

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

September 22, 2022

A meeting of the Board of Directors of the Kent County Water Authority was held on the 22nd day of September, 2022, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Vice Chairman Jeff Giusti, Secretary Russell Crossman, Brian Kortz, Geoffrey Rousselle and Charles Donovan 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 Nicole Campagnone and Director of Operations, Richard Burns were also in attendance.

Chairman Boyer led the group in the pledge of allegiance.

Approval Of The Minutes

The minutes of the regular board meeting held on August 31, 2022 were presented for approval. Mr. Rousselle moved the minutes approval, seconded by Mr. Kortz. The minutes were approved unanimously.

Guest:

Hague, Sahady & Co., P.C., Review Audit Year Ending June 30, 2022

Mr. Simmons introduced Hague, Sahady & Co. auditors Kyle Pierce and Taylor Matthews for a presentation on the annual audited financial statements.

Mr. Pierce presented the audit to the board. He initially thanked Mr. Lanfredi and authority staff for their cooperation during the audit process. He presented two reports. First was the clean opinion from his company on the financial statements of KCWA. The second was a report on the internal controls, which found no instances of noncompliance, and that no matters were in need of addressing.

He went on to compare the 2021 audit to 2022 audit. He said the net position of the authority increased by \$5 million dollars. He discussed the income/loss portion of the audit, including a \$1.2 million dollar loss. He discussed the increase in fixed assets, additional land, and infrastructure increase in the form of machinery and equipment.

Mr. Pierce went on to discuss the new debt of the authority, specifically 2 new revenue bonds that the authority needed to finance the new facility. He described the debt to equity ratio at 3%. Next, he discussed the OPEB liabilities as well as the pension liability.

Next, the cash flow was discussed, along with the investing activities, and then the fiduciary statement contained in the audit. Finally, he discussed the trust to fund the OPEB and pension liabilities.

Chairman Boyer asked about the \$1.2 million dollar investment loss indicating that he felt the authority was doing pretty well. Mr. Pierce explained the loss on general economic conditions across the economy.

Mr. Crossman moved, seconded by Mr. Rousselle, to accept the audit.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves and accepts the audited financial statements ending June 30, 2022.

Legal Counsel

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. He said there was a continuation of a few hearings that would terminate the receivership as well as a problem with the sale of a lot destined to be for a marijuana dispensary. The receiver received an objection by the prospective purchaser as the use of the lot would conflict with his financing on the whole parcel, as well as selling it for less than market value.

WW Agreement

Mr. Sullivan updated the board on the acquisition of the land on Pontiac Ave. in West Warwick. He said he had prepared a purchase and sale agreement and forwarded it to the WW solicitor. He said they were to consider this in executive session and he attempted to contact the solicitor prior to the meeting but hadn't heard back.

Wagner Bankruptcy

Mr. Sullivan updated the board. He said he had sought, and received, relief from the bankruptcy court to collect the nearly \$7k of that arrearage. He said he received a letter from her attorney requesting relief and protection pursuant to the PUC regulations on a shutoff based upon her filing for divorce and her husband being incarcerated. Mr. Sullivan said he met with Mr. Simmons and set up a new account for her going forward and suspended the arrearage, pursuant to the PUC regulation. The amounts would eventually be paid. He also reported that he filed a claim in the bankruptcy. There was a sale of real estate scheduled to pay some debt.

Chairman Boyer thanked Mr. Sullivan for staying on top of the issue.

Director of Finance Report:

Closing Report August 2022 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 2021-2022 as of August 2022 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of August 2022, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi said shutoff notices for those owing more than \$100.00 went out to 931 customers. He said notices went out for those owing more than \$400.00 went out to 79 customers.

He went on to say that there are 4,000 customers on auto pay, with 11,000 signed up in the portal and 4,300 with e-bill customers.

Chairman Boyer asked how many shutoffs were actually completed. He also asked how many people actually come into the building and pay the bill. Mr. Lanfredi said he didn't have that information but would get it.

Mr. Giusti asked about the auto pay customers receiving notice when their designated credit card is expiring. Mr. Lanfredi said he asked the vendor about that and they said this isn't possible.

Mr. Rousselle moved, seconded by Mr. Crossman, 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 2021-2022 as of August 2022 and Statement of Revenues, Expenditures, and Changes in

Fund Balance as of August 2022, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Ms. Campagnone reported there were only 35 new meters left to be installed. Mr. Simmons said the meter crew were knocking on doors every day.

Point of Personal Privilege and Communication

Chairman Boyer said that although things appear to be going well, the employees cannot forget that the customers pay for their water bill and support the authority.

Mr. Sullivan replied that he had received an email from a local judge who took the time to commend the KCWA employees who were in the Division Road area in East Greenwich. He said that KCWA employees went above and beyond their duties in assisting his wife in getting back to her home and wanted to commend them.

Mr. Donovan asked if there was any public outreach planned in connection with the construction of the new facility. Mr. Simmons said the project has been discussed and advertised in several public meetings. He also stated more recently, there was also an annual report to customers describing the active and upcoming projects sent to all of the communities. The projects, inclusive of the new office and maintenance building, was included in the consumer confidence report sent to all customers in July. There was also a public advertisement and hearing on the borrowing with the Debt Service with the Division of Public Utilities and Carriers. The public hearing discussed the approved RIDOH project application Drinking Water State Revolving Fund as administered by the Rhode Island Infrastructure Bank. The filing was also reviewed by the Attorney General's office on which they asked questions and provided oral testimony supporting the project. He also said we were planning on coordinating groundbreaking ceremony with the Rhode Island Infrastructure Bank.

Mr. Kortz reminded the board that the information on the new facility went out to the customers in the water quality report.

Mr. Simmons said that perhaps they could provide a glossy image as an insert into the monthly bill describing the project.

Mr. Simmons also said he was in the process of doing the annual report to the PUC and the new facility was to be part of this submission. He promised the board he would get them a copy when it was complete.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS:

IFR 2021

Progress Update (Carlson Circle-Coit Ave-Monterey) – Crews moving to Hope Furnace - Howard Ave -High Service to Eagle Glen

Mr. Burns and Mr. Simmons updated the board on this project. They said Carlson Circle residents should be tied in within 2 weeks or so. They said test pits were dug in Pike St. Mr. Burns said it would take 2-3 weeks to tie in customers on Coit Ave. He said the Pontiac Ave. PRV would likely be delayed until spring.

There was a discussion of the supply chain problem and the ability of KCWA to secure the needed pipe.

Chairman Boyer said KCWA flew down Coit Ave. He asked if the pump station would be shut down on Eagle Glen. Mr. Simmons said yes it would once the system was activated. There is some work that still needs to be done to ensure that customers seeing a large increase in pressure have pressure reducing valves installed.

Mr. Rousselle asked if the paving would be delayed until Spring. Mr. Burns said yes, but the difficulty was getting the contractor to show up. He said they would do a trench patch for winter for now and this was also agreed to by the Town to allow for settlement. The contractor is required to maintain the trenches through winter.

IFR 2022

Sept 6th Advertisement for Invitation to Bid for the installation of new water main in West Warwick – Cowesett-Tiogoue-New London Turnpike

Mr. Simmons discussed the high service line on Cowesett. He said this portion was out to bid right now.

Meter Change Out Program

Update -Large Meter Program

Ms. Campagnone discussed the progress of the program. She said 204 of 305 were replaced in the large meter program. She said it was 67% complete. She added that Thielsch

Engineering received a large meter shipment and said the remainder of the meters should be finished. She said the contractor gave them a list of 30 customers that they couldn't contact.

Mr. Simmons asked her to send the list to the board members. He thought they may be able to assist in finding the owners.

Quonset Wholesale Connection:

Update - Online August 22, 2022

Mr. Simmons said the wholesale feed connection was officially online. He said the electronics to control the flow were not online yet. He said 100-120 gpm were currently flowing. He said that equaled out to 20,000 cubic per day.

New Office and Maintenance Facility

Sept 9th Advertisement for Invitation to Bid for the construction of new facility. -Update

Mr. Simmons said the bid went out on September 9, 2022. He said the pre bid meeting was mandatory and that there was a good turnout. He showed the board the sign in sheet and went over the participants. He said bids are due Oct. 12, 2022. He said the bid award can be made at a special meeting or the regular October meeting.

Mr. Simmons also discussed the soils testing at the site and plans to monetize it.

East Greenwich Well:

Design Update – Incorporation/Planning for future PFAS treatment.

Mr. Simmons said Pare was to set up a meeting with the new DPW director in EG. He said the backwash water may go potentially into the sewer system, as it would save real estate for expansion for new PFAS treatment units with a modification of the current building footprint. He stated that sending backwash from the manganese greensand system into the sewer would provide the authority with sufficient offsetting compensatory storage on the site. The offset storage volume would give the space needed for the additional treatment systems.

Mr. Giusti asked how long to empty the tank. Mr. Simmons said the tank holds 60k gallons which would take several days to fill and they could release 15 gallons per minute overnight.

Bipartisan Infrastructure Law LSLR

Discussion on funds available for lead service line replacement (LSLR)

Mr. Simmons said he met with the PUC and the infrastructure bank to discuss the Bipartisan Infrastructure Law. He said part of the new law pertains to the full replacement of lead service lines on the public side to the curbstop and additional grant money to replace the customer side. He said that there were many customers that would not want to allow the replacement of their private infrastructure even if it was a grant. The issue is that the moneys expended must show both sides as being replaced to receive the grant money. He also said the law includes replacement galvanized service lines. He discussed that there is approximately \$28 million per year being allocated over the next 5 years to replace lead service lines. He described the grant to loan distribution of the funds, and the requirement that the homeowner participate. He said there were a lot of hoops to jump over to receive and use the money toward a project, and he said he hoped the use would smooth out over time with additional guidance from the EPA.

Mr. Kortz asked about the galvanized lines. Mr. Simmons said some of the older galvanized lines still out there and we would like to get them removed as well. There are only 70 or so lead service lines that are left in the system. He said we are hoping to stitch together a large enough project where we can remove both the lead and galvanized service lines and possibly obtain the grant funds.

Executive Session:

Pursuant to RIGL Executive Session 42-46-5(a)(1) relating to discussions of the job performance, character, or physical or mental health of a person or persons. Probationary employment status.

Chairman Boyer asked Ms. Campagnone, having previously notified in writing of her ability to have the discussion in closed session, if she wanted to remain in open session or go into closed session. She indicated that there was no need for executive session and asked to remain in open session.

Mr. Simmons said that Nicole's two-year probationary period was over. He said she has done an excellent job and is an integral part of the team. He added that it had been a blessing having her on the team. He said with a high recommendation that she be granted full employment having successfully completed her probationary period.

Chairman Boyer said that she had been doing a great job, and moved her full employment. Mr. Crossman seconded.

Upon motion duly made and seconded, it was unanimously

VOTED: That Nicole Campagnone was granted full employment status having successfully completed her probationary period.

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

Dated: October 27, 2022



Patrick J. Sullivan
Legal Counsel