

## KENT COUNTY WATER AUTHORITY

### MINUTES OF THE REGULAR MEETING OF THE BOARD

August 20, 2020

A meeting of the Board of Directors of the Kent County Water Authority was held on the 20<sup>th</sup> day of August 2020, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room and via Zoom with the board members. The Chairman and Mr. Gallucci were at the offices of the Authority.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Chairman Robert Boyer, Vice Chairman Joseph Gallucci, Treasurer Russell Crossman, Secretary Scott Duckworth, 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 Finance and Human Resources, Michael Lanfredi. Director of Engineering and Technology Alisa Morrison was also in attendance. Chairman Boyer led the group in the pledge of allegiance.

#### **APPROVAL OF THE MINUTES**

The minutes of the regular board meeting, including executive session minutes, held on July 18, 2020 were presented for approval. Mr. Rousselle moved, seconded by Mr. Gallucci. The minutes were approved unanimously.

#### **Guests:**

#### **Revy Energy**

Net Metering Presentation- Ralph A. Palumbo CPA, President Revity Energy , Lindsay P. McGovern CPA Vice President Revity Energy ,and Representative Joseph Shekarchi Esq.

Chairman Boyer recognized Mr. Shekarchi. Mr. Shekarchi gave an opening statement and introduced Mr. Palumbo. He went on to explain the Net Metering Program allowed by RI law. He said firms like Revity Energy build solar farms and they sell electricity to National Grid. In return they receive credits. The company in turn sells KCWA the credits to pay our electricity bills. He said there was no cost for KCWA, no investment, no land infrastructure, and no hardware.

He said Reivity sells the credits at usually a net discount of 25%. He said it is 3-4 years old. He said Warwick, North Providence and Johnston Housing Authority all use the net metering.

Mr. Palumbo reiterated what Mr. Shekarchi said. He gave examples of other municipalities using his service and said the discount for what he thought was a 10 megawatt usage was between 25% and 30%. He said there would be a contract between the parties called a guaranteed savings contract. He discussed several frequently asked questions, such as what if a lightning strike damaging the infrastructure. He said Reivity has business interruption insurance that would make direct payments to KCWA to fund their lack of credits. He said the typical term of the contract is 25 years.

Mr. Shekarchi described the event as a painless transaction. He said all KCWA connections remain with National Grid. He said KCWA pays in arrears and there is no up-front payment of bills.

Mr. Gallucci asked if the company was affiliated with Centerpiece Energy. Mr. Shekarchi said they were not. He also asked about permitting and zoning matters and the impact on ratepayers. Mr. Shekarchi said all that work was already done. He said they would never ask for the ratepayer list.

Chairman Boyer asks about if there were any upgrades needed during the term. Mr. Palumbo said they would take care of all upgrades and technology. Mr. Gallucci asked if global warming was brought into the analysis. Mr. Palumbo said that this solar technology reduces carbon emissions.

Mr. Rousselle asked about the 25-year term. He asked what would happen if a better deal was found in 10 years. Mr. Palumbo said 25 years is firm but discussed a replacement clause. Mr. Shekarchi said the company constantly upgrades its equipment, and as such, needs a steady revenue flow.

Mr. Simmons asked about a potential 1 megawatt field on a roof of a new facility. Mr. Palumbo said he would take that into the calculation in the sizing analysis. There was also a discussion of KCWA selling solar power to Reivity. Mr. Palumbo said although Reivity didn't purchase power, he could direct us to companies who do.

Mr. Duckworth asked Mr. Sullivan what the procedure would be to access proposals? Mr. Sullivan said there could be a request for proposals, or other related ways KCWA bids other projects.

Mr. Kortz asked if there was a minimum threshold and penalties. Mr. Palumbo said although there was no minimum threshold, the sizing assessment made using the electric bill would be utilized.

Chairman Boyer thanked them for the presentation and asked Mr. Simmons to provide them with copies of the electric bills, as they are public records.

### **Board Action Abbreviated Rate Filing Docket 5012 - Settlement Agreement approval Providence Rate Filing Docket 4994-Update on settlement and wholesale rates**

Mr. Simmons advised the board that the open meeting on which the PUC was ruling on PWSBs case was the same day as the current meeting. He said the PUC was holding on the decision for Docket 5012 as they were waiting for the PWSB rate case to resolve so adjusted wholesale rates could be incorporated into the schedules based on cost of service model to set final rates for KCWA. He explained that PWSB settlement agreement, on which KCWA signed on as an intervenor, established uniform wholesale rates to all wholesale customers. However, the PUC ruled in an open meeting to allow and gradually implement individual wholesale rates as argued and presented by Joseph Keough on behalf of Bristol County Water Authority. The economic impact of the BCWA individual rate request and subsequent PUC decision on KCWA is negligible and in fact present a slightly lower wholesale rate at the main interconnections between KCWA and PWSB. He explained the peaking factors from Clinton Ave pump station and Warwick's Natick connection were used in developing the individual rates but did not factor in the significant seasonal draw from KCWA's Quaker Lane station. He went on to discuss that not factoring this downstream component potentially artificially inflates Warwick's peaking factor. The PUC decision impacts Warwick wholesale rate significantly due to this peaking factor on which the rate is determined. This affects KCWA directly because our interconnection and wheeling agreements in place where KCWA purchases water from Warwick at Quaker Lane at the same wholesale rate as charged to them by PWSB. This same consideration is then passed back onto Warwick providing them wholesale water to Potowamut. He finished by advising that in a continuity of decisions, he thought that both decisions would happen on Tuesday.

### **COVID-19 Updates - Continuity of Operations -PUC Dockets 5022 and 5026**

Mr. Simmons said he generated an updated guidance document to provide managers the actionable tools and steps when or if there was a positive case of Covid 19 internally or an employee develops symptoms consistent with Covid during the workday. This plan works using the most current RIDOH and CDC guidelines which includes contact tracing performed by RIDOH.

### **Legal Matters**

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. The case remains before the superior court. He said there was a motion was heard to finalize the sale of some real estate, but more importantly, the Highlands at Hopkins Hill agreed to pay a significant sum for improvements to access KCWA sourced water both for the existing condos and the newly proposed condos.

**Director of Finance Report:**

Mr. Lanfredi said the audit was underway, and that the field work was done in one day.

Mr. Lanfredi, Finance Director, explained and submitted the financial report. He reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2019-2020 as of June 2020 and July 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of June 2020 and July 2020, attached as exhibit “A”, and a thorough discussion ensued with regard to the sales and revenue.

Chairman Boyer asked if the pandemic slowed payments. Mr. Lanfredi said the opposite was happening.

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 2019-2020 as of June 2020 ad July 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of June 2020 and July 2020, 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 KCWA was running smoothly, and that fact speaks a lot about management.

**EXECUTIVE DIRECTOR/CHIEF ENGINEER’S REPORT**

**GENERAL:**

**RIDOH Sanitary Survey**

Mr. Simmons explained what this was, an inspection by the Department of Health. He said they found no violations whatsoever. He said he was proud of that fact.

**Board Action - Recommendation for Hire (Water Project Engineer) –Nicole Campagnone**

Mr. Simmons said he worked with Ms. Campagnone for many years. He said she will be an extremely valuable asset for the team at KCWA. He said his memo to the board illustrates what she has already brought to the KCWA in terms of the hydraulic modelling and analysis when working on the team for consulting firm CNE. He said her starting salary would be at \$75k.

Chairman Boyer added to Mr. Simmons' recommendation. He said she was previously with CNE and she was a great employee. Mr. Kortz asked if she will fill a need and who was currently doing the work. Mr. Simmons said she would be supplementing Alisa's work. He said she has written reports required by the state that KCWA had to pay \$50k to \$100k for this work that she can do internally for the Authority now.

Mr. Crossman moved, seconded by Mr. Duckworth, to offer Nicole Campagnone a conditional offer of employment.

Motion made, and duly seconded, it was unanimously

VOTED: That Mr. Simmons is authorized to offer Nicole Campagnone a conditional offer of employment.

Mr. Kortz remarked that she did not have a professional engineer's license yet, with her 17 years of experience. Mr. Simmons said they asked her that too, and that she explained it was a timing thing but is willing to . He said she will need all the DOH licenses though.

**Board Action –Town of East Greenwich to reduce meter data fees**

Mr. Simmons explained that this was on the agenda for another municipality at the last meeting, and that this would make the reduced meter data fees the same across all the municipalities served by KCWA.

Mr. Kortz moved, seconded by Mr. Rousselle, to reduce the fee charged East Greenwich for meter data fees by 0.50 cents.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Mr. Simmons to reduce the amount charged East Greenwich for meter data fees by 0.50 cents per account.

## **Well Rehabilitation Update Mishnock Treatment**

Mr. Simmons advised the board of the the mishnock well cleaning and rehabilitation. He said they wells were fouling at an increasing rate once the plant started running 24 hrs 7 day a week. The flow rates had dropped significantly which warranted the cleaning after 5 years of operation. He said this should be done more frequently based on the findings and data and further stated that three years intervals would be more appropriate with the plant running at full capacity. He said the bronze impellers were all being changed to all stainless. He said they were dropped back in, tested and certified. He said while they were down, the staff did a complete cleaning of the station, and they did a great job. They were also looking into handling and removing the residuals accumulated in the drainage lagoons.

## **INFRASTRUCTURE PROJECTS**

### **Board Action – Approval Change Order No 3- Greene Street addition, West Warwick**

Mr. Simmons and Chairman Boyer both explained that KCWA inherited notes from the old Pawtuxet Valley Water Company about what was under the ground. He said on Harris Avenue the developer wanted to replace a pipe. KCWA drawings from the year 1886 showed a 6” pipe, but the developer found a 4” pipe. Test holes were dug and there was no change, so to accommodate Greene St. pipe he said they needed approval of task order no. 3 for 270 linear feet of ductile iron pipe. He said the cost was \$66,140.00 using the bid contract pricing.

Mr. Duckworth moved, seconded by Mr. Rousselle, approval of task order no. 3 for the Greene St. Addition to Geremia and Associates in the amount of \$66,140.00.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves task order no. 3 for the Greene St. addition to Geremia and Associates in the amount of \$66,140.00.

## **CAPITAL PROJECTS**

### **Water Main North/South Interconnection High Service Update**

Mr. Simmons said this project is ongoing, but an issue arose with the pipe gantry bridge carrying KCWA’s high service and low service transmission mains adject to RIDOT’s Sandy Bottom bridge project. He said RIDOT is rebuilding the bridge and the driving of the pilings caused settlement of the ground under the gantry bridge causing it to shift several inches according

to their reports. He said KCWA was not notified until 30 days after the settlement occurred. Fairbanks Engineering (FEC) did an analysis and suggested underpinning to prevent further settling from pile driving activities. KCWA requested RIDOT to stop work until the pipe bridge could be secured from further settling. He said he would keep the Board abreast to any developments as they surface regarding this issue.

Mr. Duckworth asked if the pipe gantry settlement was enough to compromise the pipes? Mr. Simmons stated that the pipes were all connected using restrained joints and the connections were extremely strong. The amount of settlement presented to him by the contractor and RIDOT showed approximately three inches. He went on to say that all of the buried piping leading up to the gantry was exposed and inspected to have no leaks or any visible strain. He said there are two transmission mains for high and low service and the high service and the gantry needs to be fixed as because the low service was already active high service was going live soon. Any failure to this system would be a critical failure putting many people without water for an extended period along with a system wide boil water order.

When Mr. Duckworth asked about a legal letter, Mr. Simmons said that he was exchanging correspondence back and forth with copies to DOT Director Alviti.

### **East Greenwich Well - Preliminary Design Report**

Mr. Simmons explained that the design was done and that it goes to RIDOH for comments, then to full design.

There was a general discussion regarding low pressure areas in the service area and general comments about how to resolve them as the pressure was above the minimum set by the PUC.

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

Dated: September \_\_\_\_\_, 2020

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Patrick J. Sullivan  
Legal Counsel