

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

May 19, 2021

A meeting of the Board of Directors of the Kent County Water Authority was held on the 19th day of May 2021, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room and via Zoom with the board members.

Mr. Simmons introduced the newest member from Warwick, Mr. Charles Donovan.

Director Giusti opened the meeting at 3:30 p.m. Board members Treasurer Russell Crossman, Brian Kortz, Geoffrey Rousselle and Charles Donovan were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq., Director of Administration John Duchesneau 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 April 15, 2021 were presented for approval. Mr. Rousselle moved the minutes approval. Motion was seconded by Mr. Kortz for approval of the minutes. The minutes were approved unanimously.

Guests:

Reivity Energy: Mr. Ralph Palumbo

Mr. Palumbo was introduced to the group by Mr. Giusti.

Mr. Palumbo began with a power point presentation that outlined the product of the energy savings using the solar credit allocation. He discussed the concept of his company and how it uses energy credits using solar energy.

He said KCWA is eligible to participate in the program to use energy credits to lower its electric bill. He said he examined the current bills and explained how the credit allocation works.

He discussed the types of clients he has, including governmental bodies and non-profits. He discussed the lack of capital risk, and how the credits are paid in arrears.

Mr. Simmons reminded him that the KCWA is a non-profit, so the savings would go back to the ratepayers.

Mr. Kortz asked if the rate agreed upon was guaranteed. Mr. Palumbo said it was guaranteed savings. Mr. Kortz went on to ask about the new building, and if there were a rooftop solar array, would it be problematic. Mr. Palumbo said it wouldn't be a problem, as they could plan for it via sizing. Mr. Kortz asked about a guaranteed consumption level. Mr. Palumbo said there was a guaranteed consumption level, but he said there is a safety spread built into the contract, and there are no penalties for lowered consumption.

Mr. Donovan asked where the 25 year term came from. Mr. Palumbo said the shorter the term, the lower the discount.

Mr. Rousselle asked how does his firm account for new technologies; was there an escape clause if better opportunities arose. Mr. Palumbo said there were not, and his company takes the risk with capital and clients.

Legal Counsel

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. He said there were no updates since the last meeting absent some appellate work.

RIDOT 3rd Utility Inspections,

Mr. Sullivan discussed the issue and that the inspections were not included in the north south interconnection bid, as the law wasn't in effect at that time. He said in addition, that he thought Jim Geremia could conduct the inspections. He said he had researched the issue contacted RIDOT for the north south interconnection for relief as the cost was not contained in the bid. He said he has not heard back at the time of the meeting.

Johnsons Blvd land purchase/lease

Mr. Sullivan advised the board about the issue. He said he was contacted by the former interim town manager Warzycha on acquiring the land on Johnson Blvd. to put the PRVs on the site. Warzycha said he has been retasked with the issue. Mr. Sullivan said he would follow up.

Hydrant Tax issue

Mr. Sullivan said he was asked to prepare a petition before the division of taxation to determine the appropriateness to charge a sales tax on the hydrant fees. He and Mr. Simmons explained that the hydrant fees were not rental fees, but a fee that incorporates fire protection into the infrastructure of the KCWA water system. In short, he said that if the fire protection component was removed from the system, the water mains and the infrastructure would be substantially smaller. Mr. Sullivan said he awaits a decision on the matter.

Pontiac Ave/Providence St land purchase/lease

Mr. Sullivan said there was land near the intersection of Pontiac Ave. and Providence St. that KCWA needs for a pressure reducing valve installation. He said he contacted WW officials and was told that only the voters can authorize the sale of land and it was too late to change the agenda for their financial town meeting. He and their solicitor thought perhaps a lease, or easement may work as well, but the structure may require a freshwater wetlands waiver.

RI Division of Taxation requesting POA to be executed to discuss tax appeal filed

Mr. Sullivan asked the board to vote to allow Mr. Simmons to sign the Division of Taxation power of attorney to authorize the Division to deal with Mr. Sullivan.

Mr. Duckworth moved, seconded by Mr. Giusti, to authorize the signing of the power of attorney.

Motion made and duly seconded, it was unanimously

VOTED: That Mr. Simmons is authorized to sign the power of attorney appointing Mr. Sullivan and authorizing him to deal with the Division of Taxation.

House Bill 6278 Walker Ridge and Eagle Glen correspondence and discussion.

Mr. Simmons began the discussion about the bill and the issues dealing with these subdivisions. He framed the issue as these subdivisions are cluster developments with private roads. He said they have a master meter and are responsible for pump stations. He said Walker Ridge filed a complaint with DPUC saying they have to pay more than other homes in Coventry for water service. Mr. Simmons said the bill, H-6278, would require water authorities to pay all expenses to deliver the water to the residential lot. He said if passed it would create chaos with all the master meters in effect out there.

Mr. Sullivan said all these homeowners have deed restrictions that they were aware of at the time of their purchase. These conditions were made at the time the subdivisions of land were allowed by the Coventry Planning Commission and KCWA, as the only way they could get public water and not require a well. Mr. Sullivan said he had sent his title examiner to make sure the easements are all properly applied and he awaits their completion.

Also, with Walker Ridge, Mr. Simmons said there are three hydrants on the town right of way that Walker Ridge pays for. Mr. Crossman said he spoke to Rep. Nardone and he wants the town to take the hydrants over.

Mr. Duckworth said there should be legislation passed so as to not allow these types of developments for just these reasons.

Mr. Sullivan said he reviewed their title documents, and the power to change these declarations of restrictive covenants lie with the Coventry Planning Commission only.

Mr. Simmons said Eagle Glen is a bit different as we can advance the high service down to their land and make their pump station obsolete. Mr. Duckworth asked if their master meter would remain, and Mr. Simmons said it would.

Director of Finance Report:

Closing Report April 2021 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 2020-2021 as of April 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of April 2021, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Giusti asked if Mr. Lanfredi if, going forward, he could provide a synopsis with his financial report if he sees an issue.

Mr. Lanfredi said the over 90 days delinquent are high because of pandemic. He said shutoffs for post pandemic go out in June.

Mr. Rousselle moved, seconded by Mr. Donovan, 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 2020-2021 as of April 2021 and Statement of Revenues, Expenditures, and Changes in

Fund Balance as of April 2021, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Action Item - Approval of Health Care and Dental Benefits FY22

Mr. Lanfredi presented recommendations for the board for the health and dental care of the employees. He said he did the research and said Blue Cross/Blue Shield Coast to Coast plan with vision. He said it would be a 3.9% increased premium. He said the Delta Dental renewal of the current plan would result in a 16.5% reduction in premiums. He also said renewal of Plan 65 for the retirees would be a 2.8% decrease in premium. He said RI Interlocal Trust will apply an \$8,000.00 credit off the first bill, adding that KCWA had a good loss ratio as the reason.

Mr. Rousselle moved, seconded by Mr. Kortz, to approve Mr. Lanfredi's recommendations for insurance.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA shall provide Blue Cross/Blue Shield Coast to Coast plan with vision, Plan 65, and Delta Dental.

Action Item - Approval of Insurance Coverages; Workers Compensation, General Liability/Property/Auto, and Life/LTD/AD&D FY22

Mr. Lanfredi discussed his recommendation for the renewal with Beacon Mutual as the Workers Compensation insurance carrier, adding that they are very good to deal with and that they host safety classes.

For general liability he recommended renewal of the RI Interlocal Trust as they are offering an 8% decrease in premium. For life and long term disability, he recommends Mutual of Omaha renewal.

Mr. Giusti moved, seconded by Mr. Rousselle, to approve Mr. Lanfredi's recommendations for insurance.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA shall provide Beacon Mutual Workers Comp., RI Interlocal Trust and Mutual of Omaha for insurance renewals.

PUC/DPUC MATTERS:

COVID-19 Updates - Continuity of Operations -PUC Dockets 5026

Mr. Simmons updated the board on this topic. He said they were still tracking data reported to the PUC. He showed the board his Covid-19 Impact model which tracks what is going on during the pandemic. He said this impact model is required for the pandemic, but he said he was going to keep it going post pandemic. He said this past April, there was a 35.7% increase in non residential demand over last April. He said the delinquencies were about \$627k and the number of accounts delinquent are up as well.

Mr. Giusti asked about the odd even outdoor irrigation. Mr. Simmons said it is a good practice, but the regulation but it isn't practically enforceable. He said they usually just send someone over to start a discussion when we receive complaints. Mr. Simmons stated customers often over irrigate and we are going to continue outreach measures to remind customers to use water wisely. Most of the complaints received by customers that received high bills had irrigation systems. The perpetual odd/even is in place to stay vigilant on water consumption habits year-round and the notifications and press releases serve as reminders.

Mr. Simmons discussed the Consumer Confidence Report and said it went out today with several water conservation tips.

Monthly Billing – Tariff Advice Filing and Petition for Relief to RIPUC

Mr. Simmons discussed the monthly billing rate petition. He said that Docket 5133 was settled with the DPUC. This docket involved the monthly billing petition.

Mr. Rousselle asked if the billing complaints subsided. Mr. Simmons said they have. He said they have received tremendous positive feedback on the new bills. Mr. Donovan congratulated him on the letter Mr. Simmons received from the state water resources board.

Point of Personal Privilege & Communication:

Nothing reported here.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

GENERAL:

Muni-link Utility Billing/CIS Update-New Water Bills sent Warwick/EG - April 2021

Mr. Simmons explained that KCWA received positive feedback with the roll out of the new bill. He said this was Docket 5133 that was settled. It was a tremendous amount of work and he said the staff involvement was unbelievable.

Meter Change Out Program-Update Status.

Nicole Campagnone advised the board that as of May 2021, 17,885 meters had been installed. 17,165 were installed by Thielsch Engineering and 720 by KCWA staff. She said the job was 74% complete.

ONGOING PROJECTS:

CIP- Water Main North/South Interconnection High Service Update.

Mr. Simmons said the bridge gantry was connected. He said he was contacted by Jenn Ludwig from District 2 and was requested to provide a public overview of projects and how far along we are toward completion. He showed the board on the website the projects and showed a map.

IFR 2021-Startup

Mr. Simmons said startup would be soon. He advised the board of the location of the work including Frenchtown Rd., Division Rd., Signal Ridge Way. He said they are waiting for National Grid to finish, and that there was no new date. This project was on hold.

Board Action - Ratification of Hire (Maintenance Mechanic) –Matthew Potter

Mr. Simmons asked the board to vote to ratify his conditional hiring of Matthew Potter. He said Potter was hired at \$21.08 per hour. Mr. Simmons said he was a good fit for KCWA.

Mr. Giusti moves, seconded by Mr. Rousselle, to ratify Mr. Simmons action of hiring Matthew Potter with a conditional offer of employment.

Motion made and duly seconded, it was unanimously

VOTED: That the board ratifies the conditional employment of Matthew Potter.

LAND ACQUISITION – Progress Update

Due Diligence Progress Update

Mr. Kortz updated the board on the project. He said we were still trying to work through the survey and with the seller. He said they were working with the WG planner. Mr. Sullivan said he had a meeting with the planner tomorrow to try to iron out some easement issues.

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

Motion made by Mr. Rousselle, duly seconded by Mr. Kortz, to go into executive session pursuant to RIGL Executive Session 42-46-5(2) relating to litigation, KCWA v. D'Ambra and RIDOT.

Motion made by Mr. Crossman and duly seconded by Mr. Donovan, it was unanimously, by roll call vote by the chair,

VOTED: That KCWA goes into executive session pursuant to RIGL Executive Session 42-46-5(2) relating to litigation, KCWA v. D'Ambra and RIDOT. at 5:10 p.m.

The board emerges from the executive session at 5:30 p.m.

Mr. Donovan moves to seal the minutes of the executive session, seconded by Mr. Crossman.

Motion made and duly seconded, it was unanimously via roll call vote,

VOTED: That the minutes of the executive session shall remain sealed.

There being no further business before this board, on motion duly made by Mr. Crossman, seconded by Mr. Rousselle and carried, the meeting was adjourned at 5:35 p.m.

Dated: June _____, 2021

Patrick J. Sullivan
Legal Counsel