

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS

November 21, 2024

A meeting of the Board of Directors of the Kent County Water Authority was held on the 21st day of November, 2024, at 3:30 p.m. at the offices of the Authority 35 Technology Way, West Greenwich, RI, in the Robert B. Boyer Board Room.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Vice Chairman Jeff Giusti, Treasurer Scott Duckworth, board members Geoff Rousselle, Brian Kortz, Charles Donovan and Ken Mason were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Chief of Administration John Duchesneau, Legal Counsel Patrick J. Sullivan, Esq., Sr. Director of Finance and HR Michael Lanfredi, Sr. Director of Technical Services Nicole Campagnone, and Chief of Operations Richard Burns were also in attendance.

Mr. Giusti led the room in the pledge of allegiance.

Minutes Approval

The minutes of the board meeting held on September 19, 2024, were presented for approval. Mr. Rousselle moved the approval, seconded by Mr. Duckworth. The minutes were approved unanimously.

Legal Matters

Center of New England Receivership (CONE)

Mr. Sullivan updated the board on the CONE receivership. He indicated that since the last meeting, there was nothing more to report. He continues to monitor the situation, and it appears to be moving on its way to being dismissed.

PFAS Litigation

Mr. Sullivan updated the Board on the status of this litigation. Mr. Simmons said that our PFAS attorneys wanted to clarify that the PWSB water that was purchased was not eligible to be counted in the settlement efforts as the source water was procured via our wholesale

interconnections.. Mr. Simmons said that the upload portal that is used for dissemination of the data needed by the Environmental Law Group for the settlement required that all sources be included in the upload. Mr. Simmons went onto say that there were detectable levels of PFAS in the wholesale purchased water from Providence water, but they were far below the MCL. However, even at the low levels, when multiplied by the volume we purchase, it ended up adding to the potential settlement amount if it was allowed, which it is not.

Guest 3:35 PM: Hague, Sahady & Co., P.C., Review Audit Year Ending June 30, 2024

Robert Russell from the accounting firm introduced himself and gave his presentation on the audit. He began the discussion by praising Mr. Lanfredi and the office staff for the cooperation and organization of all the records that enabled his firm to conduct a smooth audit.

Mr. Russell went on to say that he's pleased to announce to the board that they have a clean opinion according to the generally accepted accounting principles.

He discussed the management analysis. He said the Authority experienced a good financial performance. He said the audit revealed that the Authority had an increase of \$3.6 million in position. He says the Authority had \$230.6 million in assess which is a 2% increase over the prior year. He added that there was a decrease in revenues which was attributed to a rainy and wet beginning of the year, which suppressed demand. He noted that the Authority benefited from higher investment returns. He went on to discuss the capital assets, long-term debt, reduction, and the overall approval of the audit.

Mr. Giusti asked if the audit revealed any red flags. Mr. Russell responded that not only were there no red flags, but the audit was a testament to the Authority's strong financial position.

Mr. Giusti move to approve and accept the audit. This was seconded by Mr. Duckworth.

Motion made and duly seconded, it was unanimously

VOTED: That the Kent County Water Authority approves and accepts the audit as presented.

Guest 3:50 PM: ACTION ITEM Request to temporarily use KCWA property located in WW Industrial Park on AP 12 Lot 475 which has an existing dormant water tower on the property. David Russo, Revity Energy.

Mr. Simmons introduced the topic to the board. He indicated that Revity Energy is conducting a solar array on land that adjoins land owned by the Water Authority at the end of James P Murphy Highway in West Warwick.

Mr. Ryan Palumbo approached and made a presentation to the board. He posted a graphic which outlined the property lines in an abandoned water tank formally used by Kent County Water. Outlined was the area that they would like to utilize for storage and parking temporarily while they construct their project. He said he expected to temporarily use it as the project would take between 9 and 12 months. He indicated that the restoration of the area would occur once the use is no longer needed.

There was a discussion between the board members, including Mr. Giusti and Mr. Kortz. The graphic showed the property line that crossed an area that is used by the Authority for access to their property. Mr. Palumbo's engineer indicated that a search of the records indicated that there is no easement. Mr. Simmons suggested that the consideration for the temporary construction could be the grant of an easement over the property by Revity Energy, including above and below the ground. Mr. Boyer indicated that he would like a hold harmless agreement, indemnification, and evidence that the solar panels contain no hazardous substances. Mr. Palumbo agreed with everything. Mr. Sullivan said the attorneys would collaborate to get this accomplished.

Mr. Kortz moved that the parties exchange easements, a permanent easement to the water Authority and a temporary construction easement to Revity Energy, with the permanent easement to KCWA containing provisions for above ground and subterranean use and temporary construction easement to include indemnification and environmental coverages. The motion was seconded by Mr. Duckworth.

Motion made and duly seconded, it was

VOTED: That KCWA approves the exchange of easements *supra*.

Director of Finance Report:

Closing Report/ Cash Report October 2024

Mr. Lanfredi, Finance Director, explained and submitted the financial report. He reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2023-2024 as of October 2024 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of October 2024, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi discussed the delinquencies, payment plans and shutoffs. He discussed the revenue.

He said they were not doing shutoffs for the remainder of the year because of the holidays.

Mr. Lanfredi went on to say that 1600 customers run auto pay, and that 14,500 customers were signed up for the portal.

Mr. Giusti asked if there were any red flags in the financial reports. Mr. Lanfredi replied there were not.

Mr. Rousselle moved, seconded by Mr. Duckworth, 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 2024-2025 as of October 2024 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of October 2024, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

East Greenwich Well Treatment Plant

ACTION ITEM: Contract Addendum No.3 -Engineering and Design Services for the addition of PFAS treatment at the East Greenwich Well. Guest: Tim Theis Sr Vice President, Pare Engineering.

Mr. Simmons introduced Mr. Theis to the board and the topic which is the addendum approval for the final design of the East Greenwich well.

The guest gave the board a historical perspective on the evolution of this project. He included the project description from four years ago, and the number of changes in regulations that affected its design to the current design. He said that the initial design was primarily to remove manganese and radon from the water. He further advised the board on the changing of the regulations by both the Department of Health and the Environmental Protection Agency that affected this project. PFAS regulations have changed both the design and the size of the well. He presented a PowerPoint presentation on the regulations into the current design.

Mr. Giusti asked if there was a timeline by the Department of Health. Mr. Theis said that there is no current timeline unless you're under a consent order with the department. As long as you have other sources of water free of PFAS, the noncompliant well simply can't be used.

Chairman Boyer asked if we had DEM approval of this design. There was a discussion of the floodplain and how high the building would have to go. Mr. Theis said there is a new floodplain that DEM may be using to vet the project. The chairman advised that if the contract is approved by the board tonight, and DEM halts the project, he advised that the project has to come to a halt and no further work would be approved. Mr. Theis agreed.

Mr. Kortz advised Mr. Theis that he needs to schedule this pre-application meeting right away and immediately assess their feedback.

Mr. Duckworth moved approval of contract addendum number three with the caveat that if DEM does not approve, work will stop and payment pursuant to the contract will be halted. Mr. Rousselle second the motion.

Motion made in duly seconded, it was unanimously

VOTED: That KCWA approves contract number three with the caveat that if DEM does not approve, work will stop and payment pursuant to the contract will be halted.

Personal Privilege and Communication

There was nothing to report on this agenda item.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS

IFR 2021-22: Update IFR 22 – Update Cowesett Ave

Update - IFR 2022 - Update - Cowesett Ave. Final paving and high service activation schedule for increased pressure in the Carlson Circle area.

M. Burns said all of the underground water work was complete and only road restoration remained. He also said final curb-to-curb paving was complete from Coit to New London Turnpike. Mr. Burns said that they need to pressurize Carlson Circle area. He said they will notify the residents of the need for a pressure reducing valve. Mr. Burns said there were 43 people affected and that they will hang their doors. He said that the Authority will install the pressure reducing valve in their homes, but the pumps have to be removed at their expense. He indicated that they are looking to do this sometime in April 2025.

Mr. Simmons indicated that RI DOT consented to the Authority's position, through its engineer, on filling the full depth trench patch and allowing the proper settlement as required under the permit before the final mill and overlay. He also said they are working with Balise to share the cost of some of the final mill and overlay work they are benefiting from on Route 2 and Cowesett Road. He said that this finish work would be commencing in the Spring.

EPA Revised Lead and Copper Rule Lead service line inventory submittal to RIDOH/EPA. Letters to customers. Get the lead out initiative (GLO)

Mr. Simmons introduced the agenda item to the board. He said the lead service inventory was submitted to the Department of Health as required. He said there's an interactive map on their website and letters were sent out to those affected. He said there was an online survey form that was created so customers could submit their information on the service material type. He went onto say that the survey walks the customers through the process of determining the material type and allows the attachment of photos. Mr Simmons said that the same information could also be emailed to lead@kentcountywater.org or they can schedule an appointment with a field representative to help the customers. He also illustrated a pitcher and several filters that the affected customers are eligible to come in and pick up at no cost for customers that have service lines that have been identified as lead or galvanized. These filters were also being dropped off at affected customers homes if they could not make it into the office He said that there were approximately 2,300 homes and businesses that received letters, but most were classified as unknown service types with about 125 lead and 125 galvanized. KCWA will be actively obtaining the data and information on those service lines in the coming months. Mr. Simmons also emphasized that KCWA was and remains in full compliance with the Lead and Copper rule and there are no actionable lead levels present in our system.

1072 Main Street ACTION ITEM: Appraisal results and sale discussion of old headquarters property. Proposed Listing Agreement (Keller Williams)

Mr. Simmons discussed the appraisal received for the sale of 1072 Main St., the former headquarters.

Mr. Sullivan advised the board on how the property would be marketed and ultimately giving the Town of West Warwick the right of first refusal, according to the Rhode Island General Laws.

Mr. Simmons asked the board to allow him to enter into a listing agreement with Keller Williams to market the commercial property at the initial price of \$799,000.

Mr. Duckworth moved, seconded by Mr. Rousselle, to authorize Mr. Simmons to sign the listing agreement with Keller Williams.

Motion made and duly seconded, it was unanimously

VOTED: that Mr. Simmons is authorized to sign the listing agreement with Keller Williams to market the property at 1072 Main St. in West Warwick.

General and Rate Counsel: ACTION ITEM: Letters of engagement for General Counsel and Rate Counsel

Chairman Boyer introduced the subject to the board. These letters of engagement for General Counsel and Rate Counsel have an updated by Mr. Sullivan and Ms. Shekarchi.

Mr. Duckworth moved, seconded by Mr. Rousselle to approve both letters of engagement.

Motion made and seconded, it was unanimously

VOTED: That KCWA approves the updated letters of engagement for general counsel and rate counsel.

Bald Hill Conversion Project Bald Hill Rd (Staples Plaza) Update

Mr. Simmons updated the board, advising them that this project has been completed.

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

Dated: December _____, 2024

Patrick J. Sullivan
Legal Counsel