

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

August 15, 2012

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 Klepper at 5:15 pm, 450 Child Street, Warren Office, Warren, Rhode Island. Executive Director Pamela Marchand, Legal Counsel Ms. Sandra Mack and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, John Jannitto, Allan Klepper, Raymond Palmieri, Sr.

Director Absent: Frank Sylvia

B. Negotiation of Union Contract

A motion was made by Chairman Klepper and seconded by Director Allio

MOTION: To go into Executive Session, under RIGL 42-46-5 (2) to discuss Union Negotiations.

All presented voted Aye.

The Board entered Executive Session at 5:15 pm

The Board returned to open session at 6:30 pm.

Chairman Klepper announced that while in Executive Session the Board voted unanimously to approve the Union Contract, as presented. Chairman Klepper stated that this contract will benefit the employees, the Authority and the rate payers. The revised contract will be posted online and he asked the Executive Director to issue a press release.

C. Public Input

No comments.

D. Approval of Minutes

Upon a motion made by Director Jannitto and seconded by Director Allio, it was unanimously

VOTED: That the minutes of the Board Meeting of July 25, 2012, be approved.

E. Reports to the Board

1. Executive Director's Report, Executive Director P. Marchand stated

RIWRB has approved matching funds for the preliminary design of the connections to Pawtucket and East Providence. BCWA will pay 25% of the total cost of \$225,000. She also noted that dam inspections are required for the Shad and Swansea Reservoirs and will be done before year end.

2. Financial Report – M. Champagne, No comments.

F. Items Requested for a Vote

1. Proposed Washington Trust Investment Modifications, Director Allio stated that he has reviewed the monthly report from Washington Trust. Director Allio stated he was uneasy about how BCWA's money is being managed; there are no benchmarks and the report is not user friendly. Director Allio made the following motion, seconded by Director Jannitto

MOTION: To issue an RFP for the management of BCWA's Pension Fund.

Legal Counsel Ms. Mack stated that it has become best practice for public entities to periodically go out to RFP for the selection of investment firms.

Director Gosselin noted that Washington Trust has been managing BCWA's funds historically based on the direction of the board and management.

Chairman Klepper stated that for many years Washington Trust exceeded the investment returns that the Board had in place and relied upon for pension purposes.

Legal counsel Ms. Mack stated that BCWA does not currently have an investment policy but noted that one could be helpful including clear outline of the Authority's projected need for access to the funds for upcoming retirements. She noted that as part of the RFP, BCWA should state what BCWA has traditionally invested in, whether the Authority's investment needs are active or passive and the purposes and requirements for funds.

Director Palmieri stated that the investment firm should be in regular contact with the Authority for the best performance, they should be pro active.

Director Fitta stated that the interaction with the investment firm should be with Mark Champagne and management, not with the Board.

Director Allio stated he would like to provide input in preparing the RFP and that the RFP should be ready for the Board's review in September.

Motion passed unanimously.

2. Proposal to Create an Infrastructure/Debt Service Restricted Account, Executive Director P. Marchand stated that since BCWA will recognize annual savings as a result of the refinancing of the 1997 and 1998 Bonds, she is recommending to the Board that over the next five years, the savings be put into a restricted account “Infrastructure Fund Account”.

Legal Counsel Ms. Mack stated that a new account will have to be created and monies into this account should not be combined or identified as a source of payment for debt service for bond repayment, otherwise it will need to be yield restricted.

Executive Director P. Marchand concurred that she is recommending to the Board to set up a separate infrastructure account.

Upon a motion duly made by Director Fitta and seconded by Director Gosselin it was

VOTED: That the Executive Director work with Legal Counsel to set up an Infrastructure Replacement Fund and that it be funded each year in an amount equal to the savings as a result of the issuance of the 2012 Refunding Bonds.

Motion passed unanimously.

G. Items for Discussion

1. Bond Sale, Chairman Klepper stated that much credit is due to staff and to legal counsel for their hard work in a short period of time and the successful closing of the Bonds. BCWA was able to obtain a 1.97% interest rate which resulted in saving of approximately \$525,000 over the next five years.

2. BCWA Web Design, Engineering Technician Ms. Susan Andrade will be working with RWU updating the design of the website.

3. RIDOH – Infrastructure Plan, Executive Director P. Marchand stated that DOH requires an infrastructure plan every five years, BCWA’s plan is due in October 2012. She will provide a draft for the Board at the September meeting. Mr. Champagne will also have a financial analysis of funding of the projected capital projects available.

H. Schedule of Meetings

1. Full Committee of the Board, Wednesday, September 12, 2012, 5:15 pm, Warren Office, Boardroom, 450 Child Street.

2. Board of Directors Monthly Meeting, Wednesday, September 26, 2012, 6:00 pm, Warren Office, Boardroom, 450 Child Street.

The Chairman made the following motion, which was duly seconded

MOTION: To accept the dates for the September meetings.

Motion passed unanimously.

The Chairman announced that the Board will continue with the Strategic Planning Workshop after a short break.

The Chairman made the following motion, which was duly seconded

MOTION: To adjourn the regular meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 7:45 pm.

Kevin Fitta

Secretary

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