

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

June 20, 2019

A meeting of the Board of Directors of the Kent County Water Authority was held on the 20th day of June 2019, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Secretary Scott Duckworth, Russell Crossman, 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 Technical Services John Duchesneau and Director of Finance and Administration Michael Lanfredi. Mr. Rousselle led the group in the pledge of allegiance. Treasurer Joseph Gallucci was excused for medical reasons.

Chairman Boyer welcomed the new member of the board from West Warwick, Mr. Geoffrey Rousselle. Chairman Boyer praised Mr. Rousselle as a civic leader, who was a former West Warwick Council President who actually appointed Mr. Boyer to the KCWA board.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on May 16, 2019 were presented for approval. Mr. Duckworth moved, seconded by Mr. Crossman, to approve the minutes. The minutes were approved unanimously.

Legal Matters

Mr. Sullivan again discussed the litigation described as In Re John Tworog, a debtor in bankruptcy who is also a customer. He reminded the board that there was to be a hearing based upon the KCWA attempting to collect a listed debt while the debtor was in bankruptcy which violated the “automatic stay”. Mr. Sullivan said the matter was withdrawn by the debtor and that the Mr. Tworog said the response by KCWA in its personal letter response was sufficient to end the matter. Mr. Sullivan reminded the board that KCWA had adopted a new bankruptcy policy going forward.

Mr. Sullivan then discussed the CONE receivership. He updated the board on the status of the CONE matters that were pending before the court. He said the consent order between the receiver and the town of Coventry had been approved and as such, the sale of the lots at the Highlands at Hopkins Hill can proceed, which will increase the sale of water.

Mr. Sullivan also said he had distributed a draft copy of the substance abuse policy and updated it and made it consistent with RI and federal law. Furthermore, the harassment policy, which is required by law, was updated and removed from the employee handbook. He added it was revised to make it reportable even if the allegation was at the upper levels of management. He also added a one-hour training component to the harassment policy, adding that there was already a one hour component of training in the substance abuse policy.

Mr. Simmons said the policies will be added to their revised employee handbook as exhibits at the end. He also reported that the Trust will be conducting the two one-hour classes in July at no cost to the authority.

Mr. Kortz asked Mr. Simmons about OSHA and hazmat certifications.

Director of Finance 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 2018-2019 as of May 2019 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May 2019, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Duckworth moved, seconded by Mr. Rousselle, 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 2018-2019 as of May 2019 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May 2019, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

There was a discussion regarding shutoffs between the Chairman and Mr. Lanfredi, noting there were 491 shutoff notices sent this quarter. Chairman Boyer thought it was expensive to charge people to shut off and to turn service back on. Mr. Sullivan said it was part of the tariff and relief should be at the PUC. Mr. Duckworth said he saw both sides after Mr. Simmons said many hours of manpower are required to handle the shutoffs.

Personal Privilege and Communication

Chairman Boyer thanked Mr. Giorgio for ten years of faithful service to the KCWA. He also introduced Mr. Rousselle as a tremendous asset to the board. Mr. Rousselle related his excitement to be on the board, saying Joseph Richard was his grandfather. The Chairman also asked that a letter be sent to Mr. Giorgio thanking him for his service.

The Chairman then said the momentum with Mr. Simmons was palpable and that there was serenity in the air with a new face at the helm. He felt optimistic for the future of the KCWA.

There was also a brief discussion about the rusting paint on the hydrants. Mr. Duchesneau said he would look into the matter.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

National Grid Proposal for Payment of Shared Paving Cost.

Mr. Simmons said he had received a check in the amount of \$40,593.00 as a reimbursement for paving.

Update to VOIP Phone Services - Complete

Mr. Simmons gave an update on the voice over internet protocol phone services. He said all phones have been upgraded. When one calls, it is answered by an automated attendant, including an emergency reporting option. Additionally, all calls are recorded, incoming and outgoing.

Security Upgrades - Camera Installation – Cash Payments

Mr. Simmons updated the board with the progress of the security camera installation. He said it should wrap up in July, and when done, one can view everything from the main office.

Mr. Simmons also updated the KCWA about the cash payments that were recently eliminated. He said there is a bill floating in the general assembly requiring retailers to accept cash. He said there were complaints by people, some who don't have a credit card, or if they do, there is an additional fee. Mr. Rousselle said he is in retail every day, and that people, especially in West Warwick, utilize cash as an important way to pay bills.

Water Supply System Management Plan, Report of Progress

Mr. Simmons advised the board that the data collection was ongoing. Most of the data was given to Geremia and Associates.

Meter Replacement Project, Status – Report of Progress

Mr. Simmons advised the board that the project was ongoing as well. He said the management software was complete. He reminded the board that the exercise wasn't just a swap out of the meter, rather there was customer information, photos, GPS coordinates were the types of data going into the system. He said there was a software test scheduled for next week.

Easement, Verizon Extension Spring Lake - Discussion

Mr. Sullivan reported to the board that he had reached an agreement with Verizon to extend the easement/license to the terms set by the board. He said the documents were still being drawn up between legal departments and he should have something to sign by the next meeting. The terms remain no more than 36 months, \$1,000.00 per month, a minimum term of 6 months, terminable by Verizon with 30 days' notice.

INFRASTRUCTURE PROJECTS

IFR 2018 Construction Update, WW Centerville Bridge no. 28, Warwick, Division Fairmount, Shady Glen, Hilltop Spencer, Beverly and Berkley

Mr. Simmons said the Natick Bridge construction has been completed. DOT will be finishing the work on the bridge.

Emergency Work Frenchtown Rd. CO #1 IFR 2018

Mr. Simmons described the emergency that led to the change order. He said they tried to dig the service but it was nine feet deep. They have tried to mitigate the manganese buildup for five houses in the area.

Tank Demolition TO#3

Mr. Simmons said he wants to rebid and redesign the tank removal, both the Tiogue steel tank and the Read Ave. steel tank. He asked for the board to approve task order no. 3 for Geremia to redesign the project for \$6,766.00 and rebid the matter for \$3,588.00.

Mr. Duckworth moved, seconded by Mr. Crossman, to approve the task order no. 3 for Geremia to redesign the project for \$6,766.00 and rebid the matter for \$3,588.00.

Upon motion duly made and seconded, it was unanimously

VOTED: KCWA approves task order no. 3 for Geremia to redesign the tank demolition project for \$6,766.00 and rebid the matter for \$3,588.00.

Natural Gas Standby Generator with ATS at main office

Mr. Simmons advised the board that KCWA doesn't have a standby generator, but rather uses one that is portable for worksites. He said he found one from Sourcewell, which functions the same as purchasing via a State Master Price Agreement (MPA), so it need not go out to bid.

Mr. Duckworth moved, seconded by Mr. Duckworth, to approve the purchase and installation of the generator at \$21,000.00.

Upon motion duly made and seconded, it was unanimously

VOTED: That KCWA is authorized for the purchase and installation of the generator at \$21,000.00.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service Coventry Main St, Leader, Old Main St, Sandy Bottom, Tiogue @ Gilles

Mr. Simmons reported that work was being done on the Sandy Bottom Rd. bridge, and there was nothing further to report on that.

Staff Reorganization – Updated Strategic Plan items – Updated Org. Chart and Job Descriptions

Mr. Simmons said the organizational chart was old and he updated it. He passed the documents out to the board. The Chairman said adjustments were made that were beneficial to KCWA plus to its employees.

Mr. Simmons explained the pay and longevity changes and explained how the higher licensure and length of time advances the employee along the chart. He added that customer

service employees will be getting a certified through the American Water Works Association through AWWAs customer service certification program. He also said that there was flexibility with salary when a new hire comes to the table with unique qualifications and/or higher levels of education.

Mr. Kortz had questions on whether the raises were automatic, and Mr. Simmons said they were not. Mr. Duckworth asked about the impact on the budget for next year.

After a lively discussion, Mr. Duckworth moved, seconded by Mr. Rousselle, approval of both the table of organization and the revised organizational chart.

Upon motion made and duly seconded, it was unanimously

VOTED: That both the table of organization and the revised organizational chart are hereby approved.

Budget Approval FY 20-21

Mr. Simmons introduced the subject to the board. Mr. Simmons summarized the budget highlights, including:

- Salary increases
- Health insurance cost reductions
- Workers Compensation slight increase
- Liability Insurance increase
- Pension contribution reduction

Mr. Simmons added that the budget policy should remain the same, in that it has been historically in the board's hands. He said the residential customer base has remained the same however he predicts an increase in the residential component. He added that the higher efficiency meters will increase revenue as well. He went on to discuss the capital improvements plan as well as the infrastructure replacement plans.

Chairman Boyer said the presentation was well put together and the document is self-explanatory.

Mr. Rousselle asked about the public fire hydrant component. Mr. Simmons said the system is built around fire protection. He said if fire protection was removed as a component of the KCWA system, it would be considerably smaller. He added that KCWA, in their last rate filing with the PUC, asked that the cost of the hydrants be put into the rate across the rate payers across the system, rather than charge the fire district or the city or town. He said the PUC rejected that notion. Mr. Duckworth added that KCWA didn't hear from any fire chiefs at all. He also

added that if the water bill went up, he doubted the sudden revenue windfall would be passed along to the taxpayer from the fire district or city or town.

Mr. Sullivan added that the issue was raised in two lawsuits against the Central Coventry Fire District and the Anthony Fire District. He said the claims were rejected by two different judges for lack of evidence.

The board then went on to discuss a salary increase for the employees. Mr. Simmons said his proposal to the board was based upon an overall 2% increase to the pay chart. All longevity or grade increases were based the approved chart or changes in position and responsibility. The pay chart considers the required RIDOH licensing levels, duration of employment, time in grade, and performance evaluations. He said that with the retirement of high paid employees, the overall salary component of the budget would actually decrease, or 1.1%, to the bottom line. This is a decrease of \$26,747.00 when compared to last year's budget.

There was a discussion of the longevity chart when the employee hits the milestone mid-year. Mr. Duckworth indicated that the salary increases show some employees are recognized for the work they do.

Mr. Kortz asked about the probationary period for new employees.

Mr. Duckworth moved, seconded by Mr. Giusti, to award the employees a 2% raise to the pay chart in this budget 20-21.

Motion made, duly seconded, it was unanimously

VOTED: That the KCWA employees shall be awarded a 2% pay raise to the chart for budget 20-21.

There being no further business before this meeting, on motion duly made by Mr. Duckworth, seconded by Mr. Kortz and carried, the meeting was adjourned at 5:30 p.m.

Dated: July _____, 2019

Patrick J. Sullivan
Legal Counsel