

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

**Wednesday, June 29, 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 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:**

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

**Director Absent: Frank Sylvia**

**Chairman Jannitto stated that this meeting was to discuss the B & E Report.**

**Chairman Jannitto stated that he, Executive Director and Ms. Sandra Mack, Legal Counsel attended a meeting in Rehoboth. Also present**

were representatives from Dewberry, Representatives from Rehoboth and the Rehoboth Conservation Commission. The Rehoboth representatives were very receptive to our ideas. This was a very good meeting.

Chairman Jannitto asked for each Director's comments on the B & E Audit.

Director Rego – There should not be time and a half for cleaning the office. A lot of the issues are subject to the union contract. Our rate structure promotes conservation, we are business friendly. I'm concerned about our high water rate users, RWU and the RI Veterans Home.

Director Klepper – I attended Barrington Town Council Workshop last night. There are a number of areas that have to be moved forward, but not piecemeal. We have to identify items that are subject to the union contract. We need to look at our rate structure.

Director Nencka – we need to look at the rate structure. Union negotiations should be started as soon as possible.

Director Gosselin – focus should be on increasing cost savings, look at other things that

B & E didn't touch on, we should have workshops to discuss this.

**Director Dugan – the Board and Administration did not look favorable in the report. 78% of the issues concern the Union contract. There is no valid reason that we should be under the PUC, it is very expensive and we will not benefit.**

**Director McElroy – at the Barrington Town Council Workshop yesterday, consensus was to dissolve the BCWA and have BCWA join the PUC. We should be fair to all the rate payers, and not go under the PUC. The Pension Fund is in good shape.**

**Director Matsumoto - at the Barrington Town Council Workshop yesterday the Council wants a timeline for changes. This is wrong, we need to prioritize items first. We should start union negotiations as soon as possible.**

**Chairman Jannitto – appreciate all the comments given today. I had no fear of this audit because we are not doing anything wrong. BCWA has been a whipping boy for years. The local papers did not report our responses to the B & E Report. Our Pension Plan is fine. Directors Rego and Klepper were on the Board when they pursued the East Bay Pipeline; we have to give them credit for what they did. The major problem here is the Union. The same circumstances are happening throughout the State concerning union contracts.**

**Director Klepper stated that PUC does not allow for our PILOT Program. The towns would lose tax revenue if it changed the PILOT**

**Program.**

**The BCWA took over the union contract from a private company. We have an excellent group of employees here. I am happy with staff and employees. The other water company we were compared with has higher number of staff.**

**Executive Director DeLise stated that the philosophy of the rate structure is subjective to each company. The Union negotiated when the economy was good, now contracts are being changed. B & E compares us to other water companies. We are doing better than Kent County, Newport Water and Pawtucket. BCWA must maintain facilities in 2 states. The longevity of employees here is 21 years, this has to be taken into account.**

**Director Rego stated that there has been 3 salary studies for staff employees and that staff's salaries are in line with the studies. The Board has taken the responsible route.**

**BCWA went out to bid for a consultant for the first study. The second study was done by a Special Committee based on AWWA standards. The third study was done by the Board.**

**Director Klepper stated that we have to go over B & E conclusions and our answers.**

**Director Rego stated that rates for the water company were proposed**

**in 1986 by the Towns. BCWA never implemented those rate increases; the increases implemented were less than proposed to buy the company. We have to meet our debt service. Our rates are high because we had to buy the company and build the East Bay Pipeline, and those bonds will be paid off soon.**

**Executive Director DeLise stated that by 2018 bonds will be paid off, a savings of \$2.7 million annually.**

**The Chair recognized Mr. Kenneth Marshall, Bristol Town Council President who stated that at the Tri-Town Meeting it was said the 3 Town Councils would meet first to discuss the Audit in Executive Session.**

**The Chair recognized Mr. David Frerich, Warren Town Council President who stated that B & E's Mr. Walter Edge will be on their agenda to discuss the Audit. This will be done in Executive Session.**

**The Chair recognized Ms. Sandra Mack, Legal Counsel, who stated that the Audit was done because of loss of confidence in the BCWA by outspoken critics. There was concern that BCWA was not being managed properly, not doing all the cost savings that they can. Management makes the choice about technology that they have. BCWA must prioritize change and how they spend money. The major issue was that there was no fraud. BCWA has duplicate system and resources; it needs all of the employees that it has now. The Shad**

**line is old, we need to get permits to rehab it and reduce the cost of Providence Water.**

**Director Klepper stated that workshops are needed to create a timeline, this information will be brought to the Councils. A) Implementation of efficiency report B) Executive Director to create a chart on recommendations to be implemented C) Items for consideration.**

**The Chair recognized Mr. Gary Morse – What is the estimated cost to rehab the Shad Pipeline? Who will pay the remainder of the job, if RIWRB caps the BCWA funds?**

**Ms. Mack stated that BCWA is entitled to 100% funding from the State.**

**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 7:35 pm.**

---

**John L. McElroy, Jr.**

**Secretary**