

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

June 16, 2021

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th 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.

Chairman Boyer introduced the newest member from Warwick, Mr. Charles Donovan to each member and staff in attendance.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Treasurer Russell Crossman, Brian Kortz, Geoffrey Rousselle, Jefferey Giusti and Charles Donovan were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq. 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, both regular and executive session, held on May 19, 2021 were presented for approval. Mr. Rousselle moved the minutes approval, seconded by Mr. Donovan. The minutes were approved unanimously.

Legal Counsel

CONE Receivership

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

RIDOT 3rd Party Utility Inspections,

Mr. Sullivan discussed the issue and fact that the cost of inspections was not included in the north south interconnection bid, as the RI Fair Share Roadway Repair Act law wasn't in effect

at that time. He said he had raised the issue with Mr. Iglozzi from RIDOT. Mr. Sullivan reported that he received a letter from Mr. Iglozzi saying RIDOT would waive these costs, nearly \$100k, for the reasons Mr. Sullivan raised.

Johnsons Blvd land purchase/lease

Mr. Sullivan advised the board about the issue. He said he had attempted to follow this up with Mr. Warzycha to no avail. Mr. Sullivan did say that Mr. Warzycha was the lead person on the Johnsons Pond litigation and it was a particularly busy time given the time of the year. Mr. Crossman said he would see Mr. Warzycha that week. Mr. Sullivan said he would also follow up.

Hydrant Tax issue

Mr. Sullivan said he has prepared a petition before the division of taxation to determine the appropriateness to charge a sales tax on the hydrant fees. He said that was pending, and that he had sent a power of attorney to the division. He said there would be no decision prior to August, 2021.

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. Mr. Simmons said this work wouldn't be done until at least next year, and Mr. Sullivan said if there were a freshwater wetlands waiver, the lease or easement would need to be in place at the time of the application.

The Chairman asked Mr. Sullivan to see if eminent domain was available for water purposes.

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 May 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May

2021, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Chairman Boyer asked if the pass through rate case from PWSB had been approved yet.

Mr. Simmons went through the rate case and said KCWA absorbed the initial step. He said the second step is July 1, 2021 at 4% of the wholesale rate. He said the increase would be a 1.1% increase to the customer.

Mr. Lanfredi went through the status of collections. He said they sent out shutoff notices on May 31, 2021 to 1700 customers for approx. \$754,000.00. By June 10, 2021, the number was down to 860 customers, who made some type of arrangement. There were only nine actual shutoffs. Upon request of board members, Mr. Lanfredi and Simmons went over the procedure for shutoffs.

Mr. Rousselle moved, seconded by Mr. Giusti, 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 May 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of May 2021, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Action Item - Approval of FY21-22 Budget

Mr. Simmons had previously sent the budget memorandum to the board. He presented a balanced budget for their consideration. He said last year was so intense from the pandemic, and that sales went through the roof. He said the drought, and the sale of our own water, increased revenues by \$2.1 million.

He incorporated a hearing on 5012 into the discussion on private hydrants. He said the quarterly hydrant fee will be changed into a one time connection fee. This will save condo customers, and other master meter customers with private hydrants, substantial sums. He said since this was an amended rate case, the amended rate goes retroactively to last September.

Mr. Rouselle discussed the amendment. He asked Mr. Simmons to send notice to all the associations, which he said he would.

Mr. Simmons said the authority was in a very good place this year and then summarized the budget memorandum to the board. He said the PUC essentially sets the budget pursuant to a

rate case. He summarized the budget and asked for questions from the board. Mr. Kortz asked for an explanation about the “deficit” that showed, and Mr. Simmons and Lanfredi explained it.

Mr. Simmons went on to explain the salary chart, the longevity schedule, and the related documents. He said he recommends a 3% salary increase to the employees. He said inflation and relative CPI increase is currently above 5% as well.

Chairman Boyer asked about employees who aren’t carrying their fair share of the burden. He doesn’t think they should get the 3% as well.

Mr. Simmons discussed the vertical movement and horizontal movement with the longevity chart. He said this adequately addresses the more ambitious employees in a system that is fair and reasonable and that a base increase of 3% across the board essentially covers only the CPI increases.

Mr. Sullivan said they could surely adopt a policy that would reflect the goal desired by the Chairman.

Mr. Rousselle said he understands the 3%, but asks about other cities and town increases. He asked if anyone knew. Mr. Crossman said the town of Coventry just approved raises of 2%, 2%, and 2%, but said these were union raises. Mr. Rousselle said he wanted to be in the ballpark. Chairman Boyer said 3% is generous but he is ok with it. Mr. Sullivan also added that it was his experience in municipal law that unions usually hide money elsewhere in the contract for their members.

Mr. Rousselle moved, seconded by Mr. Crossman, to approve Mr. Simmons proposed FY21-22 budget, with an increase of 3% to the employees across the board.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA adopts the budget as proposed by Mr. Simmons.

Mr. Rousselle then moved, seconded by Mr. Crossman, to approve the Exempt and Non-Exempt Chart and the Salary Schedule as part of the proposed FY21-22 budget.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves the Exempt and Non Exempt Chart and the Salary Schedule as part of the proposed FY21-22 budget.

PUC/DPUC REGULATORY MATTERS:

PUC Docket 5133 Monthly Billing-Tariff Advice Filing RIPUC-Update

Mr. Simmons updated the board on this tariff. He said the PUC is on board with the monthly billing at yesterday's hearing. He said Coventry was first, then W. Warwick, then Warwick and East Greenwich.

Mr. Crossman asked if there were any complaints with the second round of bills. Mr. Simmons said there were none. Mr. Crossman asked about the old complaints and DPUC visits to rate payers. Mr. Simmons said of 140 total, there were only 20 left.

PUC Docket 5161 -Pass-Through filing for PWSB Docket 4994 step increase

Mr. Simmons said that this was the pass through filing. He said it was approximately 4% of the wholesale rate.

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 said KCWA was selling quite a lot of water. Revenues were high. He said he informed PUC where they were with the financials. He said with the extra revenue, there may be a rate reduction in 2022.

Mr. Simmons updated the board on the odd even system for water irrigation at the request of Mr. Kortz.

Mr. Rousselle asked for an update on Quonset. Mr. Simmons said they were waiting on a concrete vault, about 12 weeks out. They should be live by October 1, 2021. Their base rate would be 200 gallons per minute.

Point of Personal Privilege & Communication:

Chairman Boyer again praised Mr. Simmons and the entire staff for dealing with the grudge calls in such a professional manner. He advised the board that people he spoke to were astonished to find out how inexpensive a gallon of water is when they find out it is 0.007 cents.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

GENERAL:

Monthly billing preparations- Muni-link Utility Billing/CIS Update

Mr. Simmons explained that KCWA read Coventry meters in 2 days in what otherwise would have taken two weeks. He said the goal posts keep moving, but they are keeping up with it. Changes in rates, fire hydrants, etc... requires them to keep changing the software. He said by October they should have smooth sailing.

Mr. Rousselle asked how the meters were read, and Mr. Simmons went over the hardware and trucks driving the different routes.

Meter Change Out Program-Update Status.

Nicole Campangone advised the board that as of June 14, 2021, 18,531 meters had been installed. 17,781 were installed by Thielsch Engineering and 750 by KCWA staff. She said the job was 77% complete and said the end of 2021 would be the estimated completion date.

Chairman Boyer asked the procedure if a customer refuses the meter change out. Mr. Simmons said there is a \$100.00 monthly charge to come out and read their meter.

ONGOING PROJECTS:

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

Mr. Simmons said the line will go live on Tuesday of next week. He described it as a milestone. He said the focus now is on the road restoration. He said he met with the new town manager in Coventry as some businesses were irritated with the lack of access to their property by their customers. He said he stepped up communications.

IFR 2021-Startup

Mr. Simmons said this project will be switching up the main from a 12" to a 16" ductile. All the transitions were done. He said all water quality complaints will be gone. He said the EG well manganese needs to be removed. Chairman Boyer asked if the new plant would correct that problem, and Mr. Simmons said it would.

Mr. Simmons said the new plant is in design and went into a general discussion of the PFAS levels being considered by the general assembly.

Action Item – Change Order No.1 -North Rd extension to service Hope Elementary.

Mr. Simmons discussed the need to extend the high service water line 1000' to reach the Hope Elementary School for fire and domestic service. He said they are on low service line currently. He said the money they will spend on the pump service and maintenance would be unnecessary if they extended the line. He said KCWA reached an agreement for a partnership with Scituate to have KCWA do the pipe and Scituate to pay for the roadway restoration.

KCWA would fund at \$200k and they would contribute \$165k. Mr. Sullivan said he would explore a trust agreement as that is how they have done this in the past with these type of partnerships.

Mr. Rousselle moves, seconded by Mr. Giusti, to approve change order #1 to install the North Road extension to service Hope Elementary School.

Motion made and duly seconded, it was

VOTED: That KCWA approves change order #1 to install the North Road extension to service Hope Elementary School

Mr. Kortz asked that the record reflect that he abstained from voting on this matter as a result of a conflict.

Action Item – Change Order No.2 Installation 12-in main on Hope Furnace Road

Mr. Simmons discussed the Eagle Glen pump station. He said the extension of the high service line up Hope Furnace Road would solve their pump station problems. He said it would require 600' of pipe.

Chairman Boyer said that those homeowners knew this was the situation when they bought their homes. He asked if they should pay for this. Mr. Simmons said this project would be starting a piece of an existing CIP project that is on the books (Hope Furnace High Service Loop).

Mr. Rousselle moved, seconded by Mr. Crossman, to approve change order #2 for the installation of a 12" main on Hope Furnace Road.

Motion made and duly seconded, it was unanimously

VOTED: That the board approves change order #2 for the installation of a 12" main on Hope Furnace Road.

LAND ACQUISITION – Progress Update

Due Diligence Progress Update ALTA

Chairman Boyer informed the board that the administrative subdivision had been approved by the planner, and it was signed and recorded. He added that the incompetence of the professionals was unbelievable.

Mr. Crossman asked if the final design was going out to bid. Mr. Simmons said it was. He said we hired Vision 3 to do a study under a task order to do the due diligence.

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. Crossman, 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. Rousselle and duly seconded by Mr. Crossman, 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 5:00 p.m.

The board emerges from the executive session at 5:15 p.m.

Pursuant to RIGL Executive Session 42-46-5(a)(1) relating to discussions of the job performance, character, or physical or mental health of a person or persons. Executive Director Contract.

Mr. Sullivan advised the board that Mr. Simmons was notified of his ability to request that the discussion be held in open session. Mr. Simmons made no such request.

Motion made by Chairman Boyer and duly seconded by Mr. Crossman, to go into executive session pursuant to RIGL 42-46-5(a)(1) relating to discussions of the job performance, character, or physical or mental health of a person or persons. Executive Director Contract. it was unanimously, by roll call vote by the chair,

VOTED: That KCWA goes into executive session pursuant to RIGL 42-46-5(a)(1) relating to discussions of the job performance, character, or physical or mental health of a person or persons. Executive Director Contract.

The board emerges from the executive session at 5:35 p.m.

Mr. Sullivan announces that there was a unanimous vote in executive session to approve a four year employment contract with Mr. Simmons.

Chairman Boyer moved, seconded by Mr. Crossman, to seal the minutes of each executive session on tonight's agenda.

Motion made and duly seconded, it was

VOTED: That the minutes of each executive session be sealed.

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

Dated: July _____, 2021

Patrick J. Sullivan
Legal Counsel