

DRAFT

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

April 15, 2013

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, April 15, 2013, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch. Absent were: Anthony F. Miccolis, Jr., Kas R. DeCarvalho, and William J. Parsons. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:00 p.m. by Vice Chairman John G. Laramee.

2. APPROVAL OF MINUTES:

A. Upon motion duly made by Ms. Jackson and seconded by Mr. Rugh, the Board:

VOTED: To approve the Public Session minutes of the March 18, 2013 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

B. Upon motion duly made by Ms. Dolan and seconded by Ms. Jackson, the Board:

VOTED: To approve the Executive Session minutes of the March 18, 2013 meeting, as presented.

Voting in favor were: Guy Asadorian, Jr., Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the staff report with the Board (Tab 3).

4. COMMITTEE REPORTS:

Ms. Jackson reported on the Audit Finance Committee meeting held on April 12, 2013. The Audit Finance Committee reviewed the water and wastewater rates proposal and voted to recommend the water and wastewater rates schedule as proposed.

Jim Berson joined the meeting at 5:10 p.m.

5. APPROVALS:

A. Approval of Lease Option/Lease Agreement with NEO Energy, LLC:

Mr. King briefly outlined the lease option/lease agreement (Exhibit A) with NEO Energy, LLC and introduced Robert Nicholson; president of NEO Energy, LLC. Mr. King reminded the Board that National Grid is seeking newly developed renewable energy sources under the Distributed Generation Standards Act legislation. NEO Energy, LLC is the first company to use anaerobic digestion to convert food waste into organic fertilizer and energy in Rhode Island. Mr. King reviewed the energy conversion process, including food waste controls such as the closed atmosphere digester which reduces processing odors. Mr. King also reviewed the job potential for this project pointing out that the number of employees at Quonset would be limited to half a dozen but indirect jobs have the potential to see two jobs created per 1000 tons of recycled food waste. Mr. King also noted the benefit this type of energy production has on reducing landfill waste. Mr. King called attention to NEO Energy LLC's ability to finance 100% of their project at Quonset.

Upon motion duly made by Mr. Berson and seconded by Ms. Jackson, the Board:

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease Agreement and other agreements related thereto with NEO Energy, LLC, or an affiliated entity (the "Lease"), substantially in accordance with the Request for Board

Authorization presented to the Board (the Lease and related documents are referred to herein collectively as the “Agreements”).

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized

Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: none.

Unanimously Approved.

B. Approval of Water and Wastewater Utility Rate Schedule:

Mr. Barry explained the Corporation reviews the water and sewer rates every five years and adjusts the rates as needed. The rates are developed to balance revenue with operating expense. Mr. Barry stated the rates, developed by Pioneer Consulting Group, are proposed for years 2014 through 2018. Mr. Barry explained the process of determining the rates (Exhibit B), and noted that rates will increase 2.5% in 2014 as opposed to 3% increase annually over the last fifteen (15) years. Mr. Barry reviewed the sewer bulk meter change involving the Town of North Kingstown and explained that the Corporation will be losing revenue by switching to the bulk meters (especially in the initial replacement) because the “capacity to serve”

flat rate charge will be reduced from three hundred fourteen (314) residential meters to four (4) bulk meters. Mr. Barry explained a transition fee will be charged to keep the Corporation's revenue neutral during the implementation of the four (4) bulk meter replacements. Mr. Barry reviewed RI General Law 46-15.6 requiring water suppliers to prepare, maintain, and carry out an infrastructure replacement program and based on reports created by Pare Engineering, the Corporation will be increasing the Water Infrastructure Fee by \$.20 per year starting with the remainder of Calendar year 2013. Sewer suppliers are not under the same regulation to have an infrastructure replacement program but the Corporation has implemented one as a best practice. The Wastewater Infrastructure fee will also increase by \$.20 starting with the remainder of the Calendar year 2013. Mr. Barry went on to say the Corporation, upon the Boards approval, will mail the proposed rate changes to the Quonset Business Park residents for their comments and submit the rates for final approval at the June meeting (June 17, 2013).

Upon motion duly made by Mr. Welch and seconded by Ms. Dolan, the Board:

VOTED: That the Corporation conditionally approve the water and wastewater utility rates and charges as presented to the Board and authorize publication of the rates for comment and input from customers.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: none.

Unanimously Approved.

C. Approval of a Permanent Easement for RIDOT Plat 2743:

Mr. King requested approval for a permanent easement to the Rhode Island Department of Transportation (“RIDOT”) for plat 2743. Mr. King stated that RIDOT completed a culvert replacement on Frenchtown Road and Devilsfoot Road several years back. Corporation staff worked with RIDOT on the project because part of the work fell on Corporation property housing one of the water supply wells. The Corporation would have granted the easement at that time, however, when the property was initially transferred to the state in June 1983 there was a thirty (30) year stipulation that any transactions have the concurrence of the US Department of Health and Human Services. Mr. King added the decision was made to wait out the remaining few years and grant the easement upon its expiration in June 2013.

Upon motion duly made by Mr. Berson and seconded by Ms. Dolan,

the Board

VOTED: That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Deed of Easement and other agreements related thereto with State of Rhode Island, Department of Transportation (the "Easement"), substantially in accordance with the Request for Board Authorization presented to the Board (the Easement and related documents are referred to herein collectively as the "Agreements").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer

executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: none.

Unanimously Approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Rugh and seconded by Mr. Breslin, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (2)

– (Sessions pertaining to collective bargaining or litigation, or work sessions pertaining to collective bargaining or litigation) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, James Rugh and Richard A. Welch.

Voting Against were: none.

Unanimously approved.

The meeting adjourned to Executive Session at 5:45 p.m. Elizabeth Dolan and Richard Welch left the meeting prior to any discussions. The meeting reconvened in Public Session at 5:59 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Berson and seconded by Mr. Rugh, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations.

Voting in favor were: Guy Asadorian, Jr., James Berson, Robert H. Breslin, Jr., Barbara Jackson, John G. Laramée, and James Rugh.

Voting Against were: none.

Unanimously Approved.

8. ADJOURNMENT:

Upon motion duly made by Mr. Berson and seconded by Mr. Rugh, the meeting adjourned at 6:00 p.m.

Respectfully submitted:

By: _____

Batty, Secretary

E. Jerome