

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

November 21, 2019

A meeting of the Board of Directors of the Kent County Water Authority was held on the 21st day of November 2019, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Vice Chairman Joseph Gallucci, Secretary Scott Duckworth, Russell Crossman, Jeff Giusti, Brian Kortz and Geoffrey Rousselle were all present together, along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq., Director of Administration John Duchesneau and Director of Human Resources and Finance Michael Lanfredi. Chairman Boyer led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on September 19, 2019 were presented for approval. Chairman Boyer indicated that he did not preside over the minutes. Mr. Duckworth moved, seconded by Mr. Rousselle, to amend the minutes to reflect the Chair's absence and to approve the amended minutes. The minutes were approved unanimously.

Legal Matters

Mr. Sullivan updated the board on the encroachments by the owners of the neighboring properties in the Timber Trail area. Mr. Simmons said an inspection of the area of Timber Trail showed continued use of the ATV trails. He said some of the improvements and debris was removed but much remained. Mr. Simmons said the area will be inspected next week and the results will be reported to Mr. Sullivan for further action. The board also recommended to send correspondence to the encroaching homeowner and to the Homeowner's Association with a warning and a no trespass warning. Mr. Simmons also indicated that he will place six no trespass signs in the area.

Next, Mr. Sullivan advised the board that although there appeared to be no easement for the Town of Coventry to place an existing sewer pipe over land near Monroe Drive owned by KCWA recorded in the Coventry land evidence records, he did find some engineering to do so. It

appeared it was never approved by KCWA. There was a general discussion about the easement among the board members. Mr. Duchesneau said he would have preferred a lined pipe if he could do it over again. Mr. Simmons said the line ran through a wellhead protection area. He said he would like any easement agreement to include a requirement for a camera inspection every two years to look for leaks. Mr. Crossman suggested that Coventry should put a camera in the line now. Mr. Sullivan said he would follow up with the easement and contact the town of Coventry.

Mr. Sullivan then discussed the bankruptcies of Rhodes Technologies briefly. He said although they were in bankruptcy, then should be paying all pre-petition and post-petition invoices pursuant to orders of the bankruptcy court

Finally, he updated the board about the progress of the Licker case. He said he spoke to the prosecutor about restitution and said KCWA can go to the West Warwick police department to retrieve their locks at any time.

Mr. Sullivan also said that he would meet with Mr. Simmons to tighten up the agenda so as to comply with the Open Meetings Act in light of recent decisions of the attorney general's department. Mr. Simmons said that he agreed considering the same which was discussed at the most recent APRA and OMA required training provided by the Office of the Attorney General.

Director of Finance 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 2018-2019 as of October 2019 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of October 2019, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

The Chairman asked if the tariff increase made up for the industrial loss, and Mr. Lanfredi agreed that it did. There was also a general discussion of sagging sales of water. Mr. Simmons said sales were down considerably. Mr. Kortz said revenues were on track though. Mr. Simmons said the new rates recalibrated revenues to a point, but overall usage rates, hence sales, are still off to a significant degree since the beginning of the fiscal year

Mr. Duckworth moved, seconded by Mr. Gallucci, 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 2018-2019 as of October 2019 and Statement of Revenues, Expenditures, and Changes in

Fund Balance as of October 2019, attached as exhibit “A”, be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege & Communication

Chairman Boyer said the transition from prior management to Mr. Simmons had gone better than he thought it would and he thought Mr. Simmons was doing a great job.

EXECUTIVE DIRECTOR/CHIEF ENGINEER’S REPORT

GENERAL:

Quonset Development Corp. – Water Sales Discussion

Mr. Simmons then informed the board that he and Mr. Rousselle and others met with representatives of the QDC. He said the minutes of the meeting was presented to the board. He discussed the importance of the partnership to sell water to the QDC. He outlined the challenges QDC has in securing enough high-quality water to alleviate any concerns of potential tenants.

The board agreed this was the right direction for KCWA, and the state’s economic development.

Mr. Simmons showed a graphic to the board that explained the costs with a scaling rate. He said he used the Pawtucket to Cumberland model analysis related to cost of service to develop a wholesale rate that could be presented to the PUC. Using that rate, the more water sold to QDC resulted in higher rate to their customers. He discussed buying down the rate if KCWA took over their sources of water. Mr. Rousselle stated that QDC representatives said everything was on the table, and that they weren’t against it.

Chairman Boyer asked Mr. Simmons and Mr. Rousselle their gut feeling after the meeting. Both replied that they felt positive about the meeting and the future.

Mr. Duckworth said QDC has nowhere else to go for water. Mr. Simmons discussed the impact of the Hunt river depletion

Mr. Simmons said they would need either PUC approval or a change in the statute potentially to finalize the rate to QDC. He added the engineering was already done.

Annual Report to Cities, Towns and PUC

Mr. Simmons discussed the report with the board. He said the report, required by law, was self-explanatory and contained plenty of information. Mr. Gallucci requested nine (9) copies for the elected officials in Warwick.

Board Action – Acceptance of cash at point of sale terminal only

Mr. Simmons said he may ask that this matter be tabled. He said for the six to ten people monthly who want to come in and pay cash, he thought the risk outweighed the reward. He said with muni-link, the options for payment would increase.

There was a general discussion of the ability to pay utility payments at banks, convenience stores, etc.... Chairman Boyer asked Mr. Rousselle if this could be arranged with Centerville Bank.

Mr. Simmons said he explored absorbing the credit card fee, but it was about \$40,000.00 and concluded it was too costly.

The board took no action as cash is currently not accepted for payment.

Utility Billing Software – progress update

Mr. Simmons updated the board on the progress. He said the company was given all the customer data and the meter data and they are building the database now. He expected to go live in early spring.

Hydraulic Model Update

Mr. Simmons said Alisa, the Director of Engineering and Technology, is continuing the rebuilding the hydraulic model. He said KCWA is right on target with the timeline.

Meter Replacement Project, Status – Report of Progress

Mr. Simmons advised the board that the project was continuing. He then discussed the implementation with customers who do not respond. He said a shutoff notice will be delivered to the people who have not contacted the installer for an appointment. He said 4882 are complete. He said 264 are considered non-compliant. He said KCWA was to stick a notice on their door and showed the proposed letter to the board. He explained this was only for the East Greenwich and Warwick area where the meter installation company has been working over the last few months. He said he would revise the letter based on the comments received by the Board.

Tank Demo Project – JR Vinagro Corp. Progress

Mr. Simmons said the road opening permit was pending in Coventry. He said they needed to plug the valve in the road, then remove the old underground pump station. He said the job should be done before winter barring any setbacks.

INFRASTRUCTURE PROJECTS

IFR 2018 Construction Update, WW Centerville Bridge no. 28, Warwick, Division Fairmount, Shady Glen, Hilltop Spencer, Beverly and Berkley

Mr. Simmons said the construction has been completed. He said the final paving would be done in the spring after settling.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service Coventry Main St, Leader, Old Main St, Sandy Bottom, Tiogue @ Gilles

Mr. Simmons said the project was progressing smoothly. He said Sandy Bottom Rd. was already done with the exception of the pipe bridge and the project was completed Old Main to Ken Ray Dr. He explained the project of connecting two pressure gradients. He also showed the board a photo of the fabricated pipe bridge that will be carrying the two water mains over the Pawtuxet river o that would go along the side of the bridge on Sandy Bottom Rd.

Chairman Boyer asked that the Director of Engineering and Technology appear at the next meeting to discuss what she was currently doing.

Mr. Duckworth thanked Mr. Simmons for the special notice given to the bait shop owner during the construction.

Professional Architectural Engineering Services for Evaluation and Analysis of New Office and Maintenance Facility

Mr. Simmons explained this topic to the board. He said there was a kickoff meeting and two follow up meetings. He said the object was to determine the needs analysis, space wise, and back it into a design. He said KCWA would need at least 5 acres. He said the consultant would review existing building, new construction and consider PILOT of the existing tax level required to be paid to the community.

Professional Engineering Consultation Services for a groundwater Treatment Facility for EG Well-Proposals under review

Mr. Simmons said they received two proposals that are under review. He said he should have a recommendation at the next meeting. He said he will interview both companies, as there is a lot of nuance that needs to be discussed.

Mr. Kortz asked about the budgeted amount. Mr. Simmons said the project was part of the capital improvement budget and that was currently at \$9.5 million balance.

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

Dated: December _____, 2019

Patrick J. Sullivan
Legal Counsel