

KENT COUNTY WATER AUTHORITY

SPECIAL BOARD MEETING MINUTES

August 2, 2006

The Board of Directors of the Kent County Water Authority held a special meeting in the Joseph D. Richard Board Room at the office of the Authority on August 2, 2006.

Vice Chairman/Acting Chairman Masterson opened the meeting at 3:30 P.M. Board Members, Mr. Gallucci, Mrs. Graham, Mr. Inman and Mr. Boyer were present together with the General Manager Timothy J. Brown, Arthur Williams, Finance Director, Legal Counsel, Joseph J. McGair and other interested parties.

The Chairman and the Board welcomed new Coventry Board Member Edward Inman to his first Board Meeting.

RFP Approval- Engineering Service Rehabilitation Quaker Lane Booster Pump Station

The General Manager stated the two (2) proposals for the Preliminary Engineering Design for the Quaker Lane Booster Pumping Station were submitted by James J. Geremia and Associates, Inc. and Civil & Environmental Engineering Partners, Inc. and both had met the requirements of the RFP, however, Geremia was \$79,907.00 and C & E Environmental Engineering was for \$26,475.00. The General Manager presented the Board with a written overview which is attached as "A". The General Manger recommended C & Environmental Engineering Partners, Inc. in the amount of \$26,475.00. Board Member Boyer stated that with the size of the discrepancy that he wanted to be assured that the proposers were fully aware of their responsibilities and the General Manager assured that they were. It was moved by Board Member Boyer and seconded by Board Member Graham to award the proposal to C & E Environmental Engineering Partners, Inc. in the amount of \$26,475.00 and it was unanimously,

VOTED: To award the proposal to C & E Environmental Engineering Partners, Inc. in the amount of \$26,475.00.

Bid Review – Storage Tank Painting (Action Requested)

Restoration Tech Park Spheroid as attached as "B" and the General Manager was concerned about the fall schedule in hurricane season with regard to this difficult painting. It was recommended by the General Manager to move forward in the spring to avoid the hurricane season this year and it was moved by Board Member Graham and

seconded by Board Member Gallucci to reject the bids in the best interest of Kent County Water Authority and re-bid in late Spring and it was unanimously,

VOTED: To reject the bids in the best interests of Kent County Water Authority and re-bid in late Spring.

Employee Handbook Revision Approval

The General Manager stated that this matter needs further review.

Payroll System Approval

A general discussion was held. The subcommittee had worked on the proposal. The Acting Chairman stated that a great deal of work had gone into this proposal and he felt that the General Manager should have discretion for the salary up to mid-management and the Board would see to the upper management. He stated that incentive programs should be offered to the workers for meritorious service, advanced education and training. The Chair stated that there are certain anomalies going back in years and many employees and he proposed to phase it in within three (3) years and to have step increases which are similar to other governmental units. Board Member Gallucci asked if this was with Board approval and the Chair stated no.

Board Member Graham stated that upper management is important for the Board but that the General Manager has the knowledge of the employees and would implement the steps.

Board Member Gallucci stated that it is his belief that it is better for the Board to set since the Kent County Water Authority statute mandates that the Board has the duty. However, he thinks that as a concept it is good as to be in conformity with other units.

The Chair stated that implementation and discretion should rest with the General Manager on a day to day basis and that the chart ("C") could be used. Board Member Graham stated that the monetary remuneration needs modernization and consistency and that the Board does not need to micromanage that. The Chair concurred with Board Member Graham.

Board Member Boyer was not concerned that the Board can not relinquish its authority over payroll as to Middle Management and up and obviously the Board will add to the scrutiny. The Chair stated that he could agree with Board Member Boyer's concept.

The General Manager stated that there are incentives for training and education and each step will advance that theory and would recommend payment as in Exhibit "C". He further stated that the self review provision by employees and management

would be helpful as well. He also stated that the Board can modify this approach if there is a need.

Board Member Gallucci stated that he has no problem with the process. The General Manager fully explained the Exhibit "C". Edward Inman questioned the step pay grade and the certification process. The General Manager stated the PUC in its last order intimated that a structured approach to salaries needed to be implemented. The General Manager reminded the Board that the budget must be held and that Exhibit "C" does hold the budget. The General Manager stated that the proposed grade pay will be stabilized as demonstrated on Exhibit "D".

Board Member Graham stated that incentives for hard workers is what is needed to stabilize the system and which can be applied in a uniform manner. The General Manager handed out the organization chart and went over the organization as Exhibit "E" and stated that the proposal is very good and he recommends the proposal.

Board Member Gallucci stated that all salary increases are not included in the structure and is in favor the same (Exhibit "C").

In answer to Board Member Inman's question, the General Manager stated that there would be implemented at \$13,000 on a three (3) year basis and if all is affected slightly more than \$4,000/year and is within budget.

It was moved by Board Member Gallucci and seconded by Board Member Boyer to move hourly payroll system approval of the chart on Exhibit "C" to be implemented this fiscal year at 3% which is within budget and it was unanimously,

VOTED: To move hourly payroll system approval of the chart on Exhibit "C" to be implemented this fiscal year at 3% which is within budget.

Board Member Boyer complimented the work of the employees and this sentiment was shared by the entire Board.

There was more discussion concerning the Middle Management and salaries. It was moved by Board Member Graham and Board Member Boyer that the six salaries of personnel which is within budget be approved in the Middle Management designation salaries, Chief Facilities, Chief of System, Senior Crew, Chief of Service Crew, Chief of Construction Equipment and the average pay within 3% which is within budget and it was unanimously,

VOTED: That the six salaries of personnel which is within budget be approved in the Middle Management designation salaries, Chief Facilities, Chief of System, Senior Crew, Chief of Service Crew, Chief of Construction Equipment and the average pay within 3% which is within budget.

Upper Management

The Board discussed Upper Management, i.e. the Finance Director and the Technical Services Director.

Board Member Boyer stated that there has been workload increase because of shortages in the management for the past year which put a strain on the group. Board Member Gallucci stated that the Director of Technical Services went above and beyond and should have been granted an additional salary because of workload. However, it was the sense of the Board not to pursue that proposal.

It was moved by Board Member Gallucci and seconded by Board Member Graham to increase the salaries of the Technical Service Director, Finance Director and System Engineer at 3% which is within budget and it was unanimously,

VOTED: To increase the salaries of the Technical Service Director, Finance Director and System Engineer at 3% which is within budget.

The Chair stated that the General Manager has done monumental tasks and is on the job at all hours of the day and that a 5% increase for the General Manger is warranted. Board Member Gallucci has voiced his concerns with dual responsibilities of the General Manager who continues his role in a positive direction.

Board Member Boyer stated that he has been all over the system recently and observed the Clinton Avenue project and he said that the General Manager was the basis for the improvements and was amazed at how there was no problem when he took a tour. Board Member Boyer stated that the General Manager had a lot to do with the success of the project and that the General Manager is worth his weight in gold.

Mr. Inman injected that this being his first meeting, he has not previously been involved with the Board and it is not a reflection on the Board but he does not have the baseline to compare as to the economic realities for the General Manager position.

Board Member Graham stated she agrees the General Manager is hardworking and excellent and takes many calls from Board Members and spends countless hours beyond what is expected.

It was moved by Board Member Graham and seconded by Board Member Boyer to increase the General Manager's salary by 5% and Board Members, Gallucci, Boyer, Graham and Masterson voted in the affirmative and Edward Inman voted in the negative and it was:

VOTED: To increase the General Manager's salary by 5%

Board Member Gallucci made a Motion to adjourn, seconded by Board Member Graham and it was unanimously,

VOTED: To adjourn the meeting at 5:00 p.m.

Secretary Pro Tempore

EXHIBIT A

August 2, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Quaker Lane Water Booster Pumping Station Proposals
Date: July 31, 2006

I have reviewed both proposals for the Quaker Lane Booster Pumping Station Preliminary Engineering Design. One was from James J. Geremia & Associates, Inc. (Geremia & Associates), and the other was from Civil & Environmental Engineering Partners (C & E Engineers). Both meet the requirements of the Request for Proposal and have answered all questions. Geremia & Associates was a not-to-exceed fee of \$79,907. C & E Engineers was a not-to-exceed fee of \$26,475. We have worked, certainly, with both firms in the past. C & E Engineers most likely have more understanding of the project since they have done the preliminary hydraulic model of that system and they have a hydraulic model of the total system. C & E Engineering have also just completed the design with construction being 98% complete on the Clinton Avenue Booster Station. Therefore, they are familiar with our system and the current design efforts that are ongoing. It is obvious that they would probably be more competitive than Geremia & Associates which has not done any booster stations for this Authority. I am unsure of the great discrepancy between the two except that Geremia & Associates is using more consultants than C & E Engineering; in particular, their hydraulic analysis portion. I am concerned with the 25 week schedule but it is similar to the 24 week schedule of Geremia & Associates. It would be my recommendation that the Board award this to C & E Engineering with the ability to negotiate the completion date of the work proposed.

A

EXHIBIT B

August 2, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Storage Tank Painting, Bid Opening July 27, 2006
Date: July 31, 2006

A single bid was received for the Storage Tank Painting. During the bidding process, one potential bidder had requested the bid be extended to the Spring of 2007 due to the hurricane season and damage to the shroud that is necessary. After the bid opening, a second potential bidder called and indicated the same item that they were concerned about Fall painting and the potential of the shroud and hurricanes. This could be the reason for the not-to-exceed price of the single bidder, Amstar of Western New York, Inc., of \$1,470,000. This is well above what was expected and the funds are lacking for the magnitude of this bid. I, therefore, recommend that we reject all bids and prepare a bid for the Spring painting season avoiding the potential of the hurricane season and the uncertainty that the potential bidder's have indicated.

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EXHIBIT C

August 2, 2006

LABORER/CUSTOMER SERVICE

CHART 1.5/1.75

	FULL CERT	MIN EXP	1	2	4	6	8	10	12	14	16	18	20	22	24	26	28	30	32	34	36	%	
6	3 2	14							10% ^{a)}	\$22.69	\$23.09	\$23.49	\$23.91	\$24.32	\$24.75	\$25.18	\$25.62	\$26.07	\$26.53	\$26.99	\$27.47	1.75%	
5	2 2	10					10% ^{a)}	\$20.63	\$20.99	\$21.36	\$21.73	\$22.11	\$22.50	\$22.89	\$23.29	\$23.70	CAP					1.75%	
4	2 1	6			10% ^{a)}	\$18.76	\$19.04	\$19.32	\$19.61	\$19.91	\$20.20	\$20.51	\$20.82	\$21.13	\$21.44	CAP							1.5%
3	1 1	2	10% ^{a)}	\$17.05	\$17.31	\$17.57	\$17.83	\$18.10	\$18.37	\$18.64	\$18.92	\$19.21	\$19.49	\$19.79	CAP								1.5%
2	1 1	1-2	\$15.50																				
1		0-1	\$14.50																				

1) BASE RATE IN EACH BLOCK FOR TWO YEAR PERIOD. INCREASES ANNUALLY BASED ON ANNUAL RAISE PERCENTAGE. TWO YEAR BLOCK INCLUDES 1.5% EXPERIENCE/LONGEVITY INCREASE OR 1.75%

2) PAY GRADE EXPERIENCE FACTOR TIPS OUT AT A PREDETERMINED POINT IN EACH PAY GRADE. PERCENTAGE FOR EXPERIENCE/LONGEVITY ENDS AT THAT POINT, BUT ANNUAL INCREASES CONTINUE. EMPLOYEE MUST ADVANCE TO NEXT PAY GRADE TO AGAIN RECEIVE LONGEVITY RAISE.

3) NEW HIRE PAY INCREASES AT ONE YEAR ANNIVERSARY BASED ON PERFORMANCE AND ATTAINING CERTIFICATION (CUSTOMER SERVICE EXCLUDED).

4) ADVANCEMENT TO NEXT HIGHER PAY GRADE BASED ON MEETING LICENSING QUALIFICATIONS, TIME IN GRADE AND PERFORMANCE EVALUATION FACTOR. FULL CERTIFICATION REQUIRED.

5) ADDITIONAL RESPONSIBILITY CAN BE EVALUATED TO SUPERCEED THE MINIMUM EXPERIENCE LIMITATIONS.

"C"

EXHIBIT D

August 2, 2006

LEVEL/YRS.	GRADE LEVEL RATE	EXISTING	PROPOSED GRADE**	GRADE LEVEL RATE	DIFFERENCE
1/1	\$14.50	\$14.00		\$14.50	\$0.50
3/4	\$17.31	\$21.00	5	\$20.63	-\$0.37
3/3	\$17.05	\$17.25		\$17.05	-\$0.20
3/4	\$17.31	\$20.48		\$17.31	-\$3.17
3/3	\$17.05	\$17.00	4	\$18.76	\$1.76
4/6	\$18.76	\$21.09		\$18.76	-\$2.33
4/10	\$19.32	\$20.48		\$19.32	-\$1.16
3/28	\$19.79 CAP	\$20.88	4	\$21.44	\$0.56
3/3	\$17.05	\$19.00	4	\$18.76	-\$0.24
5/10	\$20.63	\$21.22	5	\$20.63	-\$0.59
3/4	\$17.31	\$20.48		\$17.31	-\$3.17
5/8	\$20.63	\$21.88	6	\$22.69	\$0.81
4/10	\$19.32	\$21.63	5	\$20.63	-\$1.00
4/7	\$18.76	\$20.89	5	\$20.63	-\$0.26
5/13	\$20.99	\$21.63		\$20.99	-\$0.64
4/8	\$19.04	\$20.67		\$19.04	-\$1.63
4/13	\$19.61	\$20.69		\$19.61	-\$1.08
5/18	\$22.11	\$22.10		\$22.11	\$0.01
4/19	\$20.51	\$20.86		\$20.51	-\$0.35
1/1	\$14.50	\$14.42	2	\$15.50	\$1.08
5/42	\$23.70 CAP	\$20.26		\$23.70	\$3.44
5/31	\$23.70 CAP	\$20.50		\$23.70	\$3.20
2/2	\$15.50	\$14.42		\$15.50	\$1.08
1/1	\$14.50	\$14.50		\$14.50	\$0.00

**ENTRY LEVEL IF GRADE YEARS NOT MET

11D