

FINAL APPROVED MINUTES  
PUBLIC HEARING  
OF THE BRISTOL COUNTY WATER AUTHORITY

Thursday, December 20, 2012  
Mt. Hope High School, 199 Chestnut Street, Bristol, RI

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Chairman Klepper called the hearing to order at 6:00 pm.

Directors present: Robert Allio, Paul Bishop, Joseph DeMelo, Kevin Fitta, William Gosselin, Allan Klepper, Raymond Palmieri, Sr.

Directors Absent: John Jannitto, Frank Sylvia

Chairman Klepper stated the Executive Director would give a presentation showing what the Authority has been doing and where it is going and the reasons for the water rate increase. After the presentation questions and comments will be taken from the audience.

Summary of Presentation by the Executive Director P. Marchand —

Ms. Marchand described the work of the Board over the past few months to review the status of the BCWA and to create a strategic plan to move the utility forward.

Status: There are 230 miles of water mains, a total staff of 29 employees, declining revenues and an aging infrastructure. An outdated computer data management system is restricting the ability to analyze information.

Mission statement developed: to be a model water company, to be recognized for water quality and system reliability. Five strategic interrelated goals have been developed — maintain a secure source of high quality water, adopt a plan to support infrastructure needs, improve data management systems, ensure financial stability and improve customer relations. A 20 year Capital Plan and a 10 year Financial Plan were approved. An Infrastructure Reserve is also to be established, as required by the State.

A Rate Study Consultant was hired to review BCWA's rate structure, the allocation of our rates, and revenue requirements to fund the strategic plan. The recommendation is for a 12% increase for FY2014, which amounts to \$4.00 per month for the average customer, followed by annual increases of 4%. It is proposed that the Senior Discount be gradually phased out by 2018 and a Life-Line Rate begun in 2015 for low water users.

The consultant noted that the BCWA currently collects 5% of our rates for fire protection charges. Based on national standards, our consultants determined that this should be closer to 20%. However, there is a negotiated contract with the Towns that includes the PILOT (payment in lieu of tax) program and a limit on public fire service rates. So these funds have to be collected from rate payers.

The Water Treatment Plant has been shut-down, it is now maintained as an emergency supply and put in operation (to waste) one day a month.

BCWA is looking to hire 2 water system operators, an MIS Manager and an Engineering Project Manager to meet the goals of the strategic plan for infrastructure replacement, water quality improvements, and to increase the efficiency of operations.

Chairman Klepper opened the meeting for questions from the public:

The Chair recognized Mr. Hewitt. Mr. Hewitt questioned the status of BCWA's bonds and reserves.

Executive Director P. Marchand stated BCWA has refinanced bonds totaling \$8 million that will be paid off in 2018. Accounting Manager M. Champagne stated that BCWA is required by the Bond Trustees to keep 60 days of operational money to run the Authority and 10% of the principal balance on the bonds must be maintained as reserves.

Representative Gallison questioned why BCWA was not under the PUC.

Legal Counsel S. Mack stated that a General Bond Resolution, the underlying document under which the original bonds were issued to purchase the Water Company and to make the infrastructure improvements, require the Authority to institute rates sufficient to pay off the bonds. At the time of buying the water company, the PUC declined jurisdiction. The trustees and bond holders purchased the bonds on that basis. As long as the bonds are outstanding, it would be a problem to voluntarily go under the PUC, even if they accepted the BCWA.

Representative Gallison asked the wholesale rate of purchasing water from Pawtucket. Executive Director M. Marchand stated that wholesale rates for Pawtucket are set by the PUC.

Chairman Klepper stated BCWA has a contract with Providence Water Supply Board to purchase up to 7.5 MGD. If BCWA connects to Pawtucket Water it will also have a contract, and we will be guaranteed a daily supply.

Representative Gallison stated that BCWA may not receive the \$6.9 million in state money; there are some state agencies that are facing deficiencies. Executive Director P. Marchand stated funds have been added to the capital budget to cover costs under the WRB Interconnection Program. Costs will be shared with the E. Providence Water system and the Interconnection Program.

Bristol Town Councilor E. Stuart stated he would like to have more information before any more work is done with the East Providence/Pawtucket connection. There are too many unknown factors, BCWA should put off hiring a Project Manager until the project is ready to begin. This project is not set to begin for 5 years.

Mr. Hewitt asked that the Executive Director to write an article for the newspaper concerning the rate increase, then all ratepayers will be aware of the rate increase.

Mr. Hewitt stated the Project Manager will be paid \$100,000 including benefits and this person is being hired to take over the engineering of the company. He asked if the Executive Director was hired to do this?.

Executive Director P. Marchand stated that she is the Executive Director and the Chief Engineer as she was at Pawtucket Water and Providence Water. The Executive Director initiates, approves, and oversees capital and construction work, but cannot perform the

day to day engineering work, especially as we are beginning a major capital improvement program.

Chairman Klepper stated that the 11 recommendations to the BCWA by-laws as recommended by the Tri-Town are very welcome. It is up to our legislators to make these changes.

Chairman Klepper also stated that BCWA's year end is February 28 and the budget must be approved before then to meet the bond indentures. There will be a rate increase this year. This Board's obligation is to make this Water Authority work. It was decided not to go to PUC, the Board could be more reactive to what's going on in our towns. The Executive Director has much experience in the water industry and she is taking us where we want to go. Our infrastructure is crumbling, this is happening throughout the country. With BC WA's connection to Pawtucket BCWA we will have an alternate supply of high quality water. Along with the Scituate supply, BCWA will have will finally have a reliable, dependable water supply.

There being no further business, the hearing was adjourned at 8:05 pm.



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Kevin Fitta  
Secretary



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

**Thursday, December 20, 2012  
Mt. Hope High School, 199 Chestnut Street, Bristol, 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 Klepper at 8:05 pm, 450 Child Street, Warren Office, Warren, Rhode Island.

Executive Director Pamela Marchand and the following Directors were in attendance at the commencement of the meeting:

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

Directors Absent: John Jannitto, Frank Sylvania

1. Rate Hearing

Chairman Klepper stated that there will be another rate hearing on the proposed rate increase on 1/3/13 at the Warren Town Hall with a potential vote on 1/9/13. Seven Board members are needed to approve a rate increase.

2. RFPs:

Management Information System (MIS):

Executive Director P. Marchand stated 4 RFP's have been received for the financial and customer service program to date. Programs hosted on the "cloud" are being considered as the least expensive start-up option. At this time, 4 proposals on the Asset Management/Work Order RFP have been received.

Engineering Services — Dams — RFP:

The RFP has been advertised for the engineering study and design of upgrades and repairs to the Anawan & Swansea dams. This RFP will be due at the end of January.

Investment Services — RFP:

MIS & Accounting Manager M. Champagne stated the due date is 1/18/13; there has been a lot of interest in this RFP.

Audit — RFP:

M. Champagne stated that a pre-bid was held today, with 3 firms attending the meeting. This RFP is due 1/11/13.

Instrumentation RFP:

Executive Director M. Marchand stated that she received 2 proposers for the, recommendation to award will be at the next meeting.

3. RFP — Legal Services —

Director Allio stated that 5 candidates were interviewed for legal counsel and he believed that Cameron & Mittleman was the best qualified.

Director Palmieri commented that he was concerned that to reduce legal costs, Cameron & Mittleman would assign a less experienced associate to do more of the general counsel work. The Board interviewed other highly qualified attorneys that would be more experienced.

Director Allio made the following motion

**MOTION: To engage Cameron and Mittleman subject to dealing with the arrangement on the costs.**

Director Bishop seconded the motion.

Director Fitta stated that as it is common practice to periodically rotate professional services used in an organization, and the hourly rates proposed by Cameron & Mittleman are considerably higher than those of other firms that submitted proposals, that he will not support the motion.

Chairman Klepper stated that Ms. Mack was taking steps to lower costs; she has been utilizing Sally McDonald, an associate, as well as having the lowest overall cap on expenses.

Director Palmieri stated that Ms. Mack informed the Board that Ms. McDonald can practice in Massachusetts, but has been practicing law for only 3 years. He preferred other candidates that have been practicing in Massachusetts and RI for many years.

Chairman Klepper stated the interviewed group was narrowed to first and second choices. The existing attorney would phase through any on-going cases should another firm be selected. Legal counsel will serve at the pleasure of the Board and will hold their rates for one year. BCWA can change legal services if we become dissatisfied with counsel.

Director DeMelo stated that currently Ms. Mack is working on many important items. Would new legal counsel be up to speed?

Director Bishop stated that Ms. Mack has done a good job for BCWA. History is very important, when asked a question she can go back ten years with an answer right away.

Chairman Klepper stated that it was in the best interest of the Water Authority to retain Ms. Mack as counsel.

**Motion passed 5 - 2, Directors Fitta and Palmieri voted Nay.**

#### 4. Board Roles and Responsibilities:

Director Allio mentioned that a split vote was taken by the Board at the last meeting. The Board's responsibilities have been revised to reflect what the Directors do as a Board.

Director Allio made the following motions:

**MOTION: To adopt the following resolution -  
BCWA Board of Directors - Roles and Responsibilities**

- **Develop and support the organization's mission and purpose**

- **Approve the organization's strategy; monitor implementation**
- **Ensure adherence to standard business practices**
- **Secure adequate financial resources; provide financial oversight**
- **Select the Executive Director; evaluate Executive Director performance**
- **Enhance public image and standing in the community**
- **Ensure legal and ethical integrity**
- **Build the board's competence**

Director Bishop seconded the motion.

**Motion passed unanimously.**

#### 5. Strategic Plan Management-

Director Allio stated that the BCWA has a strategic plan and an implementation plan. He proposed that the Board review the plan quarterly, with the first review in February. The Board agreed.

#### 6. Customer Survey Project

Director Allio stated that the current project was not going to produce the information that was needed, therefore he recommends it be discontinued. He proposed that an email survey be initiated when the new computer system is installed.

Director Allio requested J. Granata create a report on customer satisfaction and complaints.

#### 7. BCWA Organization Chart, Position Descriptions, Salary Reviews

Director Allio stated job descriptions and a salary review process is necessary as a salary review has not been done for management for three years. Also, a performance appraisal must be done for the Executive Director. Item to be added to the February agenda.

Chairman Klepper stated that now union negotiations have been completed, P. Marchand should submit to the Board her recommendations for staff increases.

Director Allio stated that Organization Chart should be modified. And, as the Executive Director cannot function as both an engineer and her other duties, he supports hiring a project manager.

Chairman Klepper asked the Executive Director for a more detailed organizational chart.

#### 8. Water Utility Operator Positions

Executive Director P. Marchand asked the Board for permission to advertise 2 operator positions. Consensus of the Board was to advertise only one position as funded in the present budget.

Schedule of Meetings

Chairman Klepper — 1/3/13 Rate Hearing, at the Warren Town Hall, 6:00 pm 1/9/13, 5:15 pm, at the Authority  
1/23/13, 6:00 pm at the Authority

2/13, 5:15 pm, at the Authority  
2/27, 6:00 pm, at the Authority

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 9:35 pm.

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Kevin Fitta  
Secretary

Addendum

After the meeting, the clarity of the posting of the 5-2 vote affirming the retention of Cameron and Mittleman as general counsel was questioned, resulting in a decision to redo the vote at a subsequent meeting.

Addendum approved by the Board 4/10/13