

**QUONSET DEVELOPMENT CORPORATION  
MEETING OF THE AUDIT-FINANCE COMMITTEE**

**APRIL 12, 2013**

**PUBLIC SESSION MINUTES**

A meeting of the Audit Finance Committee of the Quonset Development Corporation (the "Corporation") was held at 4:00 p.m. on Friday, April 12, 2013, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Audit-Finance Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Guy Asadorian, Jr., Robert H. Breslin, Jr., and Barbara Jackson. Also present were: Steven J. King, P.E, Managing Director; Kevin M. Barry, Finance Director.

**1. CALL TO ORDER:**

The meeting was called to order at 3:40 p.m. by Ms. Jackson.

**2. APPROVAL OF MINUTES:**

Upon motion duly made by Mr. Breslin and seconded by Mr. Asadorian, the Committee:

**VOTED:** To approve the public session minutes of September 17, 2012 as presented.

Voting in favor were: Mr. Asadorian, Mr. Breslin, and Ms. Jackson..

Voting Against were: None.

Unanimously Approved.

**3. DISCUSSION NEW WATER RATE STUDY:**

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 A), 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. Finally, 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. Asadorian and seconded by Mr. Breslin, the Committee:

**VOTED:** To recommend to the Board of Directors to 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.

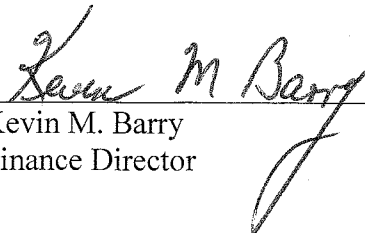
Voting in favor were: Mr. Asadorian, Mr. Breslin, and Ms. Jackson.

Voting Against were: None.

Unanimously Approved.

There being no further business to come before the Committee, upon motion duly made by Mr. Breslin and seconded by Mr. Asadorian, the meeting was adjourned at 4:35p.m.

Respectfully submitted:

By:   
Kevin M. Barry  
Finance Director