

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS

April 17, 2025

A meeting of the Board of Directors of the Kent County Water Authority was held on the 17th day of April, 2025, 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, Kenneth Mason and Geoff Rousselle, were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq., Sr. Director of Finance and HR Michael Lanfredi, Sr. Director of Technical Services Nicole Campagnone, Chief of Administration John Duchesneau and Chief of Operations Richard Burns were also in attendance

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

Approval Of The Minutes

The minutes of the board meeting held on March 20, 2025, were presented for approval. Mr. Duckworth moved the approval, seconded by Mr. Rousselle. The minutes were approved unanimously.

Legal Counsel:

Mr. Sullivan said there was nothing additional to report in either the CONE receivership or the PFAS litigation.

Guest: Summit Financial Group, Due Diligence Pension Review ACTION ITEM – Contribution Funding Level for FY 26

Mr. Simmons introduced the topic to the board. Jason Denton and Doug Johnson from Summit Financial introduced themselves to the group.

Mr. Denton began with a discussion of the actuarial evaluation report for 2025. He began the discussion with the conclusion that the amount of \$326,987 would be the required

contribution for 2025. He described it as a 13% increase over the year before. He indicated that as salary levels increase, so does the pension cost. He said the funding ratio of the plan had increased from 81.9% to 84.8%. He said that anytime a pension fund is valued at greater than 80%, it is in strong financial shape, especially for government plans.

He went on to say there are 32 current retirees in the plan. It pays just over \$500,000 in benefits per year. He said there were currently 35 active employees in 2025. He went on to discuss the impact of potential retirements to the fund as people age out of employment and into the plan.

Chairman Boyer asked about the 5.1% increase rather than the 3% projected. Mr. Denton explained that 3% projection is based on an average with higher and lower percentage years over time. He also commented that there is an 18.6% expected increase in salary for employees under age 62 in the plan which will result in future benefits paid. Mr. Simmons went onto to explain that through normal attrition three employees cycled out and four cycled in which can inflate percentages based on normal promotion of lower-level employees moving to higher levels within the organization

Mr. Denton continued with his report. He discussed liabilities within the plan, indicating that in 2024 it was \$7.6 million in value and currently it's \$8.1 million. He went onto discussing the concept of smoothing which normalizes the volatility of larger increases and losses in the market over a five-year period.

Chairman Boyer went on to ask if the 3% is automatic regarding an increase in salary. Mr. Denton said the 3% is just an assumption, not a guarantee of raises, to remain competitive.

Mr. Simmons added that in terms of annual percentage baseline payroll adjustments the Authority currently uses the consumer price index CPI-W, not pension actuarial assumptions, for annual increases rather than the 3% assumption. He said if the economy contracts, then there would be little to no increase to the base adjustments to the pay chart.

Mr. Mason asked the representative about a cost-of-living adjustment to which the attendees replied there was no adjustment in the plan.

Mr. Johnson then addressed the board regarding investments. He showed a breakdown of the plan assets in the year and 2024 asset summary. He went over the investment reports and discussed the 60% allocation to equities in stocks with 40% in bonds and fixed returns.

Mr. Johnson went over the asset performance levels. He said he would like the board to authorize him to change two funds. He would like the board to replace the T Rowe Price New Horizon's fund with the Vanguard explorer 2%. He would also like to replace the Invesco Developing Markets with the American Funds New World 4%.

There was a general discussion about the stock markets poor performance in the first quarter of the year 2025 by many of the members in attendance. Mr. Rousselle asked if they would ever think of changing the 60/40 asset allocation. Mr. Johnson said they were always open to change.

Mr. Rousselle moved, seconded by Mr. Mason, to approve the two changes recommended by Mr. Johnson. Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Summit Financial to replace the T Rowe Price New Horizon's fund with the Vanguard Explorer 2% and to replace the Invesco Developing Markets with the American Funds New World 4%.

In addition, Mr. Rosselle moved to approve the annual contribution of \$326,987.00 into the pension fund. This is seconded by Mr. Mason.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA shall make its annual contribution to its pension fund the sum of \$326,987.00.

East Greenwich Well Replacement

Guest: Pare Corporation -- Environmental Assessment Draft Review -- Seeking public comment on alternatives as presented and required. 216RICR-50-05-6 (Section 6.11.B.3) Pilot study plan update to RIDOH RIDEM -- Wetlands and 100-year floodplain decision. DPUC debt service hearing

Mr. Simmons introduced members of the Pare Corporation, Shane Driscoll and Andy Hook, both engineers.

Mr. Driscoll began the meeting by indicating that the water authority wants to finance improvements to the East Greenwich well through the Rhode Island drinking water state revolving fund. He said the project was eligible for this funding based upon the treatment and distribution upgrades and the emerging contaminant mitigation, PFAS. They discussed the process, including an environmental assessment and the process.

He went on to discuss the project background and how we got to where we are now. He discussed the existing treatment facility; its operation and its process. He then discussed a proposed facility, including the spaces, the stormwater management system, and the proposed treatment process. As required by the Department of Health, he discussed alternatives. The first alternative being no action at all, and the second alternative being to expand the existing facility.

The third alternative is the demolition of the existing building structure and construction of a new 10,000 square-foot treatment facility.

Mr. Driscoll went on to discuss the affected environment. He discussed the facility's impact to flooding, going over the floodplain boundary and a mitigation strategy. He discussed potential impacts to the wetlands and surface water, including the Hunt River. He also discussed mitigation strategy there. He went on to discuss the impact to ground water, including the resources, the consequences, and a mitigation strategy. He also discussed the impacts to drinking water quality. Mr Driscoll discussed the impact on soils, sediment, and erosion, as well as the impact to air quality. He also discussed the impacts to noise levels during facility operation and the impacts of farmland and agricultural uses in the area. He went on to discuss the impact to the coastal resources, which there is no direct impact. He discussed the impact of historical, geological, and cultural resources, which includes the Narragansett tribe. He discussed the impacts from solid and hazardous waste from the site.

Mr. Driscoll then went onto the plan being consistent with the state guide plan. He discussed economic development, such as increased jobs in the construction industry and increased capacity of the water treatment facility supporting a strong, more resilient built environment. He discussed the goals set by the guide plan for future energy requirements. He went on to discuss the historic preservation, the housing, and the land use elements of the state guide plan and the consistency of this project with those portions. He discussed the natural resources and drinking water portions of the guide plan and the solid waste management portion of the plan. Finally, he discussed the transportation element set forth in the state guide plan.

Mr. Driscoll informed the board about the agencies that were consulted, and once they complete their responses, there will be a public hearing.

Mr. Simmons indicated that the recent DPUC hearing went well. He said we are awaiting the order hopefully within 30 days. He said he hoped to have a bid award by the fall.

Director of Finance Report:

Closing Report/ Cash Report March 2025

Mr. Lanfredi, Finance Director, explained and submitted the financial report. He reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2024-2025 as of March 2025 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of March 2025, 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.

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

Consumer Confidence Reports ACTION ITEM: Recommendation of Bid Award for professional design and printing services for Consumer Confidence Reports

Ms. Campagnone discussed the topic. She said there was only one bid on the project from Graphic Image Inc. from Milford Connecticut. She said that bid was 28 pages for \$4,064 or 24 pages for \$3,489. The difference is how the information is laid out.

Mr. Giusti moved to approve the bid seconded by Mr. Mason.

Motion made and duly seconded, it was unanimously

VOTED: That the bid be awarded to Graphic Image, Inc. for the CCR.

Personal Privilege and Communication

Chairman Boyer indicated he had good news and bad news. He said that Mr. Duchesneau has elected to retire. For that, he offered the board's congratulations. He said the bad news is that the authority is going to lose all of his institutional knowledge. Mr. Duchesneau replied that May 2, 2025 will be his last day, and that he had appreciated the board's support over the years.

Mr. Simmons echoed the statement from the chairman and said that they were going to miss him. He described a get-together that the authority was going to have in appreciation of John's 27 years of dedicated service and invited the board members.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS

Coventry Projects Update- Coventry High School Sewer Extension Project / KCWA Coordination Reservoir Road. Update

Mr. Simmons introduced the High School sewer extension. He indicated that the Town Engineer contacted KCWA and inquired about inspections. He said that the Town was quoted \$500,000 for the cost of inspections. Coventry said that cost was not in their plan. Mr. Simmons then discussed the project with the board. He said the bid to do the water portion of the sewer project will probably be in the range of \$750,000.

IFR 22Update - IFR 22 - Cowesett Ave project final paving and closeout.

Mr. Simmons said May 4, 2025, will start the milling and paving. He said that milling and paving work will be done by Vinagro at night and raising and setting of structures inclusive of manhole covers and water gate boxes would be done with a small Boyle and Fogarty crew during the day with alternating traffic. He discussed a 2-to-3-week period of disturbance. He said electronic signs are going back up to inform the motoring public.

EPA Revised Lead and Copper Rule - Lead service line inventory update. GLO initiative.

Ms. Campagnone informed the board on the topic. She indicated that 660 service lines were identified as of last month. She said the EPA is coming into town in June to assist door knocking on the unknown and customer side of the service and with outreach materials.

Office and Maintenance Facility: Punchlist and project closeout items.

Mr. Duchesneau discussed the topic which included the realigned sewer pipe, the high-speed garage doors, and the gate system installed improperly.

1072 Main St. – Update on sale

Mr. Sullivan updated the board on the sale of the former headquarters. Mr. Sullivan indicated that this transaction is still scheduled for a May 2025 closing.

Executive Session

Pursuant to RIGL 42-46-5(5): Discussions pertaining considerations related to the acquisition of real property for public purposes.

Mr. Sullivan read the topic heading. Mr. Giusti moved that the body go into executive session for the reasons set forth in Mr. Sullivan's remarks. Mr. Rousselle seconded. It was voted unanimously to go into executive session.

The board enters executive session at approximately 4:30 pm.

The board enters open session at approximately 5:10 pm.

Mr. Rousselle moves, seconded by Mr. Giusti, to seal the minutes of the executive session. The vote was unanimous.

There being no further business before this board, on motion duly made by Mr. Rousselle, seconded by Mr. Giusti, and carried, the meeting was adjourned at 5:10 p.m.

Dated: May _____, 2025

Patrick J. Sullivan
Legal Counsel