

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

May 19, 2011

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on May 19, 2011.

Chairman, Robert B. Boyer opened the meeting at 3:37 p.m. Board Members, Mr. Gallucci, Mr. Masterson and Mr. Giorgio were present together with the General Manager, Timothy J. Brown, Technical Service Director, John R. Duchesneau and Legal Counsel, Joseph J. McGair and other interested parties. Legal Counsel led the group in the pledge of allegiance.

The minutes of the Board meeting of April 21, 2011 were moved for approval by Board Member Giorgio and seconded by Board Member Gallucci and were unanimously approved.

### **Guests:**

#### **The Oaks, Robert DeBlois, Developer, Attorney Sanford Resnick**

The Chairman stated that there was concern with the project in that there was a dead ended water line. The General Manager stated that obviously funds would be needed for flushing and cleaning because it has been recommended that looping is necessary and that some mechanism would insure funds for flushing etc. and to ultimately construct the line loop. The General Manager stated that he had met with the Developer but did not hear back from the Developer until current plans were shown at this meeting. The General Manager stated that an escrow/indemnity/personal guarantee would be necessary and that the staffs work together with Developer and Legal Counsel.

#### **Starkweather & Sheply, Medical Renewal**

Kent County Water Authority Independent Insurance Consultant Gary J. Primavera, AAI and Arm VP and Kimberly A. Muldoon APR, CLT Account Executive gave the presentation. Ms. Muldoon handed out the presentation of the various options for medical/dental employee benefits which is evidenced and attached as "A". She explained that Blue Cross products are labeled Vantage Blue and policies can be executed on a calendar year basis and, of course, Blue Cross details have been redrafted including deductibles.

She stated that the results of their independent due diligence comparisons showed Tufts (20% increase), United (9% increase) and continued issues with the 15 Kent County Water Authority retirees which would result in different plans and the mix would be very problematic and staff time consuming. She stated that it is the Census which drives the rate and under 50 employees census does not help the premium and it is age weighted and the co-pays will obviously be increased.

She stated for example, that one increase is 3.1 and status on prescription will bring to it 4.5. She went on to say that the selection of Blue Cross would allow Kent County Water Authority to keep plan 65 which would increase to approximately 12% for anything else comparable. Ms. Muldoon compared the others and the recommendation was the Blue Cross at the 8.8% increase and Delta Dental at 3.3% increase for equivalent plans and three year multi-year lock-in and based upon all of the comparisons. She stated that the Life Term Insurance will stay the same. There was a thorough discussion by the Board and it was the sense of the Board with the recommendation of Ms. Muldoon that the Blue Cross/Blue Shield Vantage and the plan 100 Blue and Delta Dental with three years lock in be approved.

It was moved by Board Member Gallucci and seconded by Board Member Masterson that the recommendation of Starkweather and Shepley, independent insurance experts to approve the Blue Cross Vantage; plan 100 Blue and Delta Dental (three year lock in) as outlined in and evidenced by "A" attached and it was unanimously,

VOTED: To approve the Blue Cross Vantage; plan 100 Blue and Delta Dental (three year lock in) as outlined in and evidenced by "A" attached.

## **LEGAL MATTERS**

### **G-Tech**

The hearing date was held on April 27, 2009 and the DPUC issued a Division Order on May 20, 2009 which states that the Complaint filed by GTECH Corporation on July 22, 2008 against Kent County Water Authority is hereby denied and dismissed. The deadline for GTECH to file an appeal is June 20, 2009. GTECH filed an appeal on June 19, 2009 in the Providence County Superior Court to the Decision of the Division of Public Utilities and Carriers of May 20, 2009 which ruled in favor of Kent County Water Authority. Kent County Water Authority answered the complaint on June 29, 2009 and Legal Counsel will engage in that portion of this continuing litigation. The parties have filed a consent order with the Court for the schedule of the briefs. GTECH brief was received on October 2, 2009 and Kent County Water Authority brief is due November 16, 2009. Kent County Water Authority filed their brief on November 16, 2009. GTECH did not file a reply brief and it is now up for order by the Court. Legal Counsel filed a Motion to Assign to a Judge and the assignment motion was scheduled for February 25, 2010 and was ordered on even date. The matter has been assigned to Judge Vogel, but no hearing date has been set. Legal Counsel requested that the

Clerk of the Court schedule a hearing to conclude this matter and a conference with Judge Vogel was held on August 24, 2010 who stated that the Court will be rendering a decision and will give the parties notice. On November 18, 2010 Legal Counsel received the Decision from Judge Vogel which found that Kent County Water Authority Rules and Regulations precluding master metering for separately owned parcels of realty was correct and the decision of the Public Utilities Commission affirming the Kent County Water Authority Rules and Regulations was upheld. The deadline for GTECH to appeal this decision was December 20, 2010. GTECH did not file an appeal. The General Manager and Legal Counsel met with GTECH representative on January 24, 2011 and the matter will be resolved in the spring with full compliance to the Rules and Regulations. The staff met on April 20, 2011 and it is moving in the right direction and resolution is on-going and plans came in yesterday.

### Harris Mills

The company has gone into receivership. Kent County Water Authority is owed \$3,676.58. Legal Counsel will monitor for proof of claim filing. A permanent receiver was appointed. A proof of claim prepared and forwarded to the General Manager for signature on September 17, 2008 and will be filed in the Kent County Superior Court and sent to the receiver. Proof of Claim was filed and sent to Received on September 19, 2008. The proof of claim deadline was December 1, 2008. Legal counsel will continue to monitor for payment on claim. As of May 12, 2009, there has been no change in status. Petition to sell was filed by Receiver in Kent County Superior Court on June 5, 2009. Offer to property made which will allow for partial payment of claims. Legal Counsel will monitor progress of sale.

There has been no further progress regarding the sale of the Harris Mill complex in the receivership matter. Legal Counsel to contact the Receiver for a status report. New offers to purchase have come in which could allow Kent County Water Authority claim in this matter to be paid out of the receivership proceeds. As of September 14, 2009 the previous offer did not materialize. A new offer is being pursued. Legal Counsel will continue to monitor the progress of the sale. The receivership case is in the Supreme Court. On October 1, 2010 the Court approved the sale of the property and the allowed disbursements including payment of Kent County Water Authority bill. This office will continue to monitor payment. On May 13, 2011 Legal Counsel sent a letter to Counsel for potential buyer inquiring as to the status of the sale.

### Hope Mill Village Associates

The company is in receivership. Kent County Water Authority is owed \$1,632.44. Legal Counsel to prepare and file Proof of Claim. Proof of Claim was prepared and was forwarded to the General Manager for signatures. Proof of Claim was filed in Kent County Superior Court and was sent to the receiver on August 28, 2008 and as of this date this case is still pending. Hope Mill filed Chapter 11 Bankruptcy on August 20, 2008. Kent County Water Authority was not listed as a creditor. The proof of claim was prepared and signed by the General Manager on November 14, 2008 and was filed with the Bankruptcy Court on November 18, 2008, The proof of claim filing

deadline was the end of November, 2008. Pursuant to the plan of reorganization filed by Debtor on November 22, 2008, Kent County Water Authority will be paid in full upon confirmation of the plan by the Bankruptcy Court and Legal Counsel will continue to monitor. As of February 17, 2009 the Court has not scheduled a hearing for confirmation of plan. Debtor will be filing an Amended Plan in March 2009. Legal Counsel will continue to monitor. As of July 16, 2009 the Debtor has not filed an Amended Plan.

The Bankruptcy Court hearing was to be held on August 19, 2009 regarding a motion filed by Hope Mill to convert Chapter 11 to Chapter 7. Legal counsel will monitor the hearing and how the disposition of the hearing will affect the claim of Kent County Water Authority. The hearing was held on December 17, 2009. Assets purchased pursuant to Asset Purchase Agreement. Kent County Water Authority charges to be paid pursuant to Asset Purchase Agreement. Legal Counsel will follow up regarding timetable of payment to Kent County Water Authority. Legal Counsel spoke with Attorney DeAngelis on February 17, 2010 for status on payment to Kent County Water Authority.

Legal Counsel spoke with Attorney DeAngelis on May 13, 2010 and Mr. DeAngelis stated that a final closing has yet to be scheduled, but should be scheduled in the near future. There has been no progress on scheduling a closing as of May 13, 2011.

#### West Greenwich Technology Tank/Rockwood

This matter may be in litigation in that Rockwood Corporation had failed to take any steps and continually denied Kent County Water Authority efforts to take any steps in the painting issues inside of the tank and on February 16, 2009 their surety, Lincoln General Insurance Company, denied the claim as well. The matter was reviewed between the General Manager and Legal Counsel. Rockwood sent a proposal to Legal Counsel on March 31, 2009 and the General Manager weighed the same and a response was sent to Rockwood on April 24, 2009. On May 2, 2009 Rockwood sent another proposal and the General Manager responded to the same on May 8, 2009 requesting a written remedial plan proposal within ten days. On May 8, 2009 Rockwood responded by asking the General Manager to reconsider his position. On May 12, 2009 the General Manager sent correspondence to Rockwood stating the Authority will await Rockwood comments to KCWA letter of May 8, 2009. On May 13, 2009 Rockwood provided an additional response to the KCWA letter of May 8, 2009 with questions. On May 13, 2009 the General Manager sent correspondence agreeing to provide Rockwood with more time to complete a plan of remediation for an additional 10 days. On May 14, 2009, Rockwood sent a response and the General Manager, Merithew and Rockwood to have an informal meeting to work out details. The meeting took place and the Authority is monitoring the efforts of Rockwood to remedy the situation. The tank was recently dry inspected and the vendor remediated the same. Kent County Water Authority is awaiting final inspection of the tank with respect to the remediation. Rockwood has performed work at the site and it is necessary to have a

final inspection after the tank has been filled. The tank has been filled and inspection is moving forward. This has been concluded. However, inspection followed which disclosed that there were more paint issues. On July 22, 2010, Legal Counsel notified the Bonding Company regarding action to correct. This will be further discussed by the General Manager in IFR projects. This matter is being discussed which may include litigation and KCWA is awaiting final restoration plans from the vendor. On March 16, 2011 and March 17, 2011, the General Manager received email communications from Rockwood requesting KCWA response to Rockwood performing its February 18<sup>th</sup> proposal on March 21, 2011. Further, the email stated that Mr. Northrop is no longer with Lincoln and provided an alternate contact for forwarding of the claim of KCWA.

On March 29, 2011 Legal Counsel sent correspondence to Mr. Northrop's successor, Paul Poppish pursuant to Mr. Law of Rockwood. After receiving no reply, Legal Counsel sent a follow up letter to Mr. Poppish on April 13, 2011. On May 16, 2011, Legal Counsel called Lincoln General and Mr. Poppish is no longer with the company and was directed to Mr. Bob Griffith and Legal Counsel spoke with him and was asked to send the correspondence to him which was accomplished on even date. Legal Counsel will await the Griffith response.

#### Comptroller of the Currency

On October 16, 2008, Kent County Water Authority resolved to change the Trustee from US Bank to Bank of NY Mellon regarding 2001/2002/2004 bond issue trust administration to be effective January 23, 2009. That on October 17, 2008, Kent County Water Authority timely notified US Bank concerning the transfer of trusteeship. On approximately January 20, 2009, the US Bank announced that it would require \$6,650.00 as transfer fees to accomplish ownership to the Bank of NY Mellon. Additionally, the US Bank kept \$1,667.67 of fees that were previously unused. That in order for the closing and transfer to take place, Kent County Water Authority on January 22, 2009 paid the sum of \$6,650.00 under protest and stated its displeasure with the US Bank and thereby stating that it would not jeopardize its bondholders and therefore paid the same and also sent a copy to the Controller of the Currency. On March 4, 2009 the Controller of the Currency stated that the US Bank would be replying directly to Kent County Water Authority. On March 11, 2009 Kent County Water Authority received a response from US Bank which was totally unsatisfactory. On March 31, 2009, Kent County Water Authority notified the Controller of the Currency concerning the unsatisfactory response of US Bank dated March 11, 2009 and reiterated its position. On June 30, 2009 US Bank sent a check in the amount of \$1,666.67 and it was received by Legal Counsel on July 6, 2009, saying that the same was a bookkeeping error as exhibited on the check. That on July 7, 2009 Kent County Water Authority sent a letter to US Bank with a copy to the Controller of the Currency that the amount for advance services paid was acknowledged and that Kent County Water Authority has not acknowledged its exception to extracting at the 11<sup>th</sup> hour ransom of \$6,650.00 on January 12, 2009 and it will continued pursuit of its claim with the Controller of the Currency. A follow up letter was sent to the Controller of the Currency on August 21, 2009 and will await a response. A follow up letter was sent on

December 17, 2009. The General Manager received a response from the Comptroller of the Currency on January 8, 2010 and on January 11, 2010, Legal Counsel received a response letter from the Comptroller of the Currency which deemed that the complaint is still active. Legal Counsel has been monitoring the status via the website provided by the Comptroller and there is no updated status as of May 20, 2010 and Legal Counsel sent follow up letters on May 20, 2010, September 15, 2010, October 8, 2010 and November 17, 2010. In response to follow-up letters, status of claim via website has been changed to "Review in Process". Legal Counsel sent another follow up letter on February 16, 2011. Still awaiting reply which for this agency is glacial.

#### Spectrum Properties, The Oaks, Coventry, Rhode Island

Legal Counsel for the developer forwarded on July 13, 2009 to Kent County Water Authority Legal Counsel for comment on the proposed form of easement deeds with respect to the residential subdivision. On July 29, 2009, Legal Counsel for Kent County Water Authority sent a response to Attorney William Landry setting forth comments to the proposed form of deeds. Legal Counsel received revised deeds from Attorney Landry on September 10, 2009 and they have been forwarded to the General Manager for review and have been approved by the General Manager. On September 24, 2009, Legal Counsel forwarded to Attorney Landry correspondence stating that the form of easement deed has been approved by Kent County Water Authority and for Attorney Landry to forward the original executed deeds to Kent County Water Authority for execution of acceptance. Legal Counsel has not received the deeds to date therefore Legal Counsel forwarded status inquiry correspondence to Attorney Landry on November 18, 2009. Attorney Landry replied to Legal Counsel on November 23, 2009 stating that the developer is in the midst of scheduling a final approval hearing with the Town and Attorney Landry will provide Legal Counsel for KCWA with the anticipated timetable for final approval and recording of the deeds upon Mr. Landry's receipt of this information.

Legal Counsel pursuing Attorney Landry for status of his receipt of timetable for municipal approvals. Legal Counsel telephoned Attorney Landry and left a voicemail message as to status and subsequently forwarded correspondence to Attorney Landry on March 11, 2010. On May 11, 2010, Legal Counsel forwarded subsequent correspondence to Attorney Landry inquiring as to the status of the matter. The Developer contacted Legal Counsel directly and informed her that final approvals have not been received. Sanford J. Resnick, Esq. forwarded correspondence on September 17, 2010 to the Chairman informing of his representation of the developer and a request to appear before the Board to discuss inspection fees. Mr. Resnick appeared at the May 19, 2011 Board Meeting. See infra.

#### 257A Mishnock Road, West Greenwich, RI

Legal Counsel was contracted by Thomas Goldberg, Esq., Attorney for Wendy Lasalle, current owner of property formerly owned by her late father, Robert Broadhurst.

The subject property was occupied by Mr. Broadhurst for over 40 years and is landlocked. Ms. Lasalle is now desirous of selling the real estate and Anthony Q. Cofone, Esq., represents the prospective buyer and is requesting an ingress/egress easement from Kent County Water Authority over its Mishnock land. There is an existing, unimproved roadway formerly utilized by Mr. Broadhurst for access to the property. Attorney Cofone provided Legal Counsel with some recorded maps showing access to the site and Legal Counsel met with Mr. Cofone on June 16, 2010 to review title as Mr. Cofone claims pre-existing rights of way/access. Legal Counsel requested Mr. Cofone memorialize in writing the claim for pre-existing access rights for presentment to the Board. On July 19, 2010, Legal Counsel received correspondence from Attorney Coffone setting forth the title issue and request for easement. On July 29, 2010, Kent County Water Authority informed Attorney Coffone via writing that the prescriptive easement rights set forth in his July 16, 2010 correspondence obviates the need for Kent County Water Authority to provide easement rights to the owner with respect to the wellhead protection land of Kent County Water Authority.

As of May 10, 2011 no response has been received from Attorney Coffone.

DPUC: Mai Tai Investments Docket No.: D10-111

Mai Tai Investments of Coventry filed a complaint against Kent County Water Authority because of a billing dispute. The matter is new and Kent County Water Authority has responded with a data request and a hearing will be held thereafter. On September 23, 2010, Mr. Iacono requested an extension of 30 days to respond or object to KCWA data requests in order to seek counsel. This matter is on hold until Mr. Iacono retains counsel. On November 29, 2010 Legal Counsel for KCWA filed a Motion to Dismiss regarding no response. On December 7, 2010 Legal Counsel received an Objection to the Motion to Dismiss and Request for Additional Extension of Time to Respond to Data Requests which was filed by Mr. Iacono. On December 14, 2010 Legal Counsel filed an Objection and Motion to Strike in response to Mr. Iacono's Objection and Motion to Dismiss. Legal Counsel received an entry of appearance from Pavilonis, Esq. on which may be determinative of the motions.

Mai Tai Investments forwarded to Legal Counsel response to the first set of data requests. On January 18, 2011 Legal Counsel sent out a Motion to Compel More Responsive Answers and a Motion to Dismiss regarding inadequate responses. This matter was scheduled before the DPUC on February 9, 2011 and discovery was ordered by the Hearing Officer to be completed by February 15, 2011 and a hearing was held on March 9, 2011 and briefs will be filed with a decision to be expected at the end of May or early June of 2011. On April 12, 2011 Legal Counsel received the Complainant's brief and Kent County Water Authority brief was filed on April 26, 2011. The Complainant's response to Kent County Water Brief was due on May 6, 2011 in that they did not ask the Hearing Officer for any additional time and the Decision is being written by the Hearing Officer.

## Natgun

Counsel for Natgun corporation was to present another proposal for Kent County Water Authority to review and none has been received by Legal Counsel to date albeit the attorney for Natgun had asked Legal Counsel for time to provide a document in lieu of a release. The matter stands as Kent County Water Authority is aware that Natgun is litigating with Parkside which refuses to provide a release. Kent County Water Authority is protected due to the hold back on the contract.

### **Director of Finance Report:**

No reports this month due to the illness of the Director.

### **Point of Personal Privilege and Communications:**

The Chairman stated that the Kent County Consumer Confidence Water Quality was excellent and very well done and informational.

### **GENERAL MANAGER/CHIEF ENGINEER'S REPORT**

#### **Old Business**

#### **New Business:**

Re: Leaks – MAI-TAI – Licciardi Billings – Discussion Action

#### Licciardi

The Chairman stated that he contacted the DPUC regarding the informal decision against Licciardi in the amount of \$912.85 and after speaking with the DPUC stated that a case by case is the proper way to approach it for settlement. The General Manager stated that the Licciardi Complaint was filed with the DPUC to dispute the water bill and an informal hearing was held by Diana Moniz, DPUC Chief Consumer Agent/ Hearing Officer and a decision was rendered on February 9, 2011 stating that the bill was correct and that Licciardis were to pay \$112.98 per month beginning February 23, 2011 until the amount was exhausted and that Licciardis did not appeal the same within ten days. Legal Counsel's opined that the matter became final thereafter. It was the sense of the Board that Legal Counsel should contact the Chief Consumer Agent/Hearing Officer, Diana Moniz to determine if there are any further remedies available to Licciardi as the Board has deep sympathy with all of its customers, some of whom are fixed incomes and are having trouble getting by. Legal Counsel will report back to the Board at the next Board Meeting.

Mai Tai

The Chairman stated that he has reviewed the same with the DPUC and that Legal Counsel should attempt to discuss this matter with an eye towards a compromise and report back to the Board concerning the same at the next Board meeting.

Board Member Giorgio left the meeting at 4:55 p.m.

Revisit Retroactive 2 Year Probation Payment Action

The Chairman stated that this has been an ongoing matter and the Laborer/Customer Service Chart 1.5/1.75 was presented and attached as “G” to the April 21, 2011 action by the Board to approve the minor amendment to the Laborer/Customer Service Chart as presented and evidenced as “G”.

The Chairman stated that the matter first came to his attention in the fall of 2010 and that it was first placed on the Agenda for November 18, 2010 meeting under the heading, Staff Adjustment (Proposed Organization Chart) and that the matter was further studied and that action was taken at the April 21, 2011 meeting and that it was the recommendation of the Chairman and the sense of the Board that the action taken on April 21, 2011 would relate back to November 18, 2010 and it was moved by Board Member Masterson who was on the prevailing side at the April 21, 2001 action and seconded by Board Member Gallucci who, also, was on the prevailing side, that the action taken on April 21, 2011 be reconsidered and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: The action taken on April 21, 2011 be reconsidered.

A thorough discussion ensued and as both Board Members (Masterson and Gallucci) had been on the prevailing side of the April 21, 2011 meeting, it was moved by Board Member Masterson and seconded by Board Member Gallucci to amend the action as passed on April 21, 2011 the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by “G” (April 21, 2011) in that the said action shall relate back and be effective as of November 18, 2010 and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: The amendment to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by “G” (April 21, 2011) shall relate back and be effective as of November 18, 2010.

It was then moved by the Board Member Masterson and seconded by Board Member Gallucci to approve the main motion as amended to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by "G" (April 21, 2011) and that the said action shall relate back and be effective as of November 18, 2010 and it was unanimously voted by the remaining Board Members,

VOTED: To approve the main motion as amended to the Laborer/Customer Service Chart 1.5/1.75 as presented and evidenced by "G" (April 21, 2011) and that the said action shall relate back and be effective as of November 18, 2010

RFQ Consultant Regarding Reorganization Action

The Chairman said the Value ADD Management Services management study was done in 1997 and he provided a copy and was received by the Board but he felt that review would be helpful. The Chairman stated that he has met with State Officials regarding future water and he concluded the work load on the General Manager will increase with more responsibility. He stated that the Board should consider an employee to be trained to succeed the General Manager when and if he retires. This matter is to be placed on the Agenda for the June meeting for further discussion.

IFR 2009B Construction Services – Fee Update Approval

The General Manager recommended the approval of Task Order No. 6 which will be attached to the agreement between Kent County Water Authority and James J. Geremia & Associates, Inc. dated Jul 1, 2008 for 2009A/2009B infrastructure improvement project as evidenced and attached as "B". The General Manager stated that this reflects the rate increase through the completion of the project as allowed in the basic agreement. The rates are as follows:

Principal	\$127.00
Project Manager	\$101.00
Engineer	\$ 75.00
CADD Technician	\$ 55.00
Clerical	\$ 60.00
Resident Inspector	\$ 55.00

Mileage during construction \$0.50/mile

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve Task Order No. 6 and to have the Chairman execute Task Order No. 6 on behalf of Kent County Water Authority as evidenced and attached as "B" and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To approve Task Order No. 6 and to authorize the Chairman to execute Task Order No. 6 on behalf of Kent County Water Authority as evidenced and attached as “**B**”.

RIDOT C & M Agreement, Route 3/Sandy Bottom, For Approval

It was moved by Board Member Masterson and seconded by Board Member Gallucci to authorize the General Manager to execute the RIDOT C & M Agreement on behalf of Kent County Water Authority and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To authorize the General Manager to execute the RIDOT C & M Agreement on behalf of the Kent County Water Authority.

Pension Changes to Contract, Investments and Plan, Approval

The General Manager stated that the investment plan has been in place since 2003 and that the recommendations of Summit Financial have been sound and that the modifications recommended by Summit at the April, 2011 meeting and that further, Nationwide is now offering reduced fees because of new laws passed in the wake of the bail outs and asset allocation and it was recommended by Summit Financial to approve the new plan as evidenced and attached as “**C**” and it was moved by Board Member Gallucci and seconded by Board Member Masterson to approve the new plan as evidenced and attached as “**C**” and it was unanimously voted by the remaining Board Members (Chairman, Giorgio, Gallucci, Masterson)

VOTED: To approve the new plan as evidenced and attached as “**C**”.

Budget Discussion

The General Manager stated that due to personal illness of the Director that the Budget will be similar to the previous fiscal year. The PUC said increases were implemented for the operating reserve account and conversely the operating reserve has reduced lost revenue. The General Manager stated that he may have to ask the PUC for a request in this area. He also stated that the step in increases are automatic via Board policy which the General Manager again explained. A thorough discussion ensued.

**CAPITAL PROJECTS:**  
**INFRASTRUCTURE PROJECTS**

All Capital Projects and Infrastructure Projects were addressed by the General Manager and described to the Board by the General Manager with general discussion following and are evidenced and attached as “**D**”.

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

VOTED: To adjourn the meeting at 6:00 p.m.

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Secretary Pro Tempore