

# KENT COUNTY WATER AUTHORITY

## MINUTES OF THE MEETING OF THE BOARD

March 20, 2014

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 20<sup>th</sup> day of March 2014, 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. Chairman Boyer, Board Members Vice-Chairman Masterson, Mr. Gallucci, Mr. Inman and Mr. Giorgio were present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq., as well as Finance Director Jo-Ann Gershkoff, Mr. Duchesneau and Mr. Simmons. Ms. Gershkoff led the group in the pledge of allegiance.

### **APPROVAL OF THE MINUTES**

The minutes of the regular board meeting of February 20, 2014 as well as the special board meeting of March 11, 2014 were presented for approval. Mr. Giorgio moved passage, seconded by Mr. Masterson and the minutes were unanimously approved.

### **HIGH SERVICE REQUESTS**

#### **1) Richard Moone – 33 & 37 Old North Road, Coventry**

Richard Moone and Gail Moone appeared for the board's consideration of a high service request for two lots on Old North Road. They informed the board that these two lots are the last two buildable lots on Old North Road, and they sought approval. Mr. Brown indicated that there were no issues with the request, but an approval would be with the standard high service stipulations.

It was moved by Mr. Inman, seconded by Mr. Gallucci, to conditionally approve the request for water supply to two lots for single family homes with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.

2. A deficient condition associated with accelerated commercial and residential

development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service make occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.

3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.
6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping technique and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That based upon health and safety concerns to conditionally approve the request for water supply to service a single family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.
3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase

or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.

5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.

6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping technique and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

## **LEGAL MATTERS**

Legal Counsel Mr. Sullivan reported on the Central Coventry Fire District. He indicated that Judge Stern approved the KCWA claim for an amount in excess of \$305,000.00 but less than \$350,000.00, since the figures through the end of the liquidation of May 16, 2014 were easily quantifiable. There were three other claims approved at the hearing. He added that the judge instructed the receiver to come up with a plan to begin partially paying on the claims now, while coming up with a plan to address other long term debt. Mr. Sullivan also added that there was a bill filed in the general assembly that amends the fiscal stability act, which would make it applicable to fire districts. He promised the board that he would watch the travel of the bill.

Mr. Sullivan also updated the board regarding the receivership of the Commerce Park Properties at the Centre of New England. The general manager reports that the account is current.

Mr. Sullivan continued with the 642 Washington St. negotiations to replace the water main across the private property. He indicated that COLBEA Enterprises requested that the engineering component be done by KCWA, so that the exact cost can be determined. He reported that the engineering, once completed, would more than likely forge a compromise with KCWA, according to representatives of COLBEA Enterprises.

### **Director of Finance Report:**

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. Statement of Cash Location FY 2013-2014 and Cash Receipts and Disbursements FY 2013-2014 as of February 28, 2014 attached as exhibit "A", and Statement of Revenue and Expenditures as of January 31, 2014 attached as exhibit "B", a thorough discussion ensued with regard to the sales and revenue. Chairman Boyer observed that the water sales were static. Mr. Brown commented that the month marked another record of low sales.

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 financial report and Statement of Cash Location FY 2013-2014 and Cash Receipts and Disbursements FY 2013-2014 as of February 28, 2014, attached as exhibit "A" and Statement of Revenue and Expenditures as of January 31, 2014, attached hereto as exhibit "B", be approved as presented and be incorporated herein and are made a part hereof.

### **Point of Personal Privilege & Communication**

There was a discussion by Mr. Masterson. He addressed the special meetings with personnel, saying that the whole process of hiring and discharge should be re-examined. He said that the whole process should rest with the general manager rather than calling the board into a special meeting. He suggested that the issue should be placed on a future agenda for discussion.

Mr. Inman added that he missed one special meeting, and attended one special meeting, and thanked his fellow board members for participating in the difficult meetings.

Chairman Boyer promised to place the subject on the agenda, but reminded the board that they have the authority over hiring and termination.

### **GENERAL MANAGER/CHIEF ENGINEER'S REPORT**

#### **GENERAL:**

#### **New Facility Discussion**

Mr. Brown indicated that there was nothing new to discuss at this time.

#### **Extend Woodcock & Associates agreement for one (1) additional year**

General Manager Brown next discussed the rate consultant. He reminded the board that the firm was contracted one year ago, and the agreement contains an extension available for an additional two (2) years. Mr. Brown recommends the contract be extended one additional year.

Mr. Inman moved and seconded by Mr. Masterson to extend the contract with Woodcock & Associates for one (1) additional year.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the KCWA extends the rate consulting contract with Woodcock & Associates for one (1) additional year.

#### **D'Ambra Construction Billing**

Mr. Brown then discussed the outstanding balance for D'Ambra construction. He discussed the memorandum attached to his general manager's report. He advised the board that an invoice from December 2010 relating to 285 Spring Valley Drive, East Greenwich, remains unpaid. He indicated that there was an oral agreement that they would pay for paving services since they couldn't get a paving crew out in December. He added that the interest on the unpaid balance continues to accrue. The bill is currently in excess of \$14,000.00. Chairman Boyer suggested that Mr. Brown attempt to settle the debt by telling the debtor that if they pay the original amount immediately, that any interest will be waived.

Mr. Giorgio asked the reason for non-payment. Mr. Brown said he was informed that their insurance company denied the claim. Mr. Inman asked if they tried to settle this, would it impair their position in the event of litigation? Mr. Sullivan advised that it would not.

Mr. Inman moved and seconded by Mr. Giorgio to authorize the general manager to extend an offer of settlement to D'Ambra that if they pay the original amount of the invoice within thirty (30) days, KCWA will waive any interest.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the KCWA authorizes the general manager to extend an offer of settlement to D'Ambra that if they pay the original amount of the invoice within thirty (30) days, KCWA will waive any interest.

### **Water Supply Management Plan Approval**

Mr. Brown reported on the status the water supply management plan. He advised the board that the plan was approved by the State Water Resources Board by default, saying that they did not respond or reply within the statutorily required time period. He added that, although it is approved, he added that he has no problem sitting down with their representatives to continue to discuss the matter.

### **February Sales**

Mr. Brown showed the board a prepared graphic showing the continued drop in water sales by the KCWA. He indicated the drop continues as a result of the economic downturn. This includes the loss of industrial customers, the amount of storefronts empty, as well as the attempts at water conservation. He added that there was 100 million cubic feet less water sold than normal. He also added that this downturn in sales could result in relaxing of the high service restrictions.

Mr. Brown indicated that this is a good thing for industry, but a bad impact on the budget. Mr. Gallucci asked about the water situation at Quonset. Chairman Boyer said that Quonset does not have the supply of water necessary for continued development. Mr. Brown added that there was a budget article that set aside \$18,000,000.00 for water improvements in the governors budget, with \$13,000,000.00 for the east bay and \$5,000,000.00 for the west bay. He concluded that the \$5,000,000.00 was removed from the budget and the east bay allocation remains.

## **CAPITAL PROJECTS:**

### **CIP 1C Mishnock Well Treatment Plant (Construction Status)**

The general manager reported the contractor is still working on the punch list. He added that the engineer asked for additional fees. He told the board that the contractor overspent without authorization and didn't think it was KCWA's problem in its entirety. He said one piece totaling \$12,000.00 he hasn't objected to but the total of \$80,000.00 he does object to.

## **INFRASTRUCTURE PROJECTS**

### **IFR 2010B Prospect Hill (Construction Status)**

The general manager informs the board that this is in winter shutdown. He also asked for approval of CO #3 for the Read School House Road tank repair with Boyle and Fogarty, which is attached to the general manager's report, in the amount of \$53,028.60. He advised the board that this involves installing new couplings and piping, among other things necessary.

Mr. Inman moved and seconded by Mr. Masterson to approve the CO #3 for the Read School House Road tank repair with Boyle and Fogarty, which is attached to the general manager's report, in the amount of \$53,028.60.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the KCWA approves CO #3 for the Read School House Road tank repair with Boyle and Fogarty, in the amount of \$53,028.60

### **Quaker Lane Pump Station Upgrade (Status)**

The general manager reports that this project is moving slowly. He predicted a spring finish, with the addition of liquidated damages.

### **Apponaug Circulator Water Main Replacement (Status)**

The design was completed and forwarded to RIDOT for inclusion into the construction contract.

General Manager Brown informed the board that bids are available on the 19<sup>th</sup>. He added that there is a pre bid conference on the 24<sup>th</sup>.

### **System Chlorinators, Addition to Clinton and Quaker PS**

Mr. Brown informed the board that comments were finally received by the Department of Health.

## **Hydraulic Model Upgrade**

Mr. Brown informed the board that a kick off meeting was held and the project is underway.

## **East Greenwich Refurbishment**

Mr. Brown added that a kick off meeting was held and the project is underway.

## **2014/2015 IFR**

General Manager Brown reports that a section of Commonwealth Ave. and Toll Gate Rd. are moving from 2015 to 2014. He added that he proposed to hold several Coventry streets, including Alaska, Colorado, Arizona, and others as a result of an issue of how the repaving is to occur with the town. He added that the requirements being forced upon the KCWA by the town will significantly increase the cost to the KCWA.

Mr. Inman queried what the requirement was. Mr. Brown advised that they require the removal of temporary pavement, which had already settled over the winter to be replaced and overlay pavement on top and their process will result in reflective cracking into the trench line. It will also double the cost to repave. Mr. Inman asked if there was discussion on this and Mr. Brown reported that there were letters back and forth. He also advised that the KCWA had generously done overlays in the past in the town. Mr. Inman asked if it was a question of communications. Mr. Brown said we notified the town how we do the repaving. He said our engineer sat with them and had three conversations with them. He added that KCWA just heard back from them today. Mr. Inman queried what would stop us from doing it our way without their assent, how we did it in the past? Mr. Brown indicated he didn't know. Mr. Inman then asked the board to give him thirty days to look into the situation. Mr. Inman asked Mr. Sullivan to research if the ordinance had been changed.

Mr. Gallucci indicated that Toll Gate Rd. was ready now in the area of the hospital. He added that Coventry has had a change in administration, and he thought that might be the source of the problem. Chairman Boyer advised Mr. Brown to go ahead with the design on Toll Gate Rd. to which Mr. Gallucci agreed.

There being no further business before this meeting, on motion duly made by Mr. Giorgio, seconded by Mr. Inman and carried, the meeting was adjourned at 4:40 p.m.

Dated: April \_\_\_\_, 2014

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Legal Counsel