

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING OF THE BOARD

March 19, 2015

A meeting of the Board of Directors of the Kent County Water Authority was held on the 19th day of March 2015, 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 Chairman Robert Boyer, Mr. Masterson, Mr. Gallucci, Mr. Inman, and Mr. Giorgio were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq. as well as, Mr. Duscheneau and Mr. Simmons, Finance Director Jo-Ann Gershkoff. Mr. Gallucci led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of February 19, 2015 were presented for approval. Mr. Masterson noted an error where the minutes referenced West Greenwich and should have read East Greenwich; Mr. Giorgio moved passage of the minutes as amended, seconded by Mr. Masterson and the minutes were unanimously approved.

Mr. Brown indicated to the board that he would ask that they add two items to the agenda for discussion only at the end of the meeting, the Coventry Fire District billings and the Westgate Condominium fire.

LEGAL MATTERS

Mr. Sullivan reported on the problems in the Pontiac/Natick area of Warwick. He reported to the board that he had continued work on the easements and that he had commitments from everyone involved. He has almost all of the proposed easements, but he expected all to sign.

Mr. Sullivan updated the board on the situation at 642 Washington St., Coventry. Indicated that he has had fruitful discussions with the other side who may have softened their position. He suggested that the parties meet with counsel and the general manager as it is appearing that the financial end of it is not an issue for the defendants.

Mr. Sullivan also reported on the D'Ambra Construction matter. He informed the board that the checks should arrive from the insurance company prior to the next meeting.

Mr. Sullivan went on to the Central Coventry Fire Department bankruptcy. He advised

the board that the claims bar date has been set at March 31, 2015 and he indicated that his reading of the pleadings showed that the receiver and the union are close to reaching an agreement on a new collective bargaining agreement.

Director of Finance Report:

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She presented the Statement of Revenues, Expenditures and Changes in Fund Balance as of January 2015 and the Statement of Cash Location FY 2014-2015 and Cash Receipts and Disbursements FY 2014-2015 as of February 28, 2015 attached as exhibit “A”, and a thorough discussion ensued with regard to the sales and revenue.

Mr. Gallucci moved and seconded by Mr. Masterson 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 Statement of Revenues, Expenditures and Changes in Fund Balance as of February 2015 and the Statement of Cash Location FY 2014-2015 and Cash Receipts and Disbursements FY 2014-2015 as of February 28, 2015 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. Inman commended the general manager and Mr. Simmons on the technology upgrade with the tablets and access to agenda packet items electronically.

Chairman Boyer took the opportunity to commend Mr. Brown and the staff regarding their response to the fire at the Westgate Condominiums, indicating that it was a trying week for Mr. Brown.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

GENERAL:

IFR Easements 2015B Warwick Status

Mr. Brown advised the board that although his manager’s report recommends that this be moved to IFR 2015B, the reports that Mr. Sullivan gave indicate that KCWA is very close to getting all easements needed so he would revise his recommendation to continue on the original track if we can get the easements within a couple of weeks. He said once the easements are in hand, he will send plans out to all agencies for review.

Rate Case Status

Mr. Brown continues to recommend that this continue on hold and revisit this in early spring 2015. In addition, this impacts the rate case counsel decision.

Rate Counsel Action

Mr. Brown advised the board that he received two proposals on February 12, 2015 that were tabled at the last meeting, Mary B. Shekarchi and Keough & Sweeney. The Chairman expressed his displeasure with an “open checkbook” and queried about a fee cap. Mr. Brown indicated that he doubted he could cap the fees, and summarized the work rate counsel would do which was a great deal. Mr. Gallucci asked about current rate counsel, Mr. Watson. Mr. Brown indicated that there would be no work directed to him and the board was free to engage another firm to do the rate case. A discussion was held regarding the history of rate counsel over the years. There was further discussion about the relevant experience of the two applicants before the PUC.

Mr. Gallucci expressed his opinion that he would rather stay with Mr. Sullivan, current board counsel. The Chairman again reiterated that the hourly rate was too high for Keough and Sweeney. Mr. Brown suggested that the board interview the only viable applicant, Keough and Sweeney for the position.

Mr. Gallucci asked the manager whether it was necessary to have separate rate counsel. Mr. Brown reported that historically there were separate house counsel and rate counsel. A discussion ensued about the history of legal representation of the KCWA.

Consumer Confidence Report Printing Bid Award

Mr. Brown reported that this report, as required by federal law, is a 28-page document that KCWA must mail to all customers. He recommended Graphic Image Inc. to produce the document and mail it for the amount of \$8,820. This does not include postage.

Mr. Masterson moved, seconded by Mr. Gallucci, to award production of the Consumer Confidence Report to Graphic Image, Inc. for \$8,820.00.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA awards production of the Consumer Confidence Report to Graphic Image, Inc. for \$8,820.00.

Audit RFP Award

Mr. Brown went into a detailed discussion and advised the board that they received four proposals for the audit. He indicated that all are comparable and that he recommends Hague, Sahady and Co. as they were the lowest cost and met all requirements in the RFP. This award would be for next year, with an additional two-year extension option, Mr. Brown advised.

Mr. Gallucci moved, seconded by Mr. Masterson, to award the audit to Hague, Sahady

and Co. for one year, with two additional extension options for the amount of \$24,500.00 for 2015, \$25,500.00 for 2016 (if extended), and \$27,000.00 for 2017 (if extended).

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA awards the audit to Hague, Sahady and Co. for one year, with two additional extension options for the amount of \$24,500.00 for 2015, \$25,500.00 for 2016 (if extended), and \$27,000.00 for 2017 (if extended).

Wright Pierce Additional Fees Decision

Mr. Brown briefly outlined the history of the discussions/negotiations. There was a discussion between the board; there was additional work done by Wright Pierce and they are asking for a reduced amount of \$55,000.00 after Mr. Brown cut their original request from \$99,000.00.

Mr. Gallucci moved, seconded by Mr. Masterson, to settle and award Wright Pierce \$55,000.00 in additional fees for work completed over and above their contract.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA settles and awards Wright Pierce \$55,000.00 in additional fees for work completed over and above their contract.

CAPITAL PROJECTS:

CIP-1C Mishnock Well Treatment Plant (Contractor Final Payment)

Mr. Brown informs the board the contractor has submitted his final payment request and he had agreed to the counter offer of \$60,000.00 that had been previously authorized by the board.

Chairman Boyer expressed his frustration with the fact that Mr. Mulligan had agreed to provide the hours that were worked on the project at the settlement meeting when Mr. Brown and Mr. Sullivan were in attendance. The Chairman asked Mr. Brown to ask again for it. Mr. Brown indicated that he received the certified payrolls for each payment request.

INFRASTRUCTURE PROJECTS

IFR 2010B Prospect Hill (Construction Status)

Mr. Brown reports that the remaining work is paving that will be completed in the spring and that will complete the project.

Apponaug Circulator Water Main Replacement (Status)

Mr. Brown reported the project has shut down for the winter.

Hydraulic Model Upgrade

Mr. Brown reports that the project is complete.

Revised Tank Study Ramifications

Mr. Brown reported that due to the recent demands, due to current work load this will be revisited at the April meeting.

East Greenwich Well Refurbishment

Mr. Brown reported that a demolition contract is being finalized. He expected that at the end of April, 2015. The project involves the retrofit of the existing well.

IFR 2014A

Mr. Brown reported that a pre construction meeting is scheduled for the day after the KCWA meeting. There was a discussion as all of the work is in front of Kent County Hospital. Once there is a schedule, KCWA will write to everyone on Toll Gate Rd. with the schedule. Boyle and Fogarty has been awarded the contract.

Mr. Gallucci asked about the existing fire protection lines, and whether the water will remain clean to KCMH. Mr. Brown indicated that it would, and fire protection is also supplied by Warwick Water Department.

IFR 2014B Design

Mr. Brown reports the construction project should begin in late spring.

IFR 2015A/B DESIGN

Mr. Brown reported that both contracts are under design by the engineer. He expected to have an early spring bid for 2015A. He expected to have a later spring bid for 2015B.

Quaker Lane Pump Station Upgrade (Status)

Mr. Brown advised the board that the contractor is in the process of ordering parts and when delivered, he will proceed with the retrofit of the pumps as agreed.

Additional agenda items for discussion only

Mr. Brown asked the board to add two items for discussion only.

Mr. Masterson moved, seconded by Mr. Gallucci, to add the Coventry Fire District

accounts receivable and the West Gate Condominium fire to the agenda for discussion purposes only.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the agenda may be amended to add the Coventry Fire District accounts receivable and the Westgate Condominium fire to the agenda for discussion purposes only.

Coventry Fire District

Mr. Brown expressed his frustration with the arrears of the Coventry Fire District, also known as the Anthony Fire District. He indicated that they are in arrears two quarters now. The amount totals \$67,198.00. He added that both buildings are scheduled for shut off; not the hydrants.

Mr. Brown advised the board he would direct legal counsel to write a demand letter and that this matter be revisited in April in the event the balances remain outstanding.

Westgate Condominium Fire

Mr. Brown summarized the role of KCWA regarding the fire that leveled a condo building. He advised the board that he sent a manager over there while the hydrant wasn't operating. The port was pulled out of it. It was held by four lugs leaded in so there was some force to pull it out. The worker overheard that a car hit a fully charged line, but at 11:00 a.m. there was no water on the road surface.

He went on to inform the board that when the condos were built, there was no water on Quaker Lane. The condos had a private system which was a 12" line coming off a 20" line. He also added that they have a pump with four hydrants on the site. The maintenance man was overheard to say that their pump wasn't working.

There was also a hydrant across the street that was never used for the firefighting.

Mr. Brown went on to say that there was a reading of the meter that day in the regular course of business for Spencer Hill Condos.

Mr. Brown continued with a discussion of the water availability. Chairman Boyer added to that discussion as well, and said there is a 24" water line at that intersection, a 20" line on East Greenwich Ave. and two 12" lines on Major Potter Road; plenty of water availability and pressure to fight the fire. He added with a private pump station, if that pump goes down, there is no fire protection.

Mr. Inman asked if there was enough pressure to fight the fire; Mr. Brown replied yes.

Mr. Brown added that KCWA answered the questions of the state fire marshal and will continue to do so.

Mr. Gallucci added that he met with Mr. Brown the day after the fire. He said Mr. Brown handed him a fact sheet that he shared with the city council. He indicated that his position was wait and see. There was to be a report issued in several days, and then respond accordingly.

There being no further business before the board, Mr. Inman moved, seconded by Mr. Giorgio to adjourn the meeting.

Dated: April ____, 2015.

Legal Counsel