

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

May 19, 2016

A meeting of the Board of Directors of the Kent County Water Authority was held on the 19th day of May 2016, 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 Masterson, Treasurer Joseph Gallucci, and Mr. Giorgio were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, Legal Counsel Patrick J. Sullivan, Esq., Director of Technical Services John Duchesneau and Director of Administration, Finance Director Jo-Ann Gershkoff and Treatment Manager/Water Project Engineer Dave Simmons. Secretary Edward Inman was excused. Mr. Giorgio led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of April 21, 2016 and the special meeting of April 5, 2016 were presented for approval. Mr. Giorgio moved passage, seconded by Mr. Masterson and both sets of minutes were unanimously approved.

GUEST: Kim Muldoon, Starkweather and Shepley Medical Plan Review July 1, 2016.

Mr. Brown introduced Ms. Muldoon from the Starkweather and Shepley firm and explained that the board needed to act on the renewal of the various insurances for the budget's approval next month.

Ms. Muldoon began by describing what KCWA currently purchases for its employees. She also advised that only certain insurance companies are licensed to do business in RI. For health insurance, they are United Health, Blue Cross Blue Shield and Tufts. She said BCBS, the current provider, made some changes in its plan offering. She said as of July 1, 2016, KCWA will default into the new plan. The new plan reflects a three (3%) percent decrease in premium. The rates are based upon the ages of the employee, spouse, and children. She went on to say certain copays will be changing downward, while some procedures will be covered in full. She discussed the ability to have an online doctor's visit with a smart phone or tablet.

The Chairman asked about the prescription mail orders. Ms. Muldoon went on to discuss the tier system of prescription copays and the ability of discounted mail order medication.

Mr. Masterson asked about the start dates of the renewal plan and about successive years.

Ms. Muldoon discussed the contrast with United Health which she said would be a nine (9%) percent increase. She discussed Tufts, which she said they have not only higher deductibles, but there is no plan for retirees. She said she recommends to keeping the status quo and remain with the current carrier, Blue Cross Blue Shield.

Next, Ms. Muldoon discussed the dental plan. She said she recommended Blue Cross Blue Shield for this plan. She said their current proposal is fifteen (15%) percent decrease in the current premium, and the annual benefits increase to \$1,500.00 from \$1,200.00. She recommended changing to this plan from Delta Dental.

Next, she discussed, the accidental disability and dismemberment plan and the long term disability plan offered by Mutual of Omaha that will be renewing in August, 2016. She said that the premium was going up slightly per month, but the rates are guaranteed for two years.

Mr. Masterson asked about the current long term disability. Mr. Brown said they offer it now and it is in addition to the TDI.

Finally, Mr. Brown asked for her final recommendation. Ms. Muldoon recommended keeping Blue Cross Blue Shield for health insurance, moving to Blue Cross Blue Shield for dental and to renew the Mutual of Omaha plan.

Mr. Masterson moved, and seconded by Mr. Giorgio, to contract with the following for one year for insurance:

Blue Cross Blue Shield for health insurance; and
Blue Cross Blue Shield for dental insurance; and
Mutual of Omaha for accidental disability and dismemberment and long term disability.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA contract with the following for insurance for one year:

Blue Cross Blue Shield for health insurance; and
Blue Cross Blue Shield for dental insurance; and
Mutual of Omaha for accidental disability and dismemberment and long term disability.

LEGAL MATTERS

Legal Counsel Mr. Sullivan reported the Center of New England ongoing receivership. There was no activity to report on this.

He then reported that a complaint was filed against Cardi Corporation for the water main breaks that Cardi has refused to accept responsibility. He said he couldn't deal directly with their insurance company as their deductible was in excess of the claimed amount. He awaits an answer to the complaint.

He then spoke of a motion to compel production of documents on the KCWA v. Colbea

matters. There was a hearing scheduled the following week on this matter.

He then spoke on the ongoing case of KCWA v. CCFD. Mr. Sullivan had advised that his matter would be discussed in executive session.

Director of Finance Report:

Mr. Brown explained and submitted the financial report. Cash Receipts and Disbursements FY 2015-2016 as of April, 2016, and statement of cash location 2015-2016, attached as exhibit "A", were submitted 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 Cash Location and Cash Receipts and Disbursements FY 2015-2016 as of April, 2016 attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege and Communication

There was no discussion regarding this topic.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

Bid Review and Awards

IFR System Structure Demolitions

Mr. Brown advised the board that there was one bid for this demolition contract. It was from West Wareham, MA, Costello Dismantling Co. in the amount of \$940,000.00. He suspected the lack of interest was the fact that there is lead paint involved in the demolition. He suggested that the board could reject the bid and divide it into parts. He surmised the lead scared the local contractors. He added that the current bid costs are in the \$25,000,000.00 range and he didn't want to run short.

Mr. Masterson moved, and seconded by Mr. Giorgio, to reject the bid from Costello Dismantling Co. as a result of funding issues.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA reject the bid from Costello Dismantling Co. as a result of funding issues.

Quonset Development Contract – Request for Support for Senate Bill 2804

Mr. Brown advised the board that there was a law change to use Providence Water somewhere down the road at Quonset. He said that QDC asked that KCWA send a letter of no objection to the bill as the senate committee withheld the bill since KCWA didn't weigh in on the bill.

INFRASTRUCTURE PROJECTS

Apponaug Circulator Water Main Replacement

Mr. Brown informed the board that this project remains ongoing with KCWA monitoring the work.

East Greenwich Well Refurbishment

Mr. Brown reported that the design was being renewed.

IFR 2014A

Mr. Brown informed the board that this construction is ongoing.

IFR 2014B

Mr. Brown informed the board that construction is ongoing.

IFR 2015A Spring Construction Start

Mr. Brown informed the board that the construction is to begin May 2016.

IFR 2015B

Mr. Brown said the project awaits contract signing and pre construction conference.

IFR 2016 Design (Project Status)

Mr. Brown advised that this project is still in design.

IFR System Structure Demolitions (Set Bid Date)

Mr. Brown advised that this was already handled earlier in the meeting.

CAPITAL PROJECTS

Mishnock Area Transmission Main, Design Revision (Current Project Status)

Mr. Brown indicated that the finalization and bid date are to be set.

Mr. Brown informed the board that Amgen asked the PWSB to increase the chlorination of the water. He said the testing methods have been changed as of last Monday. He added that KCWA cannot wait for test results through the weekend.

ADDITIONAL AGENDA ITEMS

Mr. Brown asked the board to place two additional items on the agenda for discussion purposes:

- PWSB Rate Filing
- Noxon and Myron Streets

Mr. Masterson moved, and seconded by Mr. Giorgio, to add the following items to the agenda for discussion only:

- PWSB Rate Filing
- Noxon and Myron Streets

Upon Motion duly made and seconded, it was unanimously,

VOTED: That KCWA, to add the following items to the agenda for discussion only:

- PWSB Rate Filing
- Noxon and Myron Streets

PWSB RATE FILING

Mr. Brown discussed the rate filing that Providence Water had filed on top of KCWA's current rate filing. He said they were looking for a 7.5% increase on the wholesale rate. This will come up at the next board meeting he said, on intervention. He said that he may contact the Bristol County Water Supply Board to see if they were interested in sharing the expense for the analyst. He added that this will require a pass through increase.

NOXON AND MYRON STREETS

Mr. Brown advised the board that these two streets are between Coit Avenue and Tampa Street in West Warwick. He said there have been holes occurring in the service pipes. There were four holes he said. He said he didn't put this into the 2014B IFR but KCWA is currently working across the street. He said he didn't think the project could wait. He thinks electrolysis may be blame for the holes, or it could be a grounding issue for the homes. He added that this

would be raised at the next meeting and may cost \$354,000.00.

Chairman Boyer asked the employee whether or not he wanted to go into executive session, having previously notified he could elect to have the discussion in closed session or open session. He elected closed session.

EXECUTIVE SESSION: Pursuant to RI GL 42-46-5(a)(1) Employee Performance Review, Employment Issue (3)

**EXECUTIVE SESSION: Pursuant to RIGL 42-46-5(a)(2) Litigation
KCWA v. Central Coventry Fire District C.A. KC 2015-0910**

The chairman then read the agenda item above and asked for a motion to go into executive session.

Mr. Masterson moved and seconded by Mr. Giorgio that the board move into executive session for discussion of the aforementioned employee performance review.

Upon Motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That the board move into executive session for discussion of the aforementioned employee performance review.

The board goes into executive session at 4:10 p.m.

Mr. Giorgio moved and seconded by Mr. Gallucci that the board exit from executive session.

Upon Motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That the board exit from executive session.

At 5:15 p.m. the board emerges from executive session and resumes open session.

Mr. Giorgio moved, seconded by Mr. Gallucci, that the minutes of the executive session meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

Upon motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That executive session minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

Mr. Sullivan reports for the record that two votes were taken in executive session to extend employee Ryan Fiske and Ernest Disaio permanent positions of employment with KCWA.

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

Dated: June ____ , 2016

Patrick J. Sullivan
Legal Counsel