

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

April 21, 2022

A meeting of the Board of Directors of the Kent County Water Authority was held on the 21st day of April 2022, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room in person and 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, Treasurer Scott Duckworth, Secretary Russell Crossman, Geoffrey Rousselle and Charles Donovan 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. Mr. Donovan arrived shortly after the meeting began.

Mr. Crossman led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on March 24, 2022 were presented for approval. Mr. Rousselle moved the minutes approval, seconded by Mr. Crossman. 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 continuation of a previous 3 hour hearing on March 14, 2022 to terminate the receivership by a group of creditors that allege they can satisfy all the claims that were approved in full. The judge again indicated her desire to end the receivership and encouraged the parties' to continue to get together and authorized the engagement of an attorney to represent the interests of the businesses who had no counsel in the case and to have that attorney report back prior to the next hearing.

TLC Encroachment on KCWA land

Mr. Sullivan discussed the encroachment by TLC onto KCWA land near the Mishnock facility. He said that RIDEM was called and that this remains open. He said Mr. Duchesneau advised that the property line had been relocated by our surveyor and that additional encroachment was discovered. Mr. Sullivan said he was working on it.

Julian Dash, Clean Economy Development, LLC --Presentation-- Results and Discussion of RFPs received for Public-Private Remote Net Metering and Renewable Energy Certificate (REC) Projects.

Mr. Simmons introduced Mr. Dash, from Clean Economy Development (CED) consultant engaged by KCWA to assist in its net metering and renewable energy projects. Mr. Simmons said the consultant was to oversee the RFP in connection with our goal of 100% of renewable energy reliance goals of the board.

KCWA enlisted the services of CED to assist it. Mr. Dash went onto give a summary of the substantive elements of net metering, including the benefits. He listed a litany of a successes in the program, including cities, towns, school departments, quasi public organizations and non profits. He went on to discuss how it works, how National Grid bills the credits and related issues.

He said CED issued RFPs for KCWA. He said he received only two responses. A third submission was not accepted as it was late. Of the two received, he analyzed the submissions and compared the two. He discussed the technical review and made an apples to apples comparison. He said the 25 year contract would yield approximately \$3.2 million in savings.

Mr. Giusti said if you do the math, it would result in less than \$1.00 savings per customer.

Mr. Dash said the board had two options. One to award the bid to the highest ranking submission or to re-issue the RFP to garner a greater response. He stressed that two bids was a low number of responses.

Mr. Duckworth asked for a comparison of PWSB to KCWA. He also asked if there was anything in the bid that led to others not to bid? Mr. Dash said PWSB is 60%-70% larger. He said PWSB built on their own land so 100% of the benefit goes to PWSB. This may not be the case for KCWA. Dash also said there was nothing in the bid that prevented other submissions. He said he received calls from third parties saying they didn't see the RFP.

Mr. Donovan asked why would a new bid get more responses. Mr. Dash said he didn't know. He said the PUC may look with a more critical eye with only 2 bids.

Mr. Rousselle asked if the proposed savings that were estimated on Greene's response were good in light of the industry standards. Mr. Dash said they were good savings but couldn't speculate on a rebid.

Mr. Simmons asked Mr. Dash to discuss the new legislative initiative. Mr. Dash said there has been an uptick in public agencies getting new projects. He said the new proposed legislation seeks to expand net metering from public projects to include the private sector. He said as the pool opens, developers can ease on their pricing.

Mr. Simmons said PUC hammered PWSB hard during the active participant technical sessions. He said KCWA will do their due diligence. He expected a rate case in the next 2 years.

Mr. Duckworth said he was reluctant to go out to bid again because someone missed the deadline. How is that fair to Greene, he asked. Mr. Crossman asked if the bids were public? If this is rebid, they can see Greene's bid. Mr. Duckworth agreed. Mr. Dash said a rebid would have nothing to do with a third party missing the deadline, but rather everything to do with the PUC review.

Chairman Boyer asked how many bids PWSB received? Mr. Dash said 7 or 8 bids. Chairman Boyer and Mr. Giusti said 25 years may be too long. Mr. Giusti asked about reducing the years. Mr. Dash said the board could give Mr. Simmons the authority to negotiate at or better than the bid amount.

Mr. Dash said the solar array would be located in Tiverton.

Chairman Boyer said there was a lot of data to digest after only a 45 minute presentation. He thought the board should look into it more in depth. He said Nicole could assist. Mr. Giusti agreed. He asked if there were contracts less than 25 years. Mr. Dash said very few were less than 25 years.

Chairman Boyer asked for Mr. Simmons' opinion. Mr. Simmons reiterated his concern was with the PUC review after seeing what PWSB went through.

Based upon further discussion about the matter, Mr. Sullivan said the matter could be tabled and Mr. Simmons and Mr. Dash could consult with the PUC.

Chairman Byer said he agreed. He said Mr. Simmons needs to square away the grey areas from this presentation. He said he didn't understand it all, and feels pushed a bit to approve.

Mr. Duckworth moved, seconded by Mr. Crossman, to table the matter and direct Mr. Simmons and Mr. Dash to consult with the PUC and bring the results back to the board.

Motion made and duly seconded, it was unanimously

VOTED: That the RPFs Received for the Public Private Remote Net Metering Projects be tabled and Request Mr. Simmons and Mr. Dash consult with the PUC on the RFPs.

Director of Finance Report:

Closing Report March 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 March 2022 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of March 2022, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi said the monthly billing is helping a lot.

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 2021-2022 as of March 2022 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of March 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

There was nothing to report in this heading.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

ONGOING PROJECTS:

Ongoing Project

IFR 2021 – Update

Mr. Simmons said this project is ongoing.

Meter Change Out Program – Update

Ms. Campagnone said 138 accounts still need a changeout. She said she sent 102 letters out two weeks ago. This generated 45 appointments. She said customers who do not make an appointment will have their service terminated starting next Thursday. She added that June 24, 2022 is the deadline for plumbing replacements for new meters.

EG Well Facility Update

Mr. Simmons the wetlands permit was submitted. He added that once that is returned, the bid documents would be generated.

WQPC- Reimbursements for land purchases for wellhead protection, pipe looping, and development of Water Supply System Management Plans

Mr. Simmons said KCWA received all the transmittal letters from the RIIB. He said they received reimbursements in the amount of \$687,000.00.

New Office and Maintenance Facility

Rate Lock and Closing: Drinking Water and Energy Efficient Building Fund Loans Design, Engineering, and Permitting update

Mr. Simmons said KCWA has locked in the rate for the bond to finance the new facility. He said they saved money and locked in the interest rate before the fed increased rates. He said the closing is next week at the KCWA facility. He went on to discuss bondholder protections because a few more days were added to the closing.

He added that the wetlands permit will be submitted by May 19, 2022.

Mr. Simmons went on to say bid ready documents should be ready by August, or early fall. The award should be ready by September. He said KCWA staff was excited with the developments. He went on to discuss some proposed features of the new facility.

Executive Session:

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

Mr. Sullivan reported to the board that the executive session was unnecessary at this time. He said that a public hearing and a conference with Judge Stern occurred on March 30, 2022 and at that time the judge asked Mr. Sullivan to propose a scheduling order to the other attorneys in the conference, and that was successful. The discovery phase continues.

There being no further business before this board, on motion duly made by Mr. Rousselle, seconded by Mr. Duckworth and carried, the meeting was adjourned at 4:50 p.m.

Dated: May _____, 2022

Patrick J. Sullivan
Legal Counsel