

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

September 20, 2018

A meeting of the Board of Directors of the Kent County Water Authority was held on the 20th day of September 2018, 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, Vice-Chairman Peter Masterson, Treasurer Joseph Gallucci, Secretary Scott Duckworth, Russell Crossman, Frank Giorgio and John Giusti were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, Legal Counsel Patrick J. Sullivan, Esq. and Administration Michael Lanfredi. Mr. Gallucci led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on August 16, 2018 were presented for approval. Mr. Duckworth moved, seconded by Mr. Gallucci, to approve the minutes. Both sets of the minutes were approved unanimously.

Guest Kyle Connors – Hauge, Sahady & Co. P.C. - Review Audit Year Ending June 30, 2018

Mr. Connors appeared from the auditing firm and was introduced to the board by Mr. Brown. Mr. Brown said the audit was done in record time, and Mr. Connors said it was because KCWA was ready to assist their firm.

He began by passing out a copy of the financial statements to the board. He then began discussing the balance sheet. He discussed the liabilities side of the balance sheet, the net pension liability, and the change in amortization. He went on to discuss the net OPEB liability and how GASB 75 changed the reporting requirements. With that, he discussed the trust OPEB assets of the company. He said the water revenues increased 5% over last year, and that administrative and general costs went down.

Mr. Connors went on to discuss the pension and OPEB valuations and the notes to the financial statements. He discussed the internal controls report, and he said he was happy to report there were no material weaknesses or significant weaknesses.

The board discussed the audit, then thanked Mr. Connors for his report.

Legal Matters

Mr. Sullivan discussed the litigation entitled Conservation Law Foundation v. KCWA and Burrillville v. KCWA (PC2017-1037 and PC2017-1039). He discussed the progress of the case and the developments since the last meeting. He again told the board that the case was heard on the 29th of July and that he expects a decision on the case prior to Judge Silverstein retiring in September, the week following the meeting.

He then discussed the CONE receivership. He said, similarly, that Judge Silverstein was to render a decision on a pressing matter prior to his retirement, and he thought it would happen prior to his retirement. He said the matter would likely be transferred to Judge Stern.

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

Mr. Brown advised the board that the shutoffs were rising. He then described the shutoff policy as none on weekends or holidays, or just before the holiday weekend.

Mr. Gallucci moved, seconded by Mr. Giusti, 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 August 2018 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of August 2018, 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. Duckworth began a discussion regarding the Highlands at Hopkins Hill (HHH). He asked Mr. Brown about the progress of the water issue to the development. Mr. Brown said they went through the design and KCWA sent it back to them. Mr. Duckworth indicated that he saw dig safe markings in the roadway. The Chairman added that the receiver is helping them to connect the water system.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

Utility Conflict King Fisher & Osprey Drive, Coventry

Mr. Brown indicated that communication with Coventry wasn't the greatest in the attempts to resolve this conflict. Mr. Duckworth asked if they needed him to intervene. The Chairman said at some point they may need the Coventry representatives to do so, and he would let them know.

Restorative Pavement Policy Discussion

Mr. Brown explained that there was a resolution written up for the City of Warwick and that Mr. Gallucci was to introduce it to the council. Mr. Gallucci said it was on the docket for October 1, 2018, and on unanimous consent for October 15, 2018. There was a general discussion of prior problems with paving in Warwick.

Legal Services August 2018 Approvals

Mr. Brown said he sent out the in house attorney invoices to the board for approval.

Mr. Duckworth moved, seconded by Mr. Crossman, to approve the invoices.

Upon motion made and duly seconded, it was unanimously

VOTED: That KCWA approves the 2018 August legal invoices from their attorneys.

Mansard Roof Repair – State MPA, Approval Furey Roofing

Mr. Brown said he sought the roof repair quote from the state master price agreement. This indicated that the project need not be put out to bid. He just issues a purchase order and goes forward. No motion was needed, he said.

Bid Award – New Van to Replace Truck 21

Mr. Brown said there were two bids that were returned for the new van replacement. Liberty Chevrolet and Priority Automotive Group. He then discussed issues relating to removing the graphics with the trade. Mr. Brown recommended Liberty Chevrolet in the amount of \$31,349.00.

Mr. Masterson moved, seconded by Mr. Giorgio, to award the bid to Liberty Chevrolet in the amount of \$31,349.00.

Upon motion made and duly seconded, it was unanimously

VOTED: That KCWA awards the bid to Liberty Chevrolet in the amount of \$31,349.00.

RFP Awards

Rate Consultant

Mr. Brown indicated that the RFP is out and there had been no response.

Cleaning & Inspection of Storage Tanks

Mr. Brown said there were four tanks that needed to be cleaned and inspected. He said two firms appeared for the pre bid and only one bid. He recommended the board award the bid to Underwater Solutions, Inc. for \$29,960.00.

Mr. Masterson moves, seconded by Mr. Giorgio, to award the bid to Underwater Solutions, Inc. for \$29,960.00.

Upon motion made and duly seconded, it was unanimously

VOTED: That KCWA awards the bid to Underwater Solutions, Inc. for \$29,960.00.

New Hire Approval

Mr. Brown discussed the two open positions. He said they interviewed one person for backhoe operator/laborer. He said the prospective employee had significant experience with equipment and had previously worked for Warwick water. Mr. Brown recommended Mr. Michael Lindstrom be offered a conditional offer of employment at KCWA subject to the appropriate probationary period and background checks.

Mr. Gallucci moved, seconded by Mr. Duckworth, to extend to Michael Lindstrom a conditional offer of employment at KCWA subject to the appropriate probationary period and appropriate background checks.

Upon motion made and duly seconded, it was unanimously

VOTED: That KCWA extends to Michael Lindstrom a conditional offer of employment at KCWA subject to the appropriate probationary period and appropriate background checks.

INFRASTRUCTURE PROJECTS

East Greenwich Well Refurbishment

Mr. Brown reports that the well is operational. He said it is working very well. They need to conduct additional tests, he added, but he predicted after the sealcoat on Monday, it would be a closeout of the property.

IFR 2015B

Mr. Brown reported that the project is ongoing and most paving was done. Work was done for this year.

IFR 2016 Design – 3 Phase Project

Mr. Brown updated the Board that this remains on hold for funding and was a three-phase project.

IFR 2018 Design

Mr. Brown reported that this would be re bid in the winter.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service

Mr. Brown reported that the design was done and the project will be sent out to bid in the beginning of January 2019.

EXECUTIVE SESSION – Pursuant to RIGL 42-26-5(a)(1), discussions of the job performance, character, or physical or mental health of a person or persons

Chairman Boyer read the agenda item and then asked the employee if he wanted an open session or executive session. The employee asked for executive session.

The Chairman asked for a motion to move into executive session. The chairman noted for the record that the affected employee was notified of the meeting and that he was given the opportunity to have the meeting in open session.

Mr. Duckworth moved, seconded by Mr. Giorgio that the board move into executive session for discussion of job performance, character, physical or mental health pursuant to RIGL 42-46-4 and 42-46-5(a)(1).

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

VOTED: That the board moved into executive session for discussion of job performance, character, physical or mental health pursuant to RIGL 42-46-4 and 42-46-5(a)(1).

The board moved into executive session at 4:15 p.m.

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The board emerges from executive session at 5:10 p.m.

Mr. Masterson moved and seconded by Mr. Giorgio that the board exit from executive session and resume open session.

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

VOTED: That the board the board exit from executive session

Mr. Duckworth then moved, and seconded by Mr. Crossman, that the minutes of the 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 the minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

There being no further business before this meeting, on motion duly made by Mr. Crossman, seconded by Mr. Giusti and carried, the meeting was adjourned at 5:15 p.m.

Dated: October ____, 2018

Patrick J. Sullivan
Legal Counsel