

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

**Wednesday, May 8, 2013  
450 Child Street, Warren Office, Warren, RI**

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Pursuant to proper notice, the Board Meeting 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 Joseph Keough and the following Directors were in attendance at the commencement of the meeting:

Robert Allio, William Gosselin, Allan Klepper, Georgina Macdonald, Raymond Palmieri, Sr.

Directors Absent: Paul Bishop, John Jannitto, Frank Sylvia

**There was no public input.**

**1. Finance Committee Report**

Director Allio stated the Finance Committee had met last week.

1. Bond Counsel and Financial Advisor – BCWA has received cost estimates from the firm of Cameron & Mittleman as bond counsel and from First Southwest as Financial Advisor. The Finance Committee is recommending to continue the engagement of these two firms for our bonding services.

Director Palmieri made the following motion seconded by Director Allio

**MOTION: To approve recommendation of Executive Director and Finance Committee, First Southwest and Cameron & Mittleman, as BCWA's Finance Advisor and Bond Counsel. With the stipulation – in the future BCWA develop a structured process for bonding and issue an RFP for these services.**

**Motion passed unanimously.**

2. Washington Trust Line of Credit – BCWA has determined that the BCWA's loan can only be used for major capital expenditures. Executive Director Marchand stated that more issues have come up, and will be discussed later in the meeting.

3. Metrics – metrics will be reported monthly or quarterly. Financial information for 1<sup>st</sup> quarter will be reported in July.

Director Allio stated there is a need to benchmark our performance against budget and identify variances that occur. We must track performance and identify variances making this useful in comparing us to other utilities.

4. Operating Income/Net assets – measure of how effectively we are making use of the assets of the Authority. Operating Income/Dollar of Revenue – are we generating enough profit and how efficient is BCWA in delivering water.

5. Annual Report – Consensus of the Financial Committee – the Committee has concerns with the draft of the Annual Report, significant work is needed to improve the report’s quality. Key item is to improve public perception and the Finance Committee recommended the Executive Director engage a firm to assist with the report.

Executive Director P. Marchand stated a firm has been engaged and they are proceeding with the work.

Director Allio stated the quarterly review of the Strategic Plan has been postponed to the June meeting.

6. CAFR – financial reporting standards. Many utilities have received certificate of excellence for the quality of their financial reports. Finance Committee recommended to management to strive to achieve a certificate of excellence.

Finance Manager M. Champagne stated that we will work with auditors to set up the data requirements with our new financial package going forward. However, this type of certification calls for 10 years of financial data, which will be difficult to recover from the existing system. This will also change the scope of the audit, making it more in-depth..

Director Louison entered the meeting at 5:50 pm.

7. Cost and Expense Control – water rate increase for next year is to include the rate increase from Providence Water. We must take a closer look at cost reductions and efficiency improvements that are not in the current budget said Director Allio.

Finance Manager M. Champagne stated that Providence Water will be going before the PUC requesting a rate increase of 32%. Our purchased water from Providence Water amounts to \$2 million annually.

## **2. Director’s Fees – J. Keough**

Director Macdonald had asked to have her Director’s fee sent to Friends of the Bristol Animal Shelter.

Legal Counsel J. Keough stated he had spoken with Director Macdonald - she could accept her Board payment and make a donation to the Friends of the Bristol Animal Shelter or request the Board to approve a direct donation in lieu of the Directors payment.

Director Macdonald requested that the Board approve a policy that allows a Director to designate his or her Director’s fees payable to an identified charity.

M. Champagne stated that BCWA does have a policy that it does not make donations since it is a non-profit organization and it may be an issue with the auditors.

The Board requested that Mark discuss the issue with the auditors and put it back on the next meeting agenda for discussion.

## **3. Washington Trust Line of Credit – J. Keough**

Legal Counsel J. Keough – line of credit from Washington Trust for \$500,000 original use of funds was to be used for working capital. BCWA received a request to change the terms of the promissory note to capital costs only because of tax issues. Other changes included

changing the fees we have to pay. He spoke to an attorney working with Washington Trust – they will convert this to a taxable rate and we will be able to use the funds for whatever purpose we choose. The bank will redo the paperwork and absorb the all costs.

Executive Director P. Marchand stated a Resolution must be passed by the Board. Item to remain on the agenda.

**4. Financial Advisor and Bond Counsel – Finance Committee Recommendation**  
Board voted unanimously on this item.

**5. Compensation Committee**

Director Allio is recommending creating a Compensation Committee per Board agreement in December.

Motion made by Director Allio seconded by Director Macdonald

**MOTION: Establish a Compensation Committee; with Chairman appointing three Board members to serve on committee and Committee to move forward with tasks that are enumerated on –**

**Charter – BCWA Management Development and Compensation Committee**

**The Committee shall comprise three or more members of the board. The Committee shall meet quarterly and report its findings and decisions to the Board. The Committee’s responsibilities shall include the following:**

- 1. Establish annual goals for Executive Director.**
- 2. Evaluate Executive Director performance in light of these goals.**
- 3. Review and recommend compensation for all senior executives.**
- 4. Review and recommend management compensation programs and policies.**
- 5. Oversee the development of executive succession plans.**
- 6. Review executive education and development programs.**

Chairman Klepper stated that regarding compensation for senior executives: the Board had approved a package within the budget. The Executive Director did provide individual recommendations for review, which were not changed by the Board. The Charter stated that only the Executive Director works for the Board, not management.

J. Keough to review charter.

Chairman Klepper questioned if this committee would be evaluating the Executive Director. Director Allio stated that it would do the yearly evaluation and the Chairman could appoint himself to the committee. Committee would secure goals for the input of the board for the Executive Director; recommendation would be brought to the Board for approval.

**Motion passed unanimously.**

**6. Review of Open Meeting Regulations**

Director Allio asked for a recap of the open meetings law on how Directors communicate with one another.

J. Keough stated that the Board must be careful discussing Board business in a rolling meeting. If director wants information passed on to other Directors, information should be sent to C. Harper and she will distribute it to the Board.

Director Allio made the following motion seconded by Director Macdonald

**MOTION: Move to go into Executive Session pursuant to RIGL 42.46-5 (2) Union Negotiations and RIGL 42.46-5 (1) Personnel Matter.**

J. Keough stated that the person had been advised of their right for the meeting to be held in open session and that individual has requested it be held in Executive Session.

**Motion passed unanimously.**

Chairman Klepper stated that when Board returns from Executive Session it will immediately adjourn the meeting. No further business will be conducted.

The Board entered Executive Session at 6:35 pm.

The Board returned to open session at 7:35 pm.

Director Palmieri made the following motion seconded by Director Macdonald

**MOTION: To adjourn the meeting.**

**Motion passed unanimously.**

There being no further business, the meeting was adjourned at 7:35 pm.

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Allan Klepper  
Chairman