

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

December 16, 2021

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th day of December 2021, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room with any members of the public.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Secretary Scott Duckworth, Brian Kortz, Geoffrey Rousselle, and Charles Donovan were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq. and Director of Human Resources and Finance Michael Lanfredi. Water Project Engineer Nicole Campagnone was also in attendance.

Chairman Boyer asked the board for a minute of silence to memorialize the passing of the Chairman's brother, Edward Boyer and legal counsel Patrick Sullivan's mother, Irene Sullivan. He thanked the employees and staff for the kind words and flowers.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on November 18, 2021 were presented for approval. Mr. Duckworth moved the minutes approval, seconded by Mr. Rousselle. The minutes were approved unanimously.

GUESTS:

Hague, Sahady & Co., P.C., Review Audit Year Ending June 30, 2021

Mr. Simmons introduced Ms. Machado and Ms. Matthews representing the auditing group of Hague, Sahady and Company. The firm conducted the authority's annual audit.

The auditors presented the 2021 audited financial statements. Ms. Machado began by thanking Mr. Lanfredi and the staff for streamlined books which made their job easier. She said

she had prepared an independent auditors report. She said it was a clean opinion and an unmodified report. She then referenced the end of the financial statements indicating there were no incidents of non compliance, including no internal controls or matters necessary to identify or point out.

She contrasted 2020 with 2021 indicating there was a 10% net position change due to increase expenses. She went over the fixed assets, debt to equity ratio improvement because debt had been paid off. She went over the fund statements. She highlighted the net pension liability improvements and the net operating funds doing significantly better. She set the funded pension at 96.06%, which she described as very high. She highlighted the OPEB fund having done well this year as well.

Mr. Duchesneau entered the meeting at 3:43 p.m.

Ms. Machado concluded by going over some of the footnotes in the report.

Mr. Giusti asked if there were any red flags. Ms. Machado said there were no issues at all,

Mr. Kortz asked what the recommended pension funding levels were. Ms. Machado indicated that this authority is the highest funded of all their government clients.

Mr. Duckworth moved, seconded by Mr. Rousselle, to accept the audited financial statements.

Motion duly made and seconded, it was unanimously

VOTED: That KCWA accepts and approves the audited financial statements.

Legal Counsel

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. He said there some attempts by the receiver to approve and pay a substantial amount of claims, and the court approved all payments except for two non receivership related claims.

Johnsons Blvd land purchase/lease

Mr. Sullivan advised the board about the issue. He said he and Mr. Simmons met with the Coventry Town Manager and their attorney. He said the town was to send the proposal to their real estate consultant for a value and opinion. Mr. Simmons said there was a point when they

could have partnered with the town to save them \$500k, but the town couldn't get the approvals on time.

Hydrant Tax issue

Mr. Sullivan said he had prepared a petition before the division of taxation to determine the appropriateness to charge a sales tax on the hydrant fees. Mr. Sullivan said the petition was approved and the division of taxation essentially said that the private hydrant fee was not subject to the sales and use tax. Mr. Sullivan said any aggrieved customer could file with the division of taxation for a refund if they saw fit.

Director of Finance Report:

Closing Report November 2021 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 2020-2021 as of November 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of November 2021, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

The Chairman asked if the delinquencies were average. Mr. Lanfredi said they were a bit higher than last year, but the shutoffs were to begin next year.

Mr. Rousselle 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 2020-2021 as of November 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of November 2021, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege and Communication

Mr. Giusti thanked Mr. Simmons and staff for a really good year, with all the land acquisition and the new facility. The Chairman echoed the accolades.

Mr. Duckworth was particularly impressed with the meter change out program. He complimented the efficiency with which this enormous program was completed. He said Mr. Simmons and management had come together. He complemented the office staff as well. Mr. Duckworth asked Mr. Duchesneau for words indicating he appreciated his insight and closeness to the field, and Mr. Duchesneau indicated that he appreciated Mr. Simmons' time here at the helm, saying he was doing a great job.

PUC/DPUC REGULATORY MATTERS:

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

GENERAL:

Meter Change Out Program-Update Status.

Ms. Campagnone said Thielsch had changed out 22,022 meters, and staff had changed out 947 meters for a total of 22,969 meters. She said there were 265 left to install.

Mr. Duckworth indicated that if Covid was the real concern, we could offer Tyvek suits with maximum PPP.

Mr. Giusti asked if there was a deadline. Mr. Simmons said there was no deadline, but there was a contract with Thielsch Engineering. The Chairman asked if they could break the recalcitrant customers by city or town, the board might be able to assist.

New Office and Maintenance Facility - Progress Update- RIIB funding via SRF and EBF, Design RFP advertised.

Mr. Simmons advised the board that the RI Infrastructure Bank will meet on Monday to vote on \$20 million in funding for the new facility. \$18 million for the building and \$2 million from the energy efficiency building fund for the solar component and making the building as energy efficient as possible.

He said next was a debt service filing with the Division of Public Utilities and Carriers but needed to complete clearinghouse procedures inclusive of certificate of authorization (COA) from RIDOH to finalize closing on SRF funding. He said PARE was engaged to complete the elements needed by RIDOH for issuance of the COA with the environmental assessment being the latest requirement completed. He said he hoped this portion of clearinghouse would be done in two to three months so we could close on the RIIB loans. He said there was a pre application meeting with RIDEM. He then discussed the pushback of the DEM wetland regulations changing, now to July 1, 2021.

He also said the design was out and that 2 architectural firms came to the pre bid, plus PARE.

Water Resource Board -Water Quality Protection Funds. Extension request and proposed use.

Mr. Simmons explained the Water Resources Board have proposed a letter of extension and that they have committed to approve these projects, but to do so before 2022 was a bit unrealistic.

Action Item - IFR 2021-Update. Change Order No. 7 Install Panel and wiring by REE at Oaks @East Shore Coventry PRV

Mr. Simmons asked the board to approve change order no. 7 in the amount of \$1,842.75 for parallel wiring at the Oaks @ East Shore Drive.

Mr. Duckworth moved, seconded by Mr. Rousselle to approve change order no. 7. Motion made and duly seconded, it was

VOTED: That Change Order no. 7 is approved in the amount of \$1,842.75.

Next, Task Order no. 8 was presented. It involves Johnson Blvd. to resurvey the lot the PRVs are located and allow additional frontage so as to allow an administrative subdivision with Coventry in the amount of \$2980.00.

Executive Session: 4:20 pm

Pursuant to RIGL 42-46-5(2): Discussions pertaining to litigation -RIDOT- Construction- Pipe Gantry Issues-KCWA v. D'Ambra Construction and RIDOT- KC-2021-0704

Pursuant to RIGL 42-46-5(2): Discussions pertaining to litigation -Cardi- Construction

Pursuant to RIGL 42-46-5 (5) Any discussions or considerations related to the acquisition or lease of real property for public purpose

Mr. Duckworth moved to enter executive session. Mr. Rousselle seconded the motion.

Chairman Boyer, via roll call vote, polled the board. The vote was unanimous.

The board went into executive session at 4:20 p.m.

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The board convenes back in open session at 5:05 p.m. Mr. Sullivan said there were two votes taken in executive session.

- 1) To authorize and ratify Mr. Simmons to enter into a purchase and sale agreement to purchase the land located at 0 Hopkins Hill Road, Coventry, for \$110,000.00 owned by Barbara Ducharme and Sandra D'Ercole for 20.48 acres of raw land, assessors plat 5 Lot 3, using a grant from the state water resources board.
- 2) To authorize and ratify Mr. Simmons to enter into a purchase and sale agreement to purchase the land located at 0 Old Mishnock Highway, Coventry for \$175,000.00 owned by Bedros Koosherian for 52 acres of raw land assessors plat 4 lot 3, using a grant from the state water resources board.

Mr. Sullivan said these purchases would extend the well head protection area and would be subject to conservation easements and development restrictions.

Mr. Duckworth moved to seal the minutes of the executive session. This was seconded by Mr. Rousselle.

Motion made and duly seconded, it was unanimously approved.

There being no further business before this board, on motion duly made by Mr. Rousselle, seconded by Mr. Donovan and carried, the meeting was adjourned at 4:45 p.m.

Dated: January _____, 2021

Patrick J. Sullivan
Legal Counsel