FINAL

Minutes of the Meeting of
Quonochontaug Central Beach Fire District
Board of Governors
April 3, 2023
Quonochontaug Grange
(Downstairs)
5662 Post Road
Charlestown, RI 02813

Members in attendance: Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, Charlie Freedgood and Maud Bailey

Members Absent: Mark Alperin, Ron Ruel, Mike Lewers and Fred Newton.

Also in attendance were QCBFD Attorney David R. Petrarca, Jr. and Robert Ferrari of Northeast Water Solutions, Inc. ("NWSI") as well as members of the public.

1**. Call to Order/Moderator's Opening Remarks Moderator, Charlie Freedgood** Charlie called the meeting to order at 7PM. He thanked everyone for attending.

2**. Approval of the Minutes**. **Maud Bailey, Clerk**

i. Ellen gave three edits (Scott P. Rabideau's name spelling, changing Webmaster to Web Manager and spelling out "RIIB"-- Rhode Island Infrastructure Bank) to the January 21, 2023 BoG meeting minutes. A **motion** was made to approve the draft minutes as amended. The **motion** was **seconded and passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

ii. Maud led a brief discussion concerning procedures for chairs and managers on hearings, permits and other interaction with state and local officials and governments. She informed the BoG that the proper procedure was to communicate with the Moderator and District counsel before any permitting or presentation at any other public body to ensure that the matter is being handled appropriately. Under Rhode Island law, our counsel should be present when we are representing the District before a local or State Board, such as the Zoning Board of Appeals.

3. Treasurer's Report: **Al Bartosic for Treasurer Mike Lewers**

Al deferred the Treasurer's Report to his Finance portion of the meeting.

4. Moderator's Report: **Moderator, Charlie Freedgood**

Charlie welcomed everyone to the meeting. He introduced Robert Ferrari of NWSI our water system operator and the designer of the new water system project and David R. Petrarca a partner of QCBFD's counsel, Peter Ruggario. Peter was unavailable to attend tonight and since there were so many important votes on the agenda, Charlie thought it best to have counsel present to answer any questions or to assist if need be with the business of the meeting. Charlie then outlined that the focus ofthe the meeting concerned the water upgrade project and explained the interconnections between the various contracts and permits on which the BoG will be voting. They are all the building blocks for putting the water system project in place and which have to occur in sequence.

Charlie informed the BoG that at the suggestion of the Rhode Island Infrastructure Bank ("RIIB"), we retained bond counsel, for which Ellen Corneau of Savage Law Partners, LLC was engaged. Among other things, bond counsel will give a legal opinion to the RIIB that QCBDF is duly authorized to incur the debt sought to finance the project. Charlie reported that as part of bond counsel diligence we confirmed that the community approved by a vote that the BoG was authorized to obtain financing for the water system project (2021 Annual Meeting). She then reviewed our Charter to see if we are permitted to obtain financing of this nature and magnitude. Though she had expressed some initial confusion due to the structure of the relevant Charter amanedments, bond counsel is satisfied that we are allowed to seek financing from RIIB and she is comfortable issuing an opinion to that fact.

Committee Chair Reports

Finance and Budget: **Al Bartosic**

Al started his report by updating the BoG on the progress for setting up a payroll system for summer workers to be treated as W-2 employees as opposed to 1099 contractors. He had spoken with Ron Ruel, police manager, and Mike Lewers, Treasurer and informed the BoG that they are proceeding on getting a payroll service in place for the summer. They are doing due diligence on three potential vendors, ADP, PayChex and our current bookkeeper's firm. The affected workers will be for the Beach gate only asmerchandise sales is planning on using only unpaid volunteers this year. Al and Mike plan to have everything in place: registering in RI as an employer, FICA and social security withholding, workman's comp. and unemployment insurance. All this will be done so the paperwork can go out in a timely manner to potential employees.

Al then skipped ahead to number iv on his report, Update on 1st Quarter Financials—Al informed the BoG there was nothing notable to report except an unexpected expenditure on the water system because a pump failed and had to be replaced. Though this expense was an unbudgeted, we had the funds in the reserve account and the authority to use those funds. Al also reported that the expense had been funded for the new beach boardwalk that the BoG had approved at an earlier meeting.

Al then introduced a motion with respect to the RIIB financing application for the water system project by reviewing the history of the Finance Committee's role to date. He spoke about the process with RIIB and that the District had submitted the application last week (March 27th) in order to meet a March 31 deadline. Maud made and read the motion:

> "I make a motion to ratify the submission of a loan application to the Rhode Island Infrastructure Bank for the Water Treatment Plant Upgrade Project in an amount not to exceed $1,600,000 as authorized by the voters at the 2021 Annual Meeting of the QCBFD. I include in my motion that the Moderator is authorized to sign such documents and take any and all actions as are necessary to carry out this action."

The motion was seconded and discussion was opened.

As part of the discussion, Bob Frazier introduced Bob Ferrari of NWSI to bring the BoG up-to-date on the water system project design and related approval process with the Department of Health ("RIDOH")as RIDOH's approval of the water system project's design is integral to RIIB approving the financing. Bob Ferrari also laid out the steps that were going on with CRMC in order to move forward with the water system project, including the necessity of a special use permit required by the Charlestown Zoning Board.

The RIIB application **motion** was **seconded and passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Al then introduced the following Resolution authorizing the issuance of bonds for the water system project (note that the subject motion was prepared by bond counsel). This Resolution is one of the outstanding pieces of paperwork needed by the RIIB to move forward. Everyone present had been given a copy and therefore the reading of the Resolution was waived by ascent. A **motion** was made to move the Resolution as written.

Bond Resolution:

RESOLUTION OF THE
QUONOCHONTAUG CENTRAL BEACH FIRE DISTRICT

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
$1,600,000 BONDS AND NOTES OF THE DISTRICT TO FINANCE
COSTS IN CONNECTION WITH MAINTAINING AND
IMPROVING THE WATER SYSTEM

RESOLVED, That:

SECTION 1. Pursuant to the Private Acts of the Rhode Island General

Assembly, January Session 1930 S-49 entitled "An Act to Incorporate the Quonochontaug Central Beach Fire District", as amended (the "Act"), and a vote of the Quonochontaug Central Beach Fire District (the "District") voters on at the September 18, 2021 annual meeting, an amount not to exceed $1,600,000 to finance the costs in connection with maintaining and improving the water system (the "Project") is hereby appropriated.

SECTION 2. Pursuant to the authorization set forth in Section 1, the Board of Governors (the "Board"), be and hereby is authorized to issue on behalf of the District an amount not exceeding $1,600,000 bonds of the District ("Bonds") to finance the Project.

SECTION 3. The Board be and hereby is authorized, from time to time to issue and refund not exceeding $1,600,000 interest bearing or discounted notes in anticipation of the issue of said Bonds or in anticipation of the receipt of federal or state aid for the purpose specified in Section 1 hereof (the "Notes").

SECTION 4. The Board hereby authorizes the Moderator and the Treasurer of the District (the "Authorized Officers"), acting on behalf of the District, to issue the Bonds or Notes for the purposes set forth in this Resolution and to take all actions as they deem necessary to affect the issuance of the Bonds or Notes. The Bonds or Notes shall be signed by the manual or facsimile signature of the Authorized Officers.

SECTION 5. The manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details of the Bonds or Notes authorized herein may be fixed by the Authorized Officers. In connection therewith, the District may enter into financing agreements or similar agreements with the Rhode Island Infrastructure Bank.

SECTION 6. The District is hereby authorized to issue the Bonds or Notes and deliver them to the purchaser and said officers are hereby authorized and instructed to take all actions, on behalf of the District, necessary to ensure that interest on the Bonds or Notes will be excludable from gross income from federal income tax purposes and to refrain from all actions which would cause interest on the Bonds or Notes to become subject to federal income taxes.

SECTION 7. This Resolution is an affirmative action of the District toward the issuance of Bonds and Notes in accordance with the purposes of the laws of the State. This Resolution confirms the District's declaration of official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the District for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this Resolution but prior to the issuance of the Bonds or Notes. Such amounts to be reimbursed shall not exceed $1,600,000 and shall be reimbursed not later than eighteen (18) months after the later of (a) the date on which the expenditure is paid or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the

expenditure is paid.

SECTION 8. This Resolution shall take effect upon passage.

The **motion** was **seconded and passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Charlie tied-up this discussion on the sequencing of the construction bids and the approval of the water project system design plans by RIDOH indicating that RIDOH informed the District that their approval should have occurred prior to the conclusion of the open bidding process for the construction contract. RIDOH's concern centered on the possibility that a re-bid may be necessary were RIDOH to require a materially different design. When asked, Bob Ferrari did not feel this would be an obstacle with moving forward since his firm was intimately familiar with RIDOH requirements and the design was consistant with these. Nonetheless, Charlie felt it was important to inform the BoG of RIDOH's response.

Public Works: **Bob Frazier**

Bob started his report by outlining the steps he and the Public Works Committee have accomplished in moving the water system project forward, including conducting the competitive bidding process that has secured a contractor. Bob asked the BoG if there were any additional questions for Bob Ferrari generally or specifically with respect to the proposed construction management contract with his firm, NWSI.. There being none, Charlie thanked Bob Ferrari for attending the meeting and helping us understand the process with RIDOH and RIIB. Bob Ferrari then left the meeting.

Charlie then recapped the discussion and Bob Ferrari's role in both the day-to-day operation of the water system and his firm's proposed role in designing, managing the contractor open-bid process and overseeing the construction of the water system project. Charlie had circulated a redlined version of the contract prior to the meeting. He noted that this draft had been reviewed by counsel. He also noted that the Public Works Committee previously voted to accept the NWSI management contract subject to changing the pricing to time and materials capped at the proposed contract price by catoritized task. Maud made and read the following motion:

> "I make a motion to accept NWSI's Proposal for Construction Management and Oversight for the Water Treatment Plant Upgrade Project dated as of January 18, 2023 (the "Proposal") and associated Terms and Conditions, provided that NWSI shall record and bill it's time for work on an hourly basis, at rates not to exceed those specified in the Terms and Conditions under the existing NWSI operating agreement, provided further that compensation for the services reflected in the Proposal shall not exceed the values set forth in the table included in such Proposal. I include in my motion that the Moderator is authorized to negotiate the terms of the Proposal, sign such documents and take any and all actions as are necessary to carry out this action."

The **motion** was **seconded** and discussion was opened. After a brief discussion,the **motion passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Bob then introduced the item concerning the proposed R.P. Iannuccillo & Sons Construction Co. contract for the Water Treatment Plant Upgrade Project. After discussion, Charlie also pointed out thatthe District had had the proposed contract reviewed by counsel, and, in addition to legal comments, our mark-up included no summer construction and a financing contingency which included some flexibility with the consent of the BoG. We are awaiting their response to our comments. Maud then made and read the **motion**:

> "I make a motion to accept R.P. Iannuccillo & Sons Construction Co. proposal for Contract for Construction Of A Small Project (the "Contract") for the Water Treatment Plant Upgrade Project, provided that the Contract and the payment obligations therein shall not become binding upon QCBFD unless and until bond and/or any other financing is closed, provided further that QCBFD may waive said contingency, in whole or in part, by written agreement with Contractor in the event that QCBFD requests, with the prior approval of the QCBFD Board of Governors, that portions of the work be completed prior to the closing of the project financing. I include in my motion that the Moderator is authorized to negotiate the terms of the Contract, sign such documents and take any and all actions as are necessary to carry out this action."

The motion was seconded and discussion ensued. After discussion ended the **motion passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

The next item up for discussion and action was the submission concerning Water Treatment Plant Upgrade Project to the Charlestown Zoning Board of Review. Bob reported that a special use permit was required due to the expansion of the pumphouse structure. He then reported he had gone before the Zoning Board of Review during its March meeting however he learned its counsel is affiliated with the same firm as District counsel. As a result, he chose to recuse himself from the proceeding and the matter was continued to the April 18th hearing. Maud then made and read the following motion:

> "I make a motion to ratify the Charlestown Zoning Board of Review submission filed in connection with the Water Treatment Plant Upgrade Project. I include in my motion that the Chair of the Public Works Committee or his designee is authorized to sign such documents and, in coordination with the Moderator, take such actions as are necessary to carry out this action."

The **motion** was **seconded and passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

The last item for discussion and action under Public Works was the CRMC permit submission in connection with Water Treatment Plant Upgrade Project. Maud made and read the following motion:

> "I make a motion to approve the permit submission to the Coastal Resource Management Council (CRMC) to be made in connection with Water Treatment Plant Upgrade Project. I include in my motion that the Moderator is authorized to sign such documents and take any and all actions as are necessary to carry out this action.

The motion was seconded and no discussion ensued. The **motion passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Long Range Planning **Ellen Frost, Chair**

Ellen updated the BoG on the ongoing work by LRP Committee and the working group on the Comprehensive Plan. She outlined the Comprehensive Plan's working group's goals for finishing writing the draft for BoG review and comment as well as additional public feedback meetings. Charlie indicated that BoG review should be complete prior to release to the community.

Managers Reports
Merchandise Sales **Dede Consoli**

Dede updated the BoG on how planning and purchasing for 2023 Merchandise Sales was going and some challenges she is facing. Based on the volume of merchandise and the limited space at the shed, Dede would like to rent a POD container for the first several weeks (until after July 4th weekend) of the summer. Due to the pandemic's waning, the vendors Dede uses no longer allow orders to be placed throughout the summer, instead requiring orders for the whole season to be placed in the spring. Dede feels the decision to use community land for the POD requires a BoG consent. She will seek to have the issue included in the May BoG Agenda for a vote.. Dede indicated the Charlestown does not require a permit for a POD.

Executive Session

A **motion** was made and seconded to enter into Executive Session pursuant to the relevant requirements of the R.I. General Laws 42-46-5(a)(2) potential and/or pending litigation regarding the following matter CRMC Notice of Violation; 66 Seabreeze Drive, Charlestown; Violation File No: 22- 0010. The seconded **motion** passed with all members of the Board of Governors in attendance, Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, and Maud Bailey, voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Then the matter was reviewed and discussed. There were two votes taking during the session. One vote was to approve the executive sessions meeting minutes of 1/21/23. A **motion** was made to approve the draft minutes as written. The **motion** was **seconded and passed** with Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, and Maud Bailey (the Moderator, who under the District's By-Laws only votes in the case of a tie).

After presenting and discussing the proposed remediation plan by Scott P. Rabideau, PWS of Natural Resource Services, Inc. a **motion** to accept the proposed remediation plan was made and **seconded** and **passed** with all members of the Board of Governors, Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, and Maud Bailey, in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

A **motion** to vote to reconvene open session was made and **seconded** and **passed** with all members of the Board of Governors, Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, Fred Newtown, and Maud Bailey, in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

After reconvening into open session, **a motion** was made to vote to seal the minutes of the Executive Session. The **motion** was seconded and **passed** with all members of the Board of Governors, Al Bartosic, Dede Consoli, Ellen Frost, Bob Frazier, and Maud Bailey, in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Adjournment

A **motion** was made to adjourn. The **motion** was seconded and **passed** with all members of the Board of Governors in attendance voting in favor (other than the Moderator, who under the District's By-Laws only votes in the case of a tie).

Respectfully submitted
Maud Bailey, Clerk
Quonochontaug Central Beach Fire District