

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

May 16, 2019

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th day of May 2019, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members Treasurer Joseph Gallucci, Secretary Scott Duckworth, Russell Crossman, Jeff Giusti, Frank Giorgio and Brian Kortz were all present together, along with Legal Counsel Patrick J. Sullivan, Esq., Director of Technical Services John Duchesneau and Director of Finance and Administration Michael Lanfredi. Also in attendance was Acting General Manager/Chief Engineer David L. Simmons. Mr. Kortz led the group in the pledge of allegiance.

Chairman Boyer welcomed the new member of the board from East Greenwich, Mr. Brian Kortz. Mr. Kortz introduced himself to the board and discussed his interest in serving and his environmental background.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on April 18, 2019 were presented for approval. Mr. Duckworth moved, seconded by Mr. Giorgio, to approve the minutes. The minutes were approved unanimously.

Health Care and Dental Care Insurance Coverage Options

Mr. Simmons introduced Brian Lavalee from the RI Interlocal Trust and Mr. Lanfredi to discuss the newest options for health insurance and dental insurance. Mr. Lanfredi gave a historical perspective on the coverages, and that Starkweather and Shepley had been our previous insurance brokers. He told the board that KCWA was told by the Trust that it could participate in the larger groups with much more competitive rates. He went on to discuss the products available in terms of Blue Cross/Blue Shield as well as those of Delta Dental.

Mr. Simmons recommended that KCWA go with the Trust. He said if KCWA went with Starkweather and Shepley, the increase in cost would be approximately \$64,000.00 in increased

premiums. Conversely, the savings to KCWA for utilizing the Trust product would be a reduction of 8.3% or a \$53,000.00 savings with a reduced deductible at \$0.00. Mr. Duckworth reminded the board that if the identical plan was purchased from the trust, the savings would increase to \$72,000.00.

Mr. Gallucci asked if there were any other business that KCWA had with the Trust. Mr. Lanfredi said they did and the experience was very good.

Mr. Lavalley explained the savings to the board, large groups vs. smaller groups. He also discussed the quasi public sector nature of KCWA allows it to join the collaborative pool and save on administrative fees.

There was a general discussion on the dental portion and the deductibles that were offered. Mr. Crossman suggested that the 0% deductible should be the plan purchased by KCWA as a benefit to the employees.

Mr. Crossman moved, seconded by Mr. Giorgio to jointly approve the Interlocal Trust offer of Blue Cross with the Trust at 0% deductible for the employee as well as Delta 2000 for the dental portion. After a roll call vote, it was unanimously

VOTED: That KCWA will engage with the Interlocal Trust to provide for the Blue Cross/Blue Shield plan at 0% deductible as well as the Delta Dental 2000.

Next there was a discussion of the Workers Compensation insurance component required by KCWA. Mr. Lanfredi sought three quotes for the insurance:

Trust	\$98,000.00
The Hartford	\$87,000.00
Beacon Mutual	\$94,000.00

There was a lively discussion among the board. Mr. Simmons said he would recommend Beacon Mutual. He said their experience with the Beacon was very good. They offered licensing classes and safety classes to the employees at no extra cost. The Hartford charged for the classes.

Mr. Duckworth moved, seconded by Mr. Giusti, to approve Beacon Mutual as the vendor for workers compensation insurance.

Motion duly made and seconded, it was unanimously

VOTED: That KCWA approves Beacon Mutual as the vendor for workers compensation insurance.

Legal Matters

Mr. Sullivan again discussed the litigation entitled Conservation Law Foundation v. KCWA and Burrillville v. KCWA (PC2017-1037 and PC2017-1039). He advised the board that the case was decided by Superior Court in favor of all the defendants, including KCWA. He said that the Conservation Law Foundation and Burrillville lost at the summary judgment stage of the case. He reminded the board that the case sought to restrict the sale of water to certain customers.

He then discussed the CONE receivership. He updated the board on the status of the CONE matters that were pending before the court.

He updated the board on the Pinga v. KCWA (3SC-2018-01004) matter in small claims court. He said that case was continued to June 4, 2019 as the board had changed its lookback on fire lines newly discovered. He said he would dismiss the case against Mr. Pinga as all fire line charges have been paid to date.

Mr. Sullivan went on to discuss the case against KCWA by a customer John Tworog. The customer is in bankruptcy and there is an automatic stay against collection of debts during his case. The customer received a shut off notice from KCWA and he filed a motion for sanctions against KCWA. Mr. Sullivan appeared in court and although the debtor had car troubles, the Judge continued it one month, saying that she thought the stay was violated, and it would normally be a case for the award of attorney's fees, but the debtor is pro se, not represented by an attorney. Mr. Sullivan said he worked with Mr. Simmons and Ms. Heard on a new policy so as to avoid the in the future.

Director of Finance 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 2018-2019 as of April 2019 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of April 2019, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Gallucci 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 2018-2019 as of April 2019 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of April 2019, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Personal Privilege and Communication

There was no activity in this sub heading.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

National Grid Proposal for Payment of Shared Paving Cost. Action requested.

Mr. Simmons said he had contacted National Grid and had retrieved the initial offering of \$40,000.00 for a partial reimbursement for paving. He discussed his meeting he had with National Grid and outlined some problems KCWA is having with their paving. There was a discussion of the proposed statewide paving bill H-5028.

Update to VOIP Phone Services

Mr. Simmons gave an update on the voice over internet protocol phone services. He outlined the services the new phone system would allow, especially in emergencies, plus call recording and call agents. He said it should be operational by June 4, 2019.

Security Camera Installation

Mr. Simmons updated the board with the progress of the security camera installation and cost by Cox. He said 9 facilities would contain cameras and that the operation would be cloud based. He discussed the features of the project.

Fire Services Charges – Reimbursements

Mr. Simmons reported to the board that all parties that had previously paid the three year arrearage on the discovered fire lines have been issued credits per the board's decision.

Factory Street/Pinga– Existing Master Meter Research Findings

Mr. Simmons introduced the concept of the fire line charges. He said Mr. Pinga was paid up to date. He discussed the meter located in the pit at Pinga's business. He said a 6" meter would be expensive to replace and discussed new ultra-sonic technology. He discussed Neptune, who

was looking to obtain some data while testing out the technology. He said he approached Neptune for possibly donating installation costs, etc...

Chairman Boyer said the costs of replacing these large meters are exorbitant. He suggested changing the regulations at some point in the future so as to allow the change of meters at the sale of the business.

Water Supply System Management Plan, Report of Progress

Mr. Simmons advised the board that the data collection was ongoing.

Meter Replacement Project, Status – Report of Progress

Mr. Simmons advised the board that the project was ongoing.

Easement, Verizon Extension Spring Lake - Discussion

Mr. Sullivan reported to the board that he had reached an agreement with Verizon to extend the easement/license to the terms set by the board. He said the documents were being drawn up between legal departments and he should have something to sign soon. The terms remain no more than 36 months, \$1,000.00 per month, a minimum term of 6 months, terminable by Verizon with 30 days notice.

Employee Handbook Revision

Review & Revision to Drug Policy

Mr. Sullivan asked that this matter be continued until the next meeting as Mr. Sullivan was still working on the first draft. He said he would be removing some policies from the handbook as stand alone policies

Creation of Sub Committee to Review Handbook

Mr. Sullivan said he was working on this as well for an ultimate presentation to the board. He said a lot of the material was outdated.

Tworog – KCWA Policy on Bankruptcy Filings

Mr. Sullivan and Mr. Simmons advised the board that this needed to be revised as a result of the Tworog matter Mr. Sullivan discussed in Legal Matters. Mr. Simmons said he and Ms.

Heard changed the coding on the bankruptcy filings so that this would be corrected and not go to shutoff or have pre petition charges invoiced.

INFRASTRUCTURE PROJECTS

IFR 2018 Construction Update, WW Centerville Bridge no. 28, Warwick, Division Fairmount, Shady Glen, Hilltop Spencer, Beverly and Berkley

Mr. Simmons said the Natick Bridge construction that is ongoing, and that one half of the pipe is installed, with the remaining one half to be done that night. That job will conclude. He said the Hilltop work is ongoing.

RFP Hydraulic Model Update – Proposals under Review

Mr. Simmons advised the board that KCWA had received four proposals, and that they are currently under review.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service Coventry Main St, Leader, Old Main St, Sandy Bottom, Tiogue @ Gilles

Mr. Simmons reported that work was being done on the Sandy Bottom Rd. bridge, and there was nothing to report on that.

Update from Sub Committee on Executive Compensation

Chairman Boyer began the discussion. The board did NOT go into executive session. He summarized the committee's interaction with Mr. Simmons. He said the job was to look into appointing Mr. Simmons as executive director and set salary. He said he thought Chief Engineer was a better fit, but there was discussion at the committee level about that and different salaries and scenarios.

Mr. Duckworth said he was very impressed with Mr. Simmons the last 5-6 meetings. He said his new vision was impressive, as was all the technology improvements. Mr. Giusti said Mr. Simmons was very responsive to the requests of the committee. Mr. Duckworth thought the board should review his compensation at the end of every budget year.

Mr. Gallucci reminded the board that regionalization came up each year and discussed offering a multi-year contract. Mr. Giorgio joined in this discussion. Mr. Crossman said Mr.

Simmons was a real people person, and a real value to the KCWA. He said the board needed to offer a number for compensation that would retain his institutional knowledge.

Mr. Duckworth moved the appointment of David L. Simmons as the Executive Director/Chief Engineer of the KCWA with his initial compensation set at \$135,000.00 with no contribution to his health and dental insurance, retroactive to April 12, 2019. Mr. Gallucci seconded this motion.

Upon motion made and duly seconded, it was unanimously

VOTED: That KCWA appoints David L. Simmons as the Executive Director/Chief Engineer of the KCWA with his initial annual compensation set at \$135,000.00 with no contribution to his health and dental insurance, retroactive to April 12, 2019.

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

Dated: June _____, 2019

Patrick J. Sullivan
Legal Counsel