

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS

August 17, 2023

A meeting of the Board of Directors of the Kent County Water Authority was held on the 17th day of August, 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.

Vice Chairman Jeff Giusti opened the meeting at 3:30 p.m. Board members Treasurer Scott Duckworth, Secretary Russell Crossman, 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 Operations Richard Burns was 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 July 20, 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 said the matter continues amid skirmishes by the creditors against the receiver. The overall termination of the receivership remains up in the air as environmental concerns had arisen.

PFAS Litigation

Mr. Sullivan advised the group that the settlement process had begun with a proposed \$10 billion settlement from 3M. He said he received an update from the attorneys that there was a hearing last Friday to approve the preliminary settlement from that single defendant to public

water companies. He advised that he had gone through nearly 400 pages of updates from the attorneys and they just dealt with the legal process of the settling plaintiffs, which KCWA was one of them. He advised the group that the board would need an additional vote to approve the terms of the settlement once they are finalized. He said he was working with Mr. Simmons and Lanfredi in assembling documents for the legal team.

Director of Human Resources and 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 July 2023 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of July 2023, 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.

Mr. Lanfredi then discussed the shutoff activity.

Mr. Lanfredi indicated that the end of FY 2023 showed that KCWA recorded an additional \$1.2 million in water sales.

Mr. Lanfredi also informed the board that the auditors spent one half day at the offices of KCWA the day prior to the meeting. He said we should have the audit finished by next month.

Mr. Simmons then advised the board that the new building was to include a payment kiosk open 24/7 for customers to pay their bills in person. He said it was not a drive up, the customer would have to park their car and walk up to the kiosk. Mr. Guisti, Mr. Duckworth and Mr. Kortz all questioned Mr. Simmons about the mechanics of the kiosk.

Mr. Duckworth moved, seconded by Mr. Kortz, 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 July 2023 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of July 2023, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Personal Privilege and Communication

There was nothing to report under this agenda item.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS

IFR 2021-22: Update

Mr. Burns updated the board on the construction activity. He said CB Utility had laid all the pipe in on East Main and was undergoing final work.

He added that Rt. 2 and Frenchtown Rd. in EG were all done. Cowesett Ave. was still under construction. He then showed photographs of the PRV on Pontiac Ave. all completed.

Meter Change out Program: Update -Large Meter Program

Mr. Simmons updated the board on this topic saying it was 86% complete. He said there were 44 meters remaining to be installed. He said a new company replaced 2 this week, and he hoped the project would be complete in a couple of months.

Office and Maintenance Facility : Construction Update

Mr. Duchesneau said the framing was complete inside. He said they were pouring footings today. He said the construction was coming along pretty good. He said there was an RI Energy meeting and that KCWA needs to get a transformer from RI Energy.

There was a brief discussion on irrigation at the new facility. Mr. Simmons commented that a dedicated irrigation system was not being installed at this time, but the main supporting water line infrastructure throughout the site that could handle an irrigation system in the future was being included to an owner requested change order that will be forthcoming.

Action Items: Prime Contract Change Order #010: Additional Roof Drain Piping

Mr. Simmons presented this to the board. The change order was in the amount of \$4,211.00. He said this work was not in the original drawings.

Mr. Giusti asked why this would be on KCWA? Mr. Simmons said they indeed missed it and it was not in the original contract. Mr. Kortz said they need it any way.

Mr. Duckworth moved, seconded by Mr. Crossman, to approve CO#10 in the amount of \$4211.00.

Motion made and duly seconded, it was unanimously.

VOTED: KCWA approves CO#10 in the amount of \$4211.00 for additional roof drain piping for Bentley Builders, LLC.

Prime Contract Change Order #007: Solar Equipment Location Revisions

Mr. Simmons said there was an unanticipated relocation of the supporting solar equipment and connection points. He said the different location made sense. It was in the amount of \$12,228.00 to Bentley Builders, LLC.

Mr. Duckworth moved, seconded by Mr. Crossman, to approve CO#007 in the amount of \$12,228.00 to Bentley Builders, LLC for solar equipment relocation.

Motion made and duly seconded, it was unanimously.

VOTED: KCWA approves CO#007 in the amount of \$12,228.00 to Bentley Builders, LLC for solar equipment relocation revisions.

Furniture Bid Recommendation and Award

Mr. Simmons said there were 7 bidders. He said Vision 3 assigned a score system to the bidders and Penello came in with the highest score of 98. Their bid was \$238,986.73 to outfit the entire building.

Mr. Kortz asked what the budgeted amount was. Mr. Simmons said there was no real budget for the item at the time, as we didn't even know what was needed to fill the building.

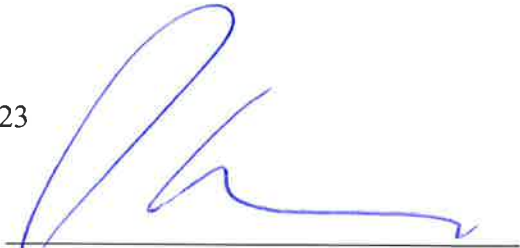
Mr. Duckworth moved, seconded by Mr. Crossman, to approve the bid award to Panello for furniture for the new facility for \$238,986.73.

Motion made and duly seconded, it was unanimously.

VOTED: That KCWA approves the bid award to Panello for furniture for the new facility for \$238,986.73.

There being no further business before this board, on motion duly made by Mr. Crossman, seconded by Mr. Duckworth, and carried, the meeting was adjourned at 4:30 p.m.

Dated: September 21, 2023



Patrick J. Sullivan
Legal Counsel

KENT COUNTY WATER AUTHORITY
 CASH RECEIPTS & DISBURSEMENTS
 FISCAL YEAR 2023-2024

	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	FY2023	FY2024
BEGINNING BALANCE	\$ 34,612,298	\$ 34,567,217	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 2,439,916	\$ 1,724,944
CASH RECEIPTS:														
Collections	2,995,355	1,992,490											2,633,403	2,346,542
Interest Income	74,998	77,705											1,899,787	
TOTAL CASH RECEIPTS	37,082,652	36,637,412	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	1,437,903	1,425,101
CASH DISBURSEMENTS:														
Purchased Water	647,935	656,412											1,474,693	1,474,693
Purchased Power	286	70,521											1,441,416	1,441,416
Payroll	229,418	271,861											1,464,683	1,464,683
Operations	101,564	214,493											2,378,719	2,378,719
Employee Benefits	67,381	69,674											1,425,101	1,425,101
Legal	12,765	15,660											1,479,050	1,479,050
Materials	38,134	44,781												
Insurance	263,178													
Sales Tax	22,810	18,267												
Bank Service Charge	2,178													
Refunds	2,187	565												
Outside Services	13,470	1,330												
Reg Commission Exp														
Capital Expenditures														
IFR 2016/2021	290	358,604												
IFR 2022	291	43,769												
New Facility Study	298	630,650												
EG Well Refurbishment	299	7,970												
Debt Service (P & I)														
Water Protection		73,135												
TOTAL DISBURSEMENTS	2,515,434	4,067,507	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	32,569,906	21,962,426	4,071,486
BALANCE END OF MONTH	\$ 34,567,217	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 32,569,906	\$ 21,962,426	\$ 4,071,486

**KENT COUNTY WATER AUTHORITY
MONTHLY FINANCE REPORT
FOR THE MONTH ENDING AUGUST 31, 2023**

	<u>Aug 2023</u>	<u>Aug 2022</u>
<u>Cash Receipts & Disbursements</u>		
Washington Trust-Deposit Account	\$ 1,539,749	\$ 870,140
Washington Trust-Checking Account	197,489	102,467
RIB-Revenue Bond Fund	11,723,561	17,256,974
BNYM Restricted Accounts	19,109,106	19,961,713
	<u>\$ 32,569,906</u>	<u>\$ 38,191,294</u>
Collections	\$ 1,992,490	\$ 2,529,227
Disbursements	\$ 4,067,507	\$ 3,172,093
<u>Revenues</u>		
Monthly Budgeted	\$ 2,393,083	\$ 2,097,133
Monthly Actual	2,436,115	2,359,179
Over/(Under) Budget	<u>\$ 43,032</u>	<u>\$ 262,045</u>
YTD Budgeted	\$ 4,911,167	\$ 3,715,067
YTD Actual	4,248,685	4,947,892
Over/(Under) Budget	<u>\$ (662,482)</u>	<u>\$ 1,232,825</u>
<u>Expenditures</u>		
Monthly Budgeted	\$ 1,774,333	\$ 1,485,292
Monthly Actual	1,625,803	1,734,719
(Over)/Under Budget	<u>\$ 148,531</u>	<u>\$ (249,426)</u>
YTD Budgeted	\$ 3,312,666	\$ 2,647,585
YTD Actual	2,802,159	3,275,793
(Over)/Under Budget	<u>\$ 510,507</u>	<u>\$ (628,209)</u>
YTD Budgeted Surplus/(Deficit)	\$ (151,974)	\$ 604,616
Sales	\$ 2,442,632	\$ 2,413,895
<u>Open Receivables</u>		
0-30 Days	\$ 2,362,494	\$ 2,339,841
31-60 Days	223,452	591,115
61-90	182,702	(5,539)
Over 90 Days	19,693	328,430
	<u>\$ 2,788,342</u>	<u>\$ 3,253,846</u>

Kent County Water Authority
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 08/2023

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R - T O - D A T E		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
1-4190 INTEREST & DIVIDEND INC.	50000.00	77704.68	100000.00	152703.08	52703.08
1-4210 MISCELLANEOUS INCOME	7916.66	203.00	15833.32	229.00	-15604.32
1-4750 OTHER REVENUE-SAMPLES	1250.00	1000.00	2500.00	1300.00	-1200.00
TOTALS FOR OTHER INCOME	59166.66	78907.68	118333.32	154232.08	35898.76
1-1184 MISC BILLABLE WORK	416.66	-4002.32	833.32	-2972.50	-3805.82
1-461A METERED SALES - GC	1700000.00	1670998.25	3500000.00	2870863.64	-629136.36
1-461B METERED SALES - IC	325000.00	369188.33	675000.00	621466.11	-53533.89
1-4620 PRIVATE FIRE PROTECTION	30000.00	30144.62	60000.00	60355.18	355.18
1-4630 PUBLIC FIRE PROTECTION	130833.33	131209.22	261666.66	262418.44	751.78
1-4640 SALES -PUBLIC AUTHORITIES	76000.00	72519.67	152000.00	125436.20	-26563.80
1-4660 SALES FOR RESALE	55416.66	72481.50	110833.32	130945.93	20112.61
1-4710 SERVICE AND LATE CHARGE	9166.66	3384.94	18333.32	5920.03	-12413.29
1-4730 OTHER REVENUE-INSPECTIONS	3333.33	5935.00	6666.66	10970.00	4303.34
1-4740 OTHER REVENUES & W.P.6.9%	3750.00	5348.00	7500.00	9049.97	1549.97
TOTALS FOR OPERATING REVENUE ACCTS.	2333916.64	2357207.21	4792833.28	4094453.00	-698380.28
TOTALS FOR REVENUES	2393083.30	2436114.89	4911166.60	4248685.08	-662481.52
EXPENDITURES					
1-6020 PURCHASED WATER	775000.00	643871.68	131128.32	1300283.79	224716.21
TOTALS FOR SOURCE OF SUPPLY EXPENSES	775000.00	643871.68	131128.32	1300283.79	224716.21
1-6210 FUEL FOR PUMPING	13333.33	7784.60	26666.66	20502.50	6164.16
1-6230 POWER PURCHASED	62500.00	68463.30	125000.00	138630.54	-13630.54
1-624A PUMPING LABOR	15416.66	16435.60	30833.32	27059.26	3774.06
1-624B PUMPING EXPENSES	416.66	416.66	833.32	833.32	833.32
1-6310 STRUCTURE/IMPROVE LABOR	16666.66	9506.25	33333.32	13296.79	20036.53

Kent County Water Authority
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 08/2023

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
1-6330 PUMPING EQUIPMENT LABOR	3333.33	21912.58	6666.66	25267.50	-18600.84
TOTALS FOR PUMPING EXPENSES	111666.64	124102.33	223333.28	224756.59	-1423.31
1-6410 CHEMICALS	13333.33	8196.90	26666.66	11607.31	15059.35
1-642A WATER TREATMENT LABOR	16666.66	16471.66	33333.32	27604.38	5728.94
1-642B OPERATION EXPENSES	4166.66	10328.56	8333.32	14320.86	-5987.54
1-6510 MAINT STRUCT & IMPROVE	4166.66	62.33	8333.32	529.75	7803.57
1-6520 TREATMENT EQUIPMENT	2500.00	403.26	5000.00	5098.25	-98.25
TOTALS FOR WATER TREATMENT EXPENSES	40833.31	35462.71	81666.62	59160.55	22506.07
1-662A T & D LINE LABOR	4166.66	4166.66	8333.32	8333.32	8333.32
1-662B T & D SUPPLIES & EXP	6666.66	3657.07	13333.32	5368.10	7965.22
1-663A T & D METER LABOR	6250.00	4885.27	12500.00	6525.68	5974.32
1-6650 T & D MISC	1666.66	1325.69	3333.32	2481.35	851.97
1-6720 RESERVOIR & STANDPIPE	3333.33	4058.81	6666.66	15954.19	-9287.53
1-6730 MAINT T & D MAINS	58333.33	89416.02	116666.66	142750.08	-26083.42
1-6750 SERVICE & CURB BOX	16666.66	17430.14	33333.32	24602.74	8730.58
1-6760 METER REPAIRS	12500.00	9407.23	25000.00	13961.47	11038.53
1-6770 HYDRANT MAINTENANCE	8333.33	6253.70	16666.66	11826.06	4840.60
TOTALS FOR TRANS. & DISTR. EXPENSES	117916.63	136433.93	235833.26	223469.67	12363.59
1-902A METER READING LABOR	10000.00	4541.64	20000.00	7414.92	12585.08
1-902B METER READING SUPP & EXP	17500.00	16370.99	35000.00	360.00	-360.00
1-903A OFFICE ADMIN LABOR	15833.33	15633.02	31666.66	29184.59	5815.41
1-903B CUSTOMER BILLING SUPPORT	43333.33	36545.65	86666.66	15633.02	16033.64
TOTALS FOR CUSTOMER ACCT. EXPENSES	43333.33	36545.65	86666.66	52592.53	34074.13
1-9090 SHIPPING & FREIGHT	416.66	1222.45	833.32	1585.01	-751.69
1-9100 COMMUNICATIONS EXPENSE	8333.33	7212.96	16666.66	14242.98	2423.68

Kent County Water Authority
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 08/2023

ACCOUNT DESCRIPTION	C U R R E N T M O N T H			Y E A R - T O - D A T E			ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	
1-9160 PROPERTY TAXES	5000.00	5000.00	5000.00	10000.00	8912.95	1087.05	
1-9170 COMPUTER EXPENSE	26666.66	32049.61	-5382.95	53333.32	142503.92	-89170.60	
1-9190 BANK CHARGES	8500.00	18818.21	-10318.21	17000.00	38915.96	-21915.96	
1-9200 OFFICE SALARY LABOR	45833.33	47241.87	-1408.54	91666.66	66916.71	24749.95	
1-9210 OFFICE SUPPLIES & EXP	5416.66	6581.21	-1164.55	10833.32	11168.65	-335.33	
1-9230 OUTSIDE SERVICES	18750.00	18614.65	135.35	37500.00	49296.00	-11796.00	
1-9240 INSURANCE EXPENSE	22083.33	21931.50	151.83	44166.66	43823.00	343.66	
1-9260 EMPLOYEE BENEFITS	87500.00	63524.77	23975.23	175000.00	125522.90	49477.10	
1-9280 REGULATORY COMM EXP	15833.33		15833.33	31666.66		31666.66	
1-930A MISC GENERAL EXPENSE	583.33	-345.94	929.27	1166.66	-445.94	1612.60	
1-930B MISC-BOD EXPENSE	1750.00	1750.00		3500.00	3500.00		
1-932A GENERAL PLANT LABOR	13333.33	12498.17	835.16	26666.66	20281.01	6385.65	
1-932B GARAGE/TRUCK LABOR	13333.33	8268.09	5065.24	26666.66	16464.74	10201.92	
1-9330 PAID TIME OFF	57000.00	53919.44	3080.56	-97000.00	-179541.69	82541.69	
1-9340 UNCOLLECTIBLE (WRITE OFF)	833.33		833.33	1666.66		1666.66	
TOTALS FOR ADM. & GENERAL EXPENSES	331166.62	293286.99	37879.63	451333.24	363146.20	88187.04	
1-9180 LICENSES & PERMITS	250.00	200.00	50.00	500.00	1025.00	-525.00	
TOTALS FOR MISC. & GENERAL EXPENSES	250.00	200.00	50.00	500.00	1025.00	-525.00	
1-4030 DEPRECIATION EXPENSE	337500.00	336117.59	1382.41	675000.00	672235.18	2764.82	
1-4080 PAYROLL TAXES	16666.66	19781.77	-3115.11	33333.32	10661.24	22672.08	
1-4270 INTEREST EXPENSE							
TOTALS FOR OTHER EXPENSES	354166.66	355899.36	-1732.70	708333.32	577724.70	130608.62	
TOTALS FOR EXPENDITURES	1774333.19	1625802.65	148530.54	3312666.38	2802159.03	510507.35	
EXCESS OF REVENUE OVER EXPENDITURES FOR General	618750.11	810312.24	191562.13	1588500.22	1446526.05	-151974.17	

REPORT DATE 09/18/2023
SYSTEM DATE 09/18/2023
FILES ID 2

Kent County Water Authority
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

PAGE 4
TIME 13:07:37
USER MLANFREDI

AS OF 08/2023

ACCOUNT DESCRIPTION

OTHER ADJUSTMENTS TO FUND BALANCE

FUND BALANCES - JULY 1
FUND BALANCES - AUGUST 31

----- C U R R E N T M O N T H -----	----- Y E A R - T O - D A T E -----	ACTUAL OVER/ UNDER BUDGET
BUDGET	BUDGET	ACTUAL
		0.00
		1753623391.08
		176808917.13
		=====