

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

**Wednesday, July 24, 2013
450 Child Street, Boardroom, Warren, RI**

Pursuant to proper notice, the Board Meeting of the Bristol County Water Authority was called to order by Chairman Klepper at 6:00 pm, 450 Child Street, Boardroom, 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, Paul Bishop, William Gosselin, John Jannitto, Allan Klepper, Bradford Louison, Georgina Macdonald, Raymond Palmieri, Sr., Frank Sylvia

Directors Absent: None

1. There was no public input.

2. Approval of Minutes

Director Jannitto made the following motion seconded by Director Bishop

MOTION: To approve the minutes of 6/26/13 Board meeting.

Motion passed unanimously.

Director Bishop made the following motion seconded by Director Gosselin

MOTION: To approve the minutes of the 6/26/13 Annual Meeting.

Director Palmieri made a correction to the minutes.

Motion passed unanimously with corrections.

3. Executive Director's Report

Executive Director P. Marchand stated that water consumption is still below last years' numbers. Regarding Water quality: a mixing system and air stripping are being installed in the Bay View Tank to remove trihalomethanes, most of the work is being done by staff. A kickoff meeting was held today with CUSI, for the computer program installation. BCWA has received the final construction permit for Poppasquash Road from the Department of Transportation. RFPs for General Engineering Services have been received.

4. Financial Report – M. Champagne

Manager of Finance M. Champagne stated that revenues and expenses are down. Salaries are down until all vacant positions are filled. Legal and professional fees are up; Director Palmieri requested a breakdown of these fees.

Budget adjustments, item to be added to September agenda.

5. Pension Amendment Regarding 457b

Legal Counsel J. Keough explained the current pension plan is a closed plan for both union and non-union employees. All employees hired after 2012 will be enrolled in plan 457b, a fixed contribution plan.

Director Sylvia made the following motion seconded by Director Macdonald

MOTION: The Directors of the Bristol County Water Authority hereby adopt the following resolutions:

**Resolution for the Board of Directors
Of the Bristol County Water Authority**

The Directors of the Bristol County Water Authority hereby consent to the adoption of the following resolutions via a quorum vote pursuant to a meeting of the Directors, effective as of the date written below:

RESOLVED: That the Amendment to the Pension Plan for Employees of The Bristol County Water Authority be and the same hereby is approved and adopted in the form attached hereto.

RESOLVED: That the amendment is in conformance with the current Collective Bargaining Agreement for union employees as approved by the Board of Directors of The Bristol County Water Authority.

RESOLVED: That by this Amendment, the Directors effectuate their desire that all employees of the Bristol County Water Authority hired after September 1, 2012 will participate only in the Bristol County Water Authority sponsored 457 Retirement Savings Plan rather than the Pension Plan for Employees of The Bristol County Water Authority.

RESOLVED FURTHER: That the Officers and/or Executive Director be and hereby are, authorized and directed to make any and all such action as they shall deem necessary or appropriate to effectuate the foregoing resolutions.

IN WITNESS WHEREOF, the Directors have executed this Consent this 24th day of July, 2013.

Motion passed unanimously.

Executive Director to sign AMENDMENT TO THE PENSION PLAN FOR THE EMPLOYEES OF THE BRISTOL COUNTY WATER AUTHORITY.

6. Presentation – Pension End of Year Report by Actuary Bob Bostian

Mr. Bostian explained changes to the accounting rules governing pension plans. BCWA contributions for 2012 were \$300,000 for a total of \$4,658,000. Mr. Bostian stated that this plan closed on September 2012 and was 89.28% funded, considerably higher than most pension funds in the state.

Director Sylvia asked that this item remain on the agenda to answer questions Directors may have.

7. Customer – Rumstick Road, Barrington, RI

Executive Director P. Marchand stated that this customer is appealing to the Board for a discount on her bill due to a leak. Chairman Klepper stated that the Executive Director had the authority to work with this customer according to Board policy.

8. Finance Committee Recommendation on Director Compensation Distribution

Chairman Klepper asked Board members if they wanted to be paid on a quarterly or yearly basis. Consensus of the Directors was to be paid on a quarterly basis.

9. Discussion of QualServe Report

Executive Director P. Marchand discussed the results of the AWWA national survey of water and wastewater systems. She stated that the BCWA fell within the median of most of the question results. Areas that were below the median are being addressed in the strategic plan. It was difficult obtaining some of the data requested by the survey, and several areas were estimated, but will be able to capture more information with the new computer system.

Discussion followed concerning low consumption and the number of employees/gallons delivered. Director Marchand stated that we were considerably below the average consumption, so our number of employees/gallons delivered was higher than average. But our number of employees/number of customers was average, and our water rates were also within the average.

Director Allio requested that this information be put on BCWA's website and have a news release issued.

10. General Engineering Services

Executive Director P. Marchand stated that there were 15 responses to this RFP that requested responses in various engineering classifications. Engineering firms proposed in whatever categories they felt they had expertise in. Firms are being selected based on qualifications in the area of expertise of the employees to be assigned, firm qualifications, ability to perform the work, and cost. Once awarded by the Board, the firm(s) awarded under the RFP will be asked to provide a project cost based on a specific itemized task and provide personnel and availability, as described in their proposal.

At this time, I am recommending to award to Pare Engineering and Wright-Pierce engineers as selected vendors, under the category "Engineering Services - Business Plans". The award is for three years.

The first Task to be requested is to upgrade our Water Supply System Management Plan and our Master Plan.

I am also recommending the award of "Engineering Services - GIS, Hydraulic Model, SCADA" to four firms: Pare Corporation, Woodard & Curran, Weston & Sampson Engineers, Inc., and Wright-Pierce for their levels of expertise in the above categories.

Director Jannitto made the following motions, seconded by Director Bishop

MOTION: To accept the recommendations of the Executive Director on General Engineering Services

Director Sylvia requested a detailed description of the work and costs.

Motion passed 7 – 2, Directors Allio and Macdonald voting nay.

Director Macdonald stated her reason for voting nay – 1- I do not vote on finances when the information is presented the night of the meeting, 2- this information is not sufficient to make a decision.

11. Director Payment Classification

Chairman Klepper stated that Directors are not employees, they should stay at 1099.

Finance Manager M. Champagne stated the IRS has informed him twice that BCWA would be liable for any misclassification of FICA and Medicare.

Director Macdonald made the following motion, seconded by Director Allio

MOTION: Effective January 1, 2014 change Director's status from a 1099 to W-2.

Motion passed unanimously.

12. Revisit Policy on Director Compensation Directed to Designated Charities

Legal Counsel J. Keough stated that BCWA does not make contributions, it is a quasi-public company. If a Board member declines payment then the money reverts back to BCWA.

Director Macdonald withdrew her request to have her stipend sent to a charity.

Director Sylvia made the following motion, seconded by Director Gosselin

MOTION: To eliminate Policy allowing Directors to donate their stipend to a charity.

Motion passed unanimously.

13. Billing Change Options

Executive Director P. Marchand informed the Board of different interest rates and fees charged by other utilities for delinquent accounts.

Director Sylvia requested this item remain on the agenda. Also, have the Executive

Director notify the Town Councils before any vote is taken.

Director Macdonald asked for higher fees if customer has bad credit.

Director Jannitto stated water cannot be denied, it's a public health issue.

Chairman Klepper requested staff provide recommendations for the August meeting.

14. CUSI Computer Program Installation

IT Specialist R. Manchester stated a contract was signed today with CUSI. Once the new system is in operation, the BCWA will run for 3 months using parallel systems.

15. Meeting with CDM-Smith on Interconnection Project to Pawtucket Water Supply Update

Chairman Klepper stated he attended a meeting at CDM-Smith with the Executive Director. Executive Director stated the study of running a pipeline from BCWA through East Providence and connecting to Pawtucket Water is now 90% complete.

Chairman Klepper stated that all three councils be invited here to see the final report by CDM, as this is critical to our future supply. East Providence is anxious to complete the project as they are concerned with the vulnerability of their current pipeline across the bay, which was installed in the early 1970's.

16. Management Development and Compensation Committee – a) Executive Director Compensation b) Engineering Project Manager

Committee will meet Wednesday, July 31 at 5:30.

17. Tri-Town Recommendations for BCWA Legislation

Legal Counsel J. Keough requested that discussion of changing the legislation to include the BCWA Secretary and Treasurer be on the agenda for next month, at which time he will also present the changes that were requested by the Tri-Town Committee.

Chairman Klepper stated that these two Board positions were inadvertently left out. BCWA must initiate legislation to make this change.

J. Keough stated that there will be two votes taken next month: 1. adopt the changes in the legislation and 2. Adopt the proposed changes to the BCWA By-laws.

18. Meeting Issues – Legal Counsel

Legal Counsel J. Keough reminded the Board that group emails should not be sent. Request for information should be directed to the Chairman or the Executive Director.

19. BCWA Strategic Plan Progress Report by Staff

Operations Manager K. Booth explained the progress with the Pawtucket and East Providence Connection Project. The Dam work is on schedule. We have been working with Swansea Water concerning a possible connection, waiting for flow availability information from Swansea.

Manager of Customer Service/Purchasing J. Granata explained improvements made to the customer service department, developing a complaint tracking and response system, and cross-training of employees.

Finance Manager M. Champagne explained that improvements to the managerial systems are ongoing. A new general ledger system is in the process of being developed to integrate with the new computer programs. BCWA's employee manual is in the final stages of completion.

Executive Director P. Marchand discussed how the goal of financial stability was accomplished with the strategic plan – with a professional rate study and resulting rate increase, and 20 year capital plan and 10 year financial plan for operations and capital expenses.

At this time, Providence Water's proposal for a rate increase has been reduced from 32.8% to 23.6% for wholesale customers as a result of data requests from the PUC, Kent County Water Authority and the BCWA. Data requests of Providence Water are continuing and testimony on the case will be due from the intervenors by August 23rd. I will be submitting testimony for the BCWA.

20. Water Main Upgrade Policy

Executive Director P. Marchand stated that a customer is requesting that BCWA repair a private service line. Private lines are not normally maintained by a water company, but the BCWA has no specific policy.

Item to be added to future agenda once staff has had time to review and recommend a policy.

21. Distribution Foreman – Job Description

Executive Director P. Marchand has provided Director Palmieri the information that he requested.

22. Water Utility Operator Position

Executive Director P. Marchand stated this is new position, to replace the water distribution operator position. We have negotiated the job description and salary range with the union.

Director Macdonald made the following motion seconded by Director Gosselin

MOTION: Move to go into Executive Session pursuant to RIGL 42.46-5 (2) Litigation - Anawan and RIGL 42.46-5 (2) Union Negotiations.

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

Motion passed unanimously.

The Board entered Executive Session at 9:20 pm.

The Board returned to open session at 9:30 pm.

Director Sylvia made the following motion seconded by Director Jannitto.

MOTION: To seal the Executive Session minutes and adjourn the meeting.

Motion passed unanimously.

There being no further business, the meeting was adjourned at 9:30 pm.

Allan C. Klepper
Chairman