

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

February 10, 2022

A meeting of the Board of Directors of the Kent County Water Authority was held on the 10th day of February 2022, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room via Zoom pursuant to the Governor's executive order.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Vice Chairman Jeff Giusti, Brian Kortz, and Geoffrey Rousselle were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Director of Administration John Duchesneau, Legal Counsel Patrick J. Sullivan, Esq. and Director of Human Resources and Finance Michael Lanfredi. Water Project Engineer Nicole Campagnone was also in attendance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on January 20, 2021 were presented for approval. Mr. Rousselle moved the minutes approval, seconded by Mr. Kortz. The minutes were approved unanimously.

Legal Counsel

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. He said there was a push to terminate the receivership by a group of creditors that allege they can satisfy all the claims that were approved in full. Various creditors assigned their claims to others for strength in numbers. There is a hearing scheduled in March 2022. The receiver has yet to take a position on the termination motion. There is also a hearing on the sale of a tract of land by the receiver that is also scheduled.

Johnsons Blvd land purchase/lease

Mr. Sullivan advised the board that neither he nor KCWA had received any response from Coventry for the land acquisition. Mr. Simmons said in light of the purported financial

condition of the town, it was a no brainer. The Chairman wondered why they were dragging their feet.

Director of Finance Report:

Closing Report January 2022 Cash 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 2021-2022 as of January 2022 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of January 2022, attached as exhibit “A”, and a thorough discussion ensued with regard to the sales and revenue.

The Chairman asked if the delinquencies were average. Mr. Lanfredi said in 2021 at this time the delinquencies were:

2022 2028 accounts delinquent for \$399k

2021 2200 accounts delinquent for \$635k

Mr. Simmons added that KCWA is slowly getting back to normal.

Mr. Giusti asked what percentage of people were on auto pay. Mr. Lanfredi said approximately 10%, or 2821 customers were on auto pay. He also said about 12%, or 3177 customers were on the e-bill program.

Mr. Rousselle moved, seconded by Mr. Kortz, 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 2021-2022 as of January 2022 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of January 2022, attached as exhibit “A”, be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege and Communication

Chairman Boyer was thankful that all was running well with the KCWA under Mr. Simmons, and that all the employees were working well together.

PUC/DPUC REGULATORY MATTERS:

PWSB Wholesale Rate Docket 4994

Mr. Simmons said that PWSB docket 4994 dealt with the wholesale rate. He said this is an ongoing issue with PWSB. He said KCWA pays them the wholesale rate, a uniform rate for all PWSB customers. He said a few of the wholesale customers thought the uniform rate was unfair to them, so they intervened. He said Bristol County Water Authority was raising most of the issues. He said the PUC ran a model based upon the infrastructure needed to deliver the water. He said KCWA is right next to PWSB, so under the model, KCWA rates go way down. It costs more to deliver the water across the bay, so their rates rise, to their dismay. The PUC is set to make the decision, which either way it goes, it should benefit KCWA.

Mr. Kortz asked if there was a chance the cost to KCWA could rise? Mr. Simmons replied probably not.

RIDPUC Debt Service Filing for approval and closing on RIIB Loan -Progress Update.

Mr. Simmons updated the board on the progress of the closing of the loan. He said the matter should be completed soon.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS:

Meter Change Out Program-Update Status.

Ms. Campagnone said that 200 meters are left to be installed. Of those, 50 have plumbing issues, with 150 not responding. They are currently being charged a \$55.00 fee to read their meters. Interestingly enough, there were not many complaints regarding the fee.

The large meters have 305 to be replaced. Twenty nine were replaced with 32 having been refurbished.

Land purchases for wellhead protection- update

Mr. Simmons said there were two closings on two separate parcels that were scheduled. The Hopkins Hill Rd. property was scheduled on February 16, 2022 with the Mishnock parcel scheduled for February 25, 2022. He said that they were finishing up the application to the

Water Resources Board. He said the total cost for both properties, including the land, legal and professional fees is \$336,580.00, which is all fully reimbursable.

Mr. Simmons said he had not received a proposed deed. Mr. Sullivan said the seller typically provides the deed, but he would get one from Mary Shekarchi as one seller did not have counsel.

New Office and Maintenance Facility RIIB funding via SRF and EBF. RIIB Board Approved with commitment letter. RIDOH- Certificate of Authorization Progress for SRF funding

Mr. Simmons said KCWA hired Pare to develop the Application for the Certificate of Authorization required by the RIDOH. He said he asked RI Infrastructure Bank to close next month on the loan without the certificate from RIDOH, as it would not be ready. The CEO said KCWA could close with the certificate as a post-closing item. Mr. Simmons said the bank may change its policies in connection therewith going forward.

Mr. Simmons went on to say KCWA still needs DPUC approval, and that most of the pre-filed testimony will be done by tomorrow. He said he hopes to lock in the rate mid-March and close in April.

Action Item: Proposal received for Architectural and Engineering Design Services.

Mr. Simmons advised the board that the RFP went out for architectural engineering for a new facility. Two companies showed up for the meeting, and only Vision 3 submitted a proposal. He said it looked good until he looked into the details. He said the subcommittee met with representatives of Vision3 and negotiated a reduction in the fee by \$286k.

Chairman Boyer said the savings were good. He said he told them to accept the adjustments or it would be re-bid, and they agreed.

He said we have a subcommittee to evaluate the offer and they can make a recommendation to the full board. He said he would like to take a deeper dive into this with the subcommittee.

Mr. Kortz said he felt more comfortable with the adjusted fee now. He said they agreed to reduce the fees, and they removed some of the things they were going to do.

Mr. Simmons said the original bid totaled \$1,075,023.00. The newly revised bid is \$669,000.00 to Vision3 and \$120,275.00 to Pare resulting in \$285,748.00 in net savings.

Mr. Kortz moved, the Vision3 bid in the amount of \$669,000.00 as part of the Architectural and Engineering Services, seconded by Mr. Rousselle.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA awards Vision3 the bid in the amount of \$669,000.00 as part of the Architectural and Engineering Services for the new facility.

Mr. Kortz moved, the Pare Engineering bid in the amount of \$120,275.00 as part of the Civil Engineering Services Design Development and Permitting Operations Facility, seconded by Mr. Rousselle.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA awards Pare Engineering bid in the amount of \$120,275.00 as part of the Civil Engineering Services Design Development and Permitting Operations Services for the new facility.

Executive Session: 4:10 pm

Pursuant to RIGL 42-46-5(2): Discussions pertaining to litigation -RIDOT- Construction-Pipe Gantry Issues-KCWA v. D'Ambra Construction and RIDOT- KC-2021-0704

Pursuant to RIGL 42-46-5(2): Discussions pertaining to litigation -Cardi- Construction

Mr. Rouselle moved to enter executive session. Mr. Kortz seconded the motion.

Chairman Boyer, via roll call vote, polled the board. The vote was unanimous.

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

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The board convenes back in open session at 4:15 p.m.

Mr. Rousselle moved to seal the minutes of the executive session. This was seconded by Mr. Kortz.

Motion made and duly seconded, it was unanimously approved.

There being no further business before this board, on motion duly made by Mr. Rousselle, seconded by Mr. Kortz and carried, the meeting was adjourned at 4:15 p.m.

Dated: March _____, 2022

Patrick J. Sullivan
Legal Counsel