

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS

June 15, 2023

A meeting of the Board of Directors of the Kent County Water Authority was held on the 15th day of June, 2023, at 3:30 p.m. at the offices of the Authority 1072 Main St., West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Chairman Robert B. Boyer, Vice Chairman Jeff Giusti, Treasurer Scott Duckworth, and Brian Kortz, were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Director of Construction John Duchesneau, Legal Counsel Patrick J. Sullivan, Esq. and Director of Human Resources and Finance Michael Lanfredi. Director of Engineering & Technology Nicole Campagnone and Director of Operations Richard Burns were also in attendance.

Mr. Giusti led the group in the pledge of allegiance.

Approval of the Minutes

The minutes of the board meetings held on May 18, 2023 were presented for approval. Mr. Duckworth moved the approval, seconded by Mr. Kortz. The minutes were approved unanimously.

Legal Matters

CONE Receivership

Mr. Sullivan updated the board on the receivership at the Center of New England. He advised the board that the agreement to resolve and wrap up the receivership failed when some contaminated soil was found during the due diligence period of the prospective purchaser. He said the receivership remains and that the receiver has proposed to sell a large chunk of the land to a single buyer. A court hearing remains.

Action item PFAS Litigation:

1. Sandman Law
2. Levin, Papantonio, and Rafferty
3. SL Environmental Law

Mr. Sullivan advised the board that he had received communications from several mass tort law firms regarding KCWA becoming a plaintiff on the PFAS litigation. He discussed what he had learned, and that the PFAS was called the “forever chemical”. He said that the state of RI had filed suit against the manufacturers 3M and Dupont, among others. Mr. Sullivan said it was not clear if the state engaged a firm or which one. Mr. Sullivan said he was speaking with officials in North Kingstown who engaged SL Environmental as their firm against the chemical giants.

Mr. Sullivan researched all the firms, and they are all quite alike. He recommended that the authority authorize Mr. Sullivan to choose amongst the 3 firms listed on the agenda. All the firms would be hired on a contingent basis, with no cost to the KCWA. A 30% fee of the final settlement would be reasonable he opined. He said one case in Tampa FL was to go to trial the week before, but the case was postponed as a result of settlement discussions in the billions of dollars.

The board asked many questions of Mr. Sullivan about the fee arrangement, whether the authority could file independently, among others. He replied the cost and expertise needed for an MDL (Multi District Litigation) would be prohibitive for the authority. Mr. Sullivan indicated the current settlement amounts are in the area of \$3.00 per gallon of contaminated water sold. In addition, the costs of the remediation may be recoverable.

Mr. Simmons discussed the origins and effects of PFAS and the authority’s efforts and costs of PFAS mitigation. He indicated that N. Kingstown had the same problem KCWA has, and it makes sense to join that firm in this litigation.

Mr. Sullivan said the KCWA had a duty to the ratepayers to explore all possibilities to recover for the spread of the forever chemical, and this opportunity is time sensitive. Mr. Simmons agreed.

Mr. Duckworth moved, seconded by Mr. Kortz, to authorize Mr. Sullivan to engage one of the three firms to represent KCWA in PFAS litigation.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Mr. Sullivan to engage one of the three firms to represent KCWA in PFAS litigation.

Director of Finance Report:

Closing Report June Cash Report

Mr. Lanfredi, Finance Director, explained and submitted the financial report. He reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2022-2023 as of May 2023 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi discussed the delinquencies, payment plans and shutoffs.

He said there were 5000 accounts on auto pay, with 5150 people on ebills. There were a total of 12,750 in the portal.

Mr. Lanfredi then discussed the threshold history of shutoff activity.

Mr. Giusti moved, seconded by Mr. Duckworth, to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Cash Receipts and Disbursements and Statement of Cash Location FY 2022-2023 as of May 2023 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May 2023, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Legislative Update: Review and Discussion Senate Bill - S0592-Taking over private water systems-Walker Ridge

Mr. Simmons introduced the topic to the group. He said this bill is designed to have KCWA and other water agencies take over any private water system or condominium/subdivision water systems at a great deal of cost. He said the bill passed the senate yesterday, but the sponsor said the bill is dead in the house.

Mr. Simmons said there was a meeting with Mr. Sullivan, Rep. Nardone, and counsel for the minority caucus on the issue. Mr. Simmons said KCWA was negotiating with their HOA to update their pump station to KCWA standards, and then we could enter into a maintenance agreement with their HOA to go forward from there. The Rep. agreed with that. Mr. Simmons said KCWA would do a professional assessment of their needs and then share it with their HOA. He said Walker Ridge would maintain ownership of the assets, and KCWA would maintain it for a fee.

Personal Privilege and Communication

Chairman Boyer said the new building was coming along fine, on time and on schedule. He said the choice of the builder was a great one.

Mr. Simmons said they had swapped out a retaining wall rather than a boulder wall, and agreed that the facility was coming along just fine.

Active project updates: IFRs 21-2022 Large Meter Program, Invoice Cloud, and EG Well

Mr. Simmons said the Theilsch contractor WMS was dissolved and is no longer doing the work of the large meter update. He said Hydro Utilities is now working for Theilsch to complete the large meter update.

Ms. Campagnone said they were 85% done, with only 46 large meters left to replace. She said the project should be done by September.

Mr. Burns updated the board on the IFR 21-2022. He said they were on schedule to active the PRV on Pontiac. He said Cowesett Ave. was still slow in making progress with Brito doing the work. He wrapped up indicating that Frenchtown Rd. was finishing up.

Mr. Simmons discussed the Invoice Cloud. He said it goes live July 3, 2023. He said there were many benefits. He said it notifies the customer of the credit card expiration. He said there were easier ways to pay. He said there would be no late fees during the transition, and an email and regular mail would be sent out to the customer base.

Mr. Simmons discussed the interaction with North Kingstown regarding the EG well. He said the QDC rate was set, and the more water they use, the more the rate drops.

He said North Kingstown was doing a rate analysis model, the cost to build, operate, etc... so as to avoid a rate shock the customers.

Action Item - Approval of 2023 Budget

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS

OFFICE AND MAINTENANCE FACILITY

Construction Update Action Item: Review and consideration for approval-Change Orders # 3 WW Sewer and Change Order #5 enlarged board room desk/dais.

Mr. Simmons described the CO No. 3 as changing out the sewer pipe from 4” to 6” at the cost of \$1701.71.

Mr. Duckworth moved, seconded by Mr. Giusti, to approve the change order no. 3 in the amount of \$1,701.71.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves the change order no. 3 in the amount of \$1,701.71.

Next, Mr. Simmons introduced change order no. 5 to enlarge the board room desk and dais for the new facility at the cost of \$4,228.16.

Mr. Duckworth moved, seconded by Mr. Giusti, to approve change order no. 5 in the amount of \$4,228.16.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves change order no. 5 to enlarge the board room desk and dais for the new facility at the cost of \$4,228.16.

Fiscal Year 2024 Budget: Action Item – Approval of FY 2023/2024 Budget

Mr. Simmons introduced the topic to the board. He said the budget was essentially the same as last year. He said projected revenues were coming in a bit higher resulting in a 2% projected increase.

He said the EG well is off, and that KCWA has mostly purchased water because we are not producing it ourselves. The well is on a 2 year plan to bring back on line. He said electricity costs have gone up 37% over last year. He said the net metering contract will stabilize the electric costs, saving the authority \$15 million over 20 years.

Mr. Giusti asked if KCWA lost customers while looking at the graphic budget proposal given to the board. Mr. Simmons said he didn't think so but would look into it.

Chairman Boyer remarked that some of the hydrants looked bad. Mr. Simmons said the Covid problems wouldn't allow us to get the paint needed. That is changing he said. Chairman Boyer asked questions on the capital expenditures for the new facility. Mr. Duckworth asked about the new dump trucks. Chairman Boyer said the old ones are dangerous and that KCWA needs new ones. Mr. Burns said the new facility needs a mower with all attachments, and Mr. Simmons said there is also a need for a snow blower attachment.

Mr. Kortz asked about an \$800k deficit. Mr. Simmons and Lanfredi answered his questions indicating that it was not a deficit. The board had a vigorous discussion on the non personnel budget as presented by Mr. Simmons.

Mr. Giusti moved, seconded by Mr. Duckworth, approval of the non personnel FY 23/24 annual budget.

Motion made and duly seconded, it was unanimously

VOTED: That the non personnel FY 23/24 budget is approved.

Mr. Simmons went on to discuss the personnel portion of the budget. He said he proposed a 3% across the board increase for exempt and non exempt personnel. He said the more licenses employees get, they can jump up in the scale. He said some would get more than 3%, and some less. Mr. Lanfredi said the raise had a 2.2% impact to the budget.

Mr. Giusti asked if the same raise was given last year? Mr. Simmons replied in the affirmative.

Mr. Boyer asked why the KCWA was understaffed. Mr. Simmons said one person quit, one office staff was unhappy, and there was one open position.

Mr. Duckworth moved, seconded by Mr. Kortz, to approve the 3% across the board raise.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves a 3% across the board wage increase for exempt and non exempt employees.

Next, Chairman Boyer asked the board to discuss the raise for Mr. Simmons. Mr. Sullivan said his contract set the raise for the other employees as a floor to his raise, indicating that he must get at least 3%. He said they could give him a percentage, or a fixed dollar amount. All board members praised Mr. Simmons' contributions and work for the KCWA.

The board members all agreed upon a 3% raise plus a \$10,000.00 bonus payable in either salary increase or a lump sum, however Mr. Simmons wanted it.

Mr. Guisti moved, seconded by Mr. Duckworth, Mr. Kortz and Chairman Boyer, to grant Mr. Simmons a 3% raise plus a \$10,000.00 bonus payable in either salary increase or a lump sum, however Mr. Simmons wanted it.


Motion made and duly seconded, it was unanimously

VOTED: That KCWA grants Mr. Simmons a 3% raise plus a \$10,000.00 bonus payable in either salary increase or a lump sum, however Mr. Simmons wanted it.

Mr. Simmons thanked the board for their continued support.

There being no further business before this board, on motion duly made by Mr. Giusti, seconded by Mr. Kortz, and carried, the meeting was adjourned at 5:00 p.m.

Dated: July 20, 2023



Patrick J. Sullivan
Legal Counsel