeLise stated that in 2016, 2017 and 2018 out bonds will be paid off. BCWA will have \$2.7 million on hand annually.

Item #27 – Stop payment of PILOT taxes to Towns & increase hydrant fees, Taxes are \$463,600 and hydrants \$162,000. Director Klepper asked Executive Director to send a letter to the three Town Councils to see if they would consider this.

Items #28 through 33 – items dependent on union negotiations.

Item #34 – Shad Pipeline/Pump Station/WTP Improvements, in progress.

Item #35 – Limitations of billing system, System was designed specifically for BCWA rate structure. Executive Director DeLise stated BCWA's computer system does the job.

Item #36 – Accounting system and internal controls reasonable, BCWA concurs with this statement.

Item #37 – Accounting software be updated, Executive Director DeLise stated that this item is part of the planned update for 2015 provided funds become available.

Item #38 – Scrap billing system, implement monthly billing, item will cost money to implement but will be considered.

Item #39 – 40 – items dependent on union negotiations.

Item #41 – Pension Plan – change employer contribution to reduce amount, Board to consider this item.

Item #42 – Not to become regulated by the PUC, BCWA concurs, Board voted on a resolution.

Item #43 – Establish a BCWA board subcommittee on water rates, Board approved creating an ad hoc committee.

Director Klepper suggested that Mr. Walter Edge be invited to explain his recommendations.

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 7:45 pm.

John L. McElroy, Jr.
Secretary

It. # B&E

Report

**Page # B&E Audit Report Recommendations Dependent
on Union**

Negotiations Dependent on Towns or Other Open Comments

notes It. #

1 5-19	Change	of	Rate	Structure/Rate	Blocks/Rate
Increases	X	Revenue	Neutral	- Board to consider; BCWA page 11	1
2 12	Senior Citizens Discount	X	Under review; considered multiple times in the past; approx. 1.9%	2	
3 18	Increase in fire service fees	X	Staff evaluating impact; approx. \$70,000 (0.7%) in 5 years	3	
4 20	"Impact Fees"	X	Board to consider	4	
5 20	Budgeting; various	X X X	Also addressed in B&E page 51	5	
6 20	IFR & Emergency fund	X	Need available funds; BCWA page 11	6	
7 20	Line of credit	X	Being considered	7	
8 20	Fees included in separate accounts	X	Can put in project fund - need available funds	8	
9 27	P & P coordinator position be eliminated	X	BCWA concurs; position vacant since May 2010; BCWA page 2	9	
10 27	Staff positions salary increases be eliminated for FY2012	X	Board to consider; last increase July 2009; BCWA page 2	10	
11 27	Janitorial salaries	X	BCWA page 2 (0.1%); temporary change in effect as of July 7, 2011	11	
12 29	Update job descriptions	X	Under consideration - BCWA page 3	12	
13 29	Evaluation of meter department salaries	X	BCWA page 3	13	
14 31	Engineering Technician	X	BCWA page 3	14	
15 34	Freeze all salaries in the T & D department - engineering aide	X	BCWA page 4	15	

16 35 Production (Treatment) department OT X X BCWA page 4 &
5 1 16

17 36 Decrease production department salaries 10% X BCWA page
6 17

18 36 Water Sampling X BCWA page 6; being considered 18

19 36 Change in shift hours - production department X BCWA page
7 19

20 36 Maintenance techs - change in shift X BCWA page 7 20

21 36 Contract change - shift employee working Sundays X BCWA
page 7 21

22 36 Covering holidays X BCWA page 4 22

23 36 Reassignment provision – Monday X BCWA page 7 23

24 37 Plant shut-down/lay-off of 3 employees RILL 46-15.5 X BCWA
page 7 2 24

25 38 SCADA system X BCWA page 7 25

26 41 Use of funds from reduced debt service - FY 2016 X BCWA
page 9 26

27 18 & 42 Stop payment of PILOT taxes to Towns & Increase hydrant
fees Towns Taxes \$463,600 (4.4%) Hydrants \$162,000 (1.5%) in 5
years 27

28 46 Provisions for overtime X BCWA pages 7 and 10 28

29 47 Constraining hourly pay rates X BCWA page 10 29

30 47 Number of paid holidays X BCWA page 10 30

31 47 Vacation provisions – overtime X BCWA page 10 31

32 47 Inordinate amount of TDI/Workers Compensation
claims X Board to consider 32

33 48 Health insurance X BCWA page 10 33

**34 49 Shad Pipeline/Pump Station/WTP
Improvements RIWRB/Rehoboth In progress; State & Permitting
delays; BCWA page 10 34**

**35 50 Limitations of billing system System was designed
specifically for BCWA rate structure; BCWA page 11 3 35**

**36 50 Accounting system and internal controls reasonable BCWA
concur 36**

37 51 Accounting software be updated X BCWA page 11 37

**38 51 Scrap billing system; implement monthly billing X BCWA page
11 & 12 38**

39 56 Pension plan - change vesting to 10 years X 39

**40 56 Pension plan - change employee contribution to 3% for all
employees X Approx. \$72,000 (0.7%) 40**

**41 57 Pension Plan - change employer contribution to reduce
amount X Board to consider 41**

42 60 Not to become regulated by the PUC X BCWA concurs 42

**43 60 Establish a BCWA board subcommittee on water rates X Board
to consider 43**

**Note 1: B&E did not investigate OT in comparison companies Note
3: It's not reasonable to evaluate the system on the basis of any
metrics other than its**

**Note 2: 1 employee in the Prod. Dpt. has retired since B&E
report intended purpose**

1 employee in the Distr. Dpt. has retired since B&E report

1 employee in the Distr. Dpt. will retire Jan. 15, 2012

More employees are expected to retire in the near future