

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

**Wednesday, December 14, 2011**

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

**Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Lloyd Matsumoto, Frank Sylvania**

**Directors Absent: Paul Bishop, Frank Nencka**

**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 November 10, 2011**

be approved.

## **PUBLIC RELATIONS/PERSONNEL COMMITTEE**

**Director Gosselin reported:**

### **New Business**

**1. Pension Plan Investment Performance Report, Mr. Gene McCabe and Ms. Joan Caine of Washington Trust Investors presented the pension report to the Board. Mr. McCabe stated that BCWA has had a 10% per year return on investments since 1992. The focus of BCWA's investments are long term with stocks being a good investment.**

**Director Klepper requested that this report be put on the BCWA's website.**

**The Chairman recognized Mr. Gary Morse who asked if the investment rate of return should be set at 8% or less.**

**Chairman Jannitto asked Mr. Morse if he was asking this question as a pension expert.**

**Mr. Morse replied that he was not a pension expert and that he was asking this question as a rate payer.**

**Mr. McCabe stated that the trend is 7 to 7 ¼%.**

**The Chairman recognized Mr. Hewitt who asked how much of the retirement fund, is funded.**

**Ms. Caine stated that it was 92% funded.**

**2. Update of Search for Executive Director, screening of applicants was done by Barrington Town Manager, Mr. Peter DeAngelis, Bristol Town Administrator, Ms. Diane Mederos, Warren Acting Town Manager, Mr. Gordon Thomas and former Warren Town Councilor, Mr. Louis Rego.**

**Director Klepper stated that two Special Board Meetings should be set up for 12/19/11 and 12/20/11 to begin interviewing candidates in executive session to protect the privacy of the candidates. Each candidate will be asked the same questions.**

**Chairman Jannitto recommended that Mr. Mark Champagne and Mr. Joseph Granata sit in on the interviews, and Director Klepper concurred.**

**3. Pension Plan Employee Contribution, S. Mack and R. Bostian were asked to explore the possibility of a hybrid plan. In the meantime, the Board requested that a letter be sent to all new employees informing them that BCWA is not in a position to administer a hybrid plan at present but it may in the future.**

**The Chairman recognized Mr. Gary Morse, who noted that 17% of the pension fund was withdrawn to cover 7% of employees. He stated that he contacted Mr. Robert Bostian with questions, and asked him to update his report and called upon the Board to take some action on the lump sum payment that Mr. Bostian had calculated. He added that pursuant to his conversation with Mr. Bostian, Mr. Bostian said that there was no problem with the report. Mr. Morse wanted Mr. Bostian to make a statement stating that a potential problem exists, and that he gave this information to Director DeMelo.**

**Director Klepper stated that not every employee makes the same amount of money. BCWA is continuing to contribute to the pension fund in accordance with the actuarial recommendation.**

**Legal Counsel, Ms. Sandra Mack asked Director DeMelo if he had asked Mr. Morse to contact Mr. Bostian. Director DeMelo stated that he had not. Ms. Mack noted that it is not typical or proper for citizens to directly contact the Authority's vendors or advisors without Authority approval and request information or incur costs that the Authority would have to pay as a result.**

## **AUDIT FINANCE COMMITTEE**

**Director Sylvia reported:**

**Old Business**

**1. Meter Replacement Program Update, Verbal progress report given at subcommittee meeting by Manager of Customer and Commercial**

**Services Mr. Joseph Granata.**

**2. Janitorial Services, East Coast Cleaning of Warren, RI was awarded contract and started the week of 12/5/11. Director Sylvia stated that he would like an update for next month's meeting.**

### **New Business**

**1. Approval for line of credit, Director Sylvia made the following motion which was seconded by Director Klepper.**

**MOTION: To approve the Resolutions authorizing a line of credit of up to \$500,000, in the form presented to the Directors set forth below:**

**RESOLVED: That the Authority is hereby authorized and directed to borrow under and obtain a \$500,000 Revolving Line of Credit (the "Credit Loan") from The Washington Trust Company, a Rhode Island financial institution with its principal place of business located at 23 Broad Street, Westerly, RI ("Lender") and that any one of the following officers: The Chairman, Secretary, Treasurer or Executive Director (each, an "Authorized Person") acting singly and in his sole discretion on behalf of the Authority is hereby authorized and directed to (1) enter into, execute and deliver to Lender a Revolving Credit Agreement between the Authority and the Lender (the "Credit Agreement") substantially in the form attached hereto as Exhibit A; (2) enter into, execute and deliver to Lender a Revolving Credit Note**

**in the original principal amount of \$500,000 (the "Note") substantially in the foHn attached hereto as Exhibit B; (3) execute and deliver to Lender an Affidavit of Borrower (the "Affidavit") substantially in the form attached hereto as Exhibit C; and to execute, acknowledge and deliver any documents and any and all agreements, certificates, assignments, instruments and such other documents as may be necessary or incidental to accomplish said borrowing, all in such form and containing such provisions as any Authorized Person shall approve, the signature of any Authorized Person on any of the above referenced documents, instruments, agreements, certificates and assignments to be conclusive evidence of any Authorized Person's and the Authority's approval of the terms and conditions thereof and of the authority granted hereby.**

**RESOLVED: That any Authorized Person, acting singly, are each hereby authorized and directed to take any and all actions on behalf of the Authority necessary or incidental to effect the issuance and closing of the Credit Loan, including without limitation, to open one or more deposit accounts with the Lender in the name of the Authority to facilitate advances under the Credit Loan, to pay all fees and expenses incurred by the Authority in connection therewith, and, except as set forth in the foregoing resolution, to execute and deliver, on behalf of the Authority, each document, instrument and agreement necessary or incidental to consummate such transactions referred to in the forgoing vote.**

**RESOLVED: That the Authority does hereby ratify, authorize, adopt, confirm and approve any and all actions taken or caused to be taken**

by any officer of the Authority in connection with and/or furtherance of the transactions contemplated by the foregoing resolutions at any time prior to the date hereof as fully and completely as if taken on or after the date hereof.

2. It was recommended that limitations be made to the authority of the Executive Director to utilize the line. Ms. Mack recommended a resolution to the effect “that the Executive Director shall have the authority to draw on the line of credit from time to time in an amount up to fifty thousand dollars (\$50,000) individually or as a series of draws without further approval from Board of Directors; provided, however, that any draws in excess of \$50,000 shall require prior approval from the Board of Directors”. The directors moved and seconded the recommendation.

Director DeMelo stated that this line of credit was a good thing for emergencies, but it should not be used for pension plan payments.

Director DeMelo made the following amendment to the motion, seconded by Director Sylvia

**AMENDMENT:** “provided further that the line of credit shall not be used for health or pension payments”.

Amendment made by Director DeMelo passed unanimously.

**Director Fitta further amended the motion, which was seconded by Director Sylvia**

**AMENDMENT: “Funds drawn on the line of credit to be used for emergency purposes at the discretion of the Executive Director.”**

**Amendment made by Director Fitta passed 6 – 1. Voting Nay – Director Klepper.**

**Original motion, as amended, passed unanimously.**

**3. Attorney General Complaint/Efficiency Report Costs, the Executive Director requested that the legal budget for FY12 be increased by \$15,000 to cover items for which there was no budget and an additional \$15,000 to get through the end of FY12 Fiscal Period (from \$60,000 to \$90,000). Committee recommends approval. Upon a motion duly made and seconded it was**

**VOTED: To approve an increase of \$30,000 in FY12 legal budget from \$60,000 to \$90,000.**

**Motion passed unanimously.**

**Director Sylvia made the following motion which was duly seconded**

**VOTED: To request a refund from the Towns on legal expenditures incurred by the Authority concerning the B&E Audit, in accordance with the Authority's understanding that all costs associated with the B&E Audit would be split equally by the Towns and the Authority.**

**Legal Counsel Ms. Mack stated that she had exchanged numerous emails with Town Solicitor Ursillo regarding this matter at the request of the Executive Director, and that it was understood by BCWA that the three towns plus BCWA would split costs four ways. The total legal fees are \$12,600.**

**Motion passed unanimously.**

**4. FY13 Operations & Maintenance Budget, a first draft presented for directors to review.**

**5. Funding of High Service Area Expansion, Committee recommends that a workshop be scheduled and that PARE Engineering present its study and be available for questions.**

**Director Sylvia stated that Bristol should resolve the problem rather than BCWA. Bristol should limit development and make builders responsible by bearing the cost for booster pumps.**

**A workshop will be set up for January, Town Councils from Warren and Bristol will be invited.**

## **ENGINEERING COMMITTEE**

**Chairman Jannitto reported:**

### **Old Business**

- 1. Water Treatment Plant Project Update, Chairman Jannitto and P. DeLise attended RIWRB meeting held 12/5/11.**
- 2. RIWRB Refund Requisitions, Refund requisitions have been sent to RWRB requesting \$6,271.01; \$123,682.43 and \$57,711.11.**
- 3. Redundant/Emergency Water Sources, Director Klepper stated that the State is withholding BCWA's \$6.8 million earmarked for Shad Pipeline to be used for the Pawtucket connection, and that to do so, legislation would have to be introduced in the General Assembly.**

**Executive Director DeLise estimated that the cost to connect to Pawtucket could be \$17.5 to \$19 million. He noted that Pawtucket can produce 22 MGD but they only need 8 MGD, so Pawtucket has water that they want to sell.**

- 4. Anawan – Dam Safety Phase I Inspection Report. Anawan President, Mr. David Drowne and Vice President, Mr. John Hutson made a presentation to the Board.**

**Mr. Drowne stated that he was very concerned about Anawan. Since the March 2010 storm, BCWA repairs should have been completed by**

**the Fall. He noted that there is washout at the end of the spillway, that the fence needs to be replaced, the berm needs to be cut, and a steel plate is needed at the gatehouse. The riprap in the spillway is not adequate to hold back the rain. He noted that the Executive Director has been made aware of these deficiencies, some going back to 1995 and 2006 and to date nothing has been done.**

**The Authority noted that the Phase I Inspection Report will be done by PARE Engineering.**

**Mr. Drowne noted that the indenture agreement from 1945 states that BCWA was to maintain the Anawan.**

**Director Matsumoto stated that it will cost \$13,000 for repairs to the Anawan. Mr. Drowne stated that the 2010 storm caused damage both upstream and downstream.**

**Director Klepper stated that this item should be discussed at the January meetings after BCWA receives the Inspection Report. Also, information is needed concerning FEMA status of funding.**

**Director DeMelo questioned if BCWA connects to Pawtucket, would BCWA still need water from Anawan. Ms. Mack noted that engineers have stated that water from the Anawan may not be necessary given the construction and use of the East Bay Pipeline, and she noted that the 1986 indenture allows BCWA or Anawan Club can terminate the**

**relationship at any time.**

### **New Business**

**1. Franklin Court Assisted Living Center, Engineering Technician, Ms. Susan Andrade stated that PARE Engineering will be doing an inspection report on Friday of Franklin Street.**

### **AD HOC COMMITTEE**

**Director Gosselin reported:**

### **Old Business**

**1. Computer System/Software, to investigate what system(s) other water companies are using. Director Gosselin made the following motion which was duly seconded**

**MOTION: To award the software selection contract to Aurora Technologies, by-passing the normal bid process. The cost of the contract will not exceed \$20,400.00 unless mutually agreed to substantial change to the outlined project deliverables and/or scope of work is experienced. If the cost of the project is less than \$20,400.00 BCWA will be billed that lesser amount.**

**Mr. Joseph Granata stated that he had received a proposal and quote for services from the Authority's consultant, Aurora Technologies, for a total of \$20,400.**

**Mr. Mark Champagne stated BCWA has an AS400 System which is**

**very complicated; Aurora is an expert with the system and has worked with the Authority for a number of years, and can assist with the conversion to a new system.**

**Director Gosselin requested Aurora be present at the January meetings for further discussion.**

**Chairman Jannitto made the following motion, which was duly seconded.**

**MOTION: To table the motion regarding award of the software selection contract to Aurora Technologies, and that Aurora Technologies be requested to attend the January subcommittee meeting.**

**The Motion passed unanimously.**

**2. IRF & Emergency Fund, prepare a 5 year plan (attached) for future infrastructure improvements.**

**Executive Director DeLise stated that most projects will be placed on hold due to lack of funds.**

**Director Fitta questioned if IRF programs are required to be funded.**

**Executive Director DeLise stated that if funds are not available, then**

**BCWA would need a rate increase to complete the projects.**

**3. Report from Tri-Town Legislation Committee. Mr. Joseph Granata stated that the Tri-Town Committee presented 11 items to the 3 towns last Thursday. Items included internal BCWA matters such as changes to By-laws and changes that would require legislation.**

**Chairman Jannitto stated that all 3 towns must be in agreement to make legislative changes.**

**Chairman Jannitto stated that this was Pasquale DeLise's last Board meeting. On behalf of the Board he thanked Mr. DeLise for all of his efforts and dedication and for all of his years of work.**

**Mr. DeLise thanked the Chairman and the Board.**

**Chairman Jannitto asked that matrix that was prepared by P. Delise be sent to the 3 town councils and to the legislators with the costs highlighted for the Pawtucket connection.**

**Chairman Jannitto asked that Anawan issues remain on the agenda for the January meetings and that the termination of agreement be discussed at that time.**

## **NEXT STEPS**

**1. Public Relations/Personnel Committee Meeting, Wednesday,**

**January 4, 2012, 5:15 p.m., Warren Office, Boardroom, 450 Child Street.**

**2. Audit Finance Committee Meeting, Wednesday, January 4, 2012, 5:20 p.m., Warren Office, Boardroom, 450 Child Street.**

**3. Engineering Committee Meeting, Wednesday, January 4 , 2012, 5:25 p.m., Warren Office, Boardroom, 450 Child Street.**

**4. Ad Hoc Committee Meeting, Wednesday, January 4, 2012, 5:30 p.m., Warren Office, Boardroom, 450 Child Street.**

**5. Special Board Meeting, Wednesday, January 4 , 2012, 5:35 p.m., Warren Office, Boardroom, 450 Child Street.**

**6. Board of Directors Monthly Meeting, Wednesday, January 11, 2012, 6:00 p.m., Warren Office, Boardroom, 450 Child Street.**

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

**MOTION: To accept and post the dates for the January 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 9:25 pm.**

---

**Lloyd Matsumoto**

**Secretary**

**Appendix B: Main Replacement Five-Year Plan (Provided Funding is Available)**

**TOWN STREET FOOTAGE HYDRANTS AGE SIZE**

**YEAR 1**

**Barrington Milton Road 550 0 1947 8"**

**Barrington Townsend St. 700 0 1936 8"**

**Bristol Bliven Ave. 700 0 1947 8"**

**Warren Water St 400 0 1948 8"**

**TOTAL 2,350**

**YEAR 2**

**Barrington Brentonwood Ave. 600 0 1937 8"**

**Bristol Hopeworth Ave. 500 0 1953 8"**

**Bristol Fish Hawk Ln. 400 0 1949 8"**

**Warren Water St 400 0 1948 8"**

**Warren Church St. 160 0 1936 8"**

**Warren Miller St. 210 0 1943 8"**

**TOTAL 2,270**

**YEAR 3**

**Bristol Fox Hill Ave. 1605 1940 8"**

**Warren Maple at. @Bradford 345 1929 8"**

**Warren Bradford St. 100 1929 8"**

**Warren Maple St. 150 1929**

**2,200**

**YEAR 4**

**Barrington Rosedale Ave. 700 1950 8"**

**Barrington Richard St. 220 1925 8"**

**Barrington Dana Rd. 492 1956 8"**

**Bristol Richmond St. 325 1948 8"**

**1,737**

**YEAR 5**

**Barrington Narragansett Ave. 345 1939 8"**

**Barrington Green Ave. 480 1939 8"**

**Barrington Shore Dr 780 1939 8"**

**Barrington Blanding Ave. 280 1939 8"**

**1,885**

**10,442**