

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING OF THE BOARD

April 16, 2015

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th day of April 2015, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Vice-Chairman Masterson opened the meeting at 3:30 p.m. Board Members Mr. Gallucci, and Mr. Inman 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, Mr. Simmons and Finance Director Jo-Ann Gershkoff. Chairman Boyer was excused from attendance due to illness. Mr. Giorgio was also excused from attendance. Mr. Gallucci led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of March 19, 2015 were presented for approval. Mr. Gallucci moved passage, seconded by Mr. Inman and the minutes were unanimously approved.

HIGH SERVICE REQUESTS

1180 Tiogue Ave., Coventry – Mark Gendron & Gordon Gendron

Pat Walker appeared for the Gendron application. The use is a retail/office building proposed. Mr. Duscheneau reports that there is bathroom and minor kitchen use and he reported no problems with the application.

It was moved by Mr. Inman, seconded by Mr. Gallucci, to conditionally approve the request for water supply to the development with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of

planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.

3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.
6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping techniques and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That based upon health and safety concerns to conditionally approve the request for water supply to service the development with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
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73 Hopkins Hill Rd., West Greenwich – Kurt Wilcox

Mr. Wilcox appeared on the application for high service. He reports that there are 3 wells that he uses for his nursery that he operates on the property. He advised the board that he does not intend to use KCWA water for the nursery, only for the single-family home on the property. Mr. Brown advised him that he would have to sever the well from the house.

It was moved by Mr. Inman, seconded by Mr. Gallucci, to conditionally approve the request for water supply to the facility with the following conditions in lieu of a moratorium:

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LEGAL MATTERS

Mr. Sullivan reported on the problems in the Pontiac/Natick area of Warwick. He reported to the board that he had received responses from his latest correspondence and he had most everyone. He was advised that he developed information that at least one hold out was holding out for compensation. He further advised that he had spoken to Mr. Gallucci and planned to meet with the city solicitor to take the easement pursuant to the power of eminent domain that the city has.

Mr. Sullivan then updated the board on the situation at 642 Washington St., Coventry.

He informed the board that there was a meeting scheduled on the 21st day of April, 2015 with all parties and Mr. Brown. He promised a report to the board.

Mr. Sullivan went on to the Central Coventry Fire Department bankruptcy. He reported that the claim was filed and it was being treated as a priority claim. There was information that the union and the receiver had reached an agreement on the new collective bargaining agreement. That must be approved by the court. Once that is achieved, the district can emerge from bankruptcy. Mr. Brown and Mr. Sullivan expressed optimism that the authority will be repaid over a five year period. Mr. Brown reported that the ongoing bills are being paid.

Mr. Sullivan also advised the board that he has sent a second collection letter to the Coventry Fire District, specifically Chairman Palin, with a copy to Mr. Williamson. He advised that he spoke to Mr. Williamson, who advised the board intends on paying.

Director of Finance Report:

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

Mr. Inman moved and 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 2014-2015 as of March 2015, and Statement of Revenues, Expenditures and Changes in Fund Balance as of February 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 updated the board on a meeting he and Mr. Brown attended on April 8, 2015 at the Hopkins Hill Fire station. It was a meeting of the condominium association from the complex on Hopkins Hill Rd. Mr. Inman reported that their water situation is dire. They thought they could simply hook up to the existing pipes in the ground. It isn't that simple. Mr. Brown added that there is no fire protection there, and that the development relies on tankers to bring in the water.

Mr. Inman advised that it remains a very complicated situation. Mr. Brown added that there are quality issues with the water, as well as the issues of the remaining property as well. He added that the receiver was at the meeting and that he was helpful with his historical knowledge of the property developed by Nicholas Cambio. Mr. Inman promised to assist any way the KCWA can, which was echoed by the board and Mr. Brown. Mr. Masterson asked Mr.

Brown if there is anything on the horizon to help them. Mr. Brown responded that the group will attempt to seek some federal funding. The organization has a funding problem.

Mr. Masterson commended Mr. Inman for his work on the problem. Mr. Brown added that they will continue to go to meetings.

Mr. Gallucci reported on a bomb threat that the Warwick City Hall suffered. He added that it was very scary and reminded Mr. Brown and the board to remain vigilant at the KCWA as well.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

2015A IFR Easements Warwick Status

Mr. Brown advised the board discussed that with Mr. Sullivan and it awaits finalization.

Rate Case Status

Mr. Brown advised the board that this remains on hold until rate counsel is selected.

Paving Services Bid Approval

Mr. Brown reported that International Paving Corp. was the only bidder. He advised that they proposed a one year bid, with the possibility of an extension of two additional years. He reported that they are currently doing the paving for the KCWA and he recommends approval.

Mr. Gallucci moved, seconded by Mr. Inman, to award the annual paving bid to International Paving Corp. in the amount of \$172,430.00 for one year with the possible extension of two additional years.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That International Paving Corp is awarded the annual paving bid in the amount of \$172,430.00 for one year with the possible extension of two additional years.

QDC Water Service Inquiry

Mr. Brown opened a discussion of Quonset Point and their need for additional water. He advised the board that he went to a meeting with representatives of Quonset Development Corp. They need additional water and Providence is willing to sell them additional water. The problem is delivery, he reported. He added that they were looking for 200 gallons per minute. Mr. Brown opined that KCWA could provide that supply. He added that KCWA tried to bring water down route 2 toward Quonset but KCWA was unable to do so.

Contract Execution Audit Services

Mr. Brown reported that the contract for the next audit is ready for the Chairman's signature when he is well.

Replacement GIS Coordinator

Mr. Brown advised the board that the GIS coordinator needs to be restaffed. The current coordinator has given his notice that he will be leaving for another opportunity with Connecticut Water, a private water company. Mr. Brown commended the employee and said he did a great job for KCWA for six years. He added that the employee would assist weekends and nights in the transition.

Mr. Brown added that the position has been advertised and there are two interviews scheduled. Mr. Masterson questioned the qualification needed for the position. There was a general discussion about the position and qualifications. Mr. Brown added that there may have to be a special meeting to appoint the successor coordinator.

INFRASTRUCTURE PROJECTS

IFR 2010B Prospect Hill (Construction Status)

Mr. Brown informs the board that final paving should occur in the spring to finalize the project.

Apponaug Circulator Water Main Replacement (Status)

Mr. Brown reported the project back in full motion, although there is not much water work.

Hydraulic Model Upgrade (Task Order #2 Approval)

Mr. Brown reports that there were two issues from the updated model. One is the age of the water in the high service gradient. He may send legal counsel back to court to amend and eliminate the current restrictions, as they are not necessary any longer.

Mr. Brown added that the Carr Pond & Technology Tank water could age to 63 days. He added that the age can be reduced in one tank but one should come off line. More work is needed on the model before KCWA acts.

The next issue is the hydrants we have control over. The hydrants have a range of flows that need to be looked at to make it easier to see what main they are coming off and their capacity. Mr. Brown recommended approval of Task Order No. 3 between KCWA and C&E Engineering to update the hydraulic model and to evaluate fire flow capabilities of the KCWA water system in the amount of \$28,600.00.

Mr. Inman moved, seconded by Mr. Gallucci, to approve of Task Order No. 3 between KCWA and C&E Engineering to update the hydraulic model and to evaluate fire flow capabilities of the KCWA water system in the amount of \$28,600.00.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA approves Task Order No. 3 between KCWA and C&E Engineering to update the hydraulic model and to evaluate fire flow capabilities of the KCWA water system in the amount of \$28,600.00.

Revised Tank Study (Completed) Ramifications

Mr. Brown reported that the tank study will recommend to eliminate most dead ends and to get the proper age of water in the tanks.

East Greenwich Refurbishment

Mr. Brown reported that the demolition contract is currently out to bid, and the remaining contracts are out to the state for approval. Mr. Masterson asked whether Mr. Brown predicted any problems that the project will be delayed. Mr. Brown thought the project will be on track without any problems.

IFR 2014A

Mr. Brown reported that Boyle and Fogarty had been awarded the contract and construction has begun in the Commonwealth area.

IFR 2014B Design

Mr. Brown reports the contract is ready to be signed.

IFR 2015A/B DESIGN

Mr. Brown reports that both contracts are under design. He expects an early spring bid for 2015A and a late spring bid for 2015B.

Quaker Lane Pump Station Upgrade (Status)

Mr. Brown reports that the parts are on order to repair the pumps. He added that he recommends approval of the Balancing Change Order #6 to begin the close out process. This C.O. finalizes the actual vs. bid quantities of the contract.

Mr. Inman moved, seconded by Mr. Gallucci, to approve of Balancing Change Order No. 6 to finalize the actual vs. bid quantities of the contract.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA approves Balancing Change Order No. 6 to finalize the actual vs. bid quantities of the contract.

Mr. Brown reported to the board that the pension plan will be presented to the board at the next meeting. He added that the plan is doing very well with the investments selected, and that the plan is well funded.

Rate Counsel Interview – Joseph A. Keough, Esq.

Mr. Brown introduced Attorney Keough to the board. He reminded the board at the last meeting that they requested an interview with Mr. Keough.

There was a thorough vetting of Mr. Keough's history and qualifications to be engaged as rate counsel. He provided information on his current and past clients, and his experience before and with the PUC and DPUC upon questioning by the board members.

There was a discussion by the board of the hourly rate of Mr. Keough in his response to the request for production. Mr. Keough promised to meet with Mr. Brown to discuss the matter further.

Mr. Masterson thanked Mr. Keough for submitting to the interview.

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

Dated: May ____, 2015.

Legal Counsel