

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING OF THE BOARD

July 16, 2015

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th day of July, 2015, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Boyer opened the meeting at 3:30 p.m. Board Members Vice-Chairman Masterson, Mr. Gallucci, Mr. Giorgio and Mr. Inman were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq., as well as Mr. Simmons and Finance Director Jo-Ann Gershkoff. Mr. Masterson led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of June 23, 2015 were presented for approval. Mr. Inman moved passage of the minutes, seconded by Mr. Gallucci and the minutes of the meeting were unanimously approved.

Guests – High Service

David Guilmain, 127 Reservoir Road, Coventry

David Guilmain appeared before the board requesting water in the high service area. He explained he had a point well, but the water main is in the street. Mr. Brown explained that the well would have to be completely shut down.

After discussion, it was moved by Mr. Inman, and seconded by Mr. Gallucci, to conditionally approve the request for water supply to a single-family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may

occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.

3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-Wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.
6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping techniques and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That based upon health and safety concerns to conditionally approve the request for water supply to service a single family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.
3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.

5. Only conservation-Wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.
6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping techniques and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

LEGAL MATTERS

Mr. Sullivan reported on the problems in the Pontiac/Natick area of Warwick. He advised that the suits for a prescriptive easement and declaratory judgment have been filed and served upon two homes. In the unlikely event the persons so served do not sign the easements, they will be defaulted and the court will hold a hearing on damages, which only includes there is an implied and/or prescriptive easement.

Mr. Sullivan then updated the board on the situation at 642 Washington St., Coventry. Mr. Sullivan expects a decision from COLBEA regarding their contribution of the \$80,000.00 prior to the next regular meeting.

Mr. Sullivan then commented on the Central Coventry Fire District bankruptcy. He advised the board that there is a hearing on August 1, 2015 for a status. Although the plan has not been filed, he expects the KCWA to be paid in full, less interest, over a 60 month period.

Mr. Sullivan also advised the board that he is preparing a motion for summary judgment for the debts owed to the KCWA. He explained that Mr. Williamson has suggested a payment plan for the arrearage with ongoing payments beginning in August, but this was dependent upon labor negotiations. He said he told Mr. Williamson to put any offer in writing for board consideration.

Next, he advised he has filed a motion for relief from the consent judgment in Commerce Park LLC v. KCWA. He spoke with Mr. McGowan, since the plaintiff is in receivership and Mr. McGowan is the receiver, and he suggested that the matter be transferred to the Providence business calendar since that judge has jurisdiction over the receivership. There was a hearing scheduled in early August.

Director of Finance Report:

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2014-2015 as of June 2015, and Statement of Revenues, Expenditures and Changes in Fund Balance as of May 2015, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Inman moved and seconded by Mr. Gallucci 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 2014-2015 as of June 2015, and Statement of Revenues, Expenditures and Changes in Fund Balance as of May 2015 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 reported in this section.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

2015A IFR Easements Warwick Status

Mr. Brown advised the board discussed that with Mr. Sullivan and it awaits finalization.

Rate Case Status

Mr. Brown began the discussion and advised that he had provided the board with the letter he received from Mr. Keough, Esq. regarding the providence water rate case. He explained that the Providence case is on a fast track, since the last case was never officially closed with a final order. There were issues in that case that KCWA has a different opinion on that PWSB, including some tax issues.

Chairman Boyer said the letter from counsel disturbed him. He suggested that counsel cannot wear two hats at the same time. Mr. Brown explained that this wasn't against KCWA, it was solely about PWSB. Both clients of Mr. Keough, KCWA and the Bristol County Water Authority were merely interveners. He also added that Mr. Brown had the letter rewritten as KCWA was not paying for BCWA work. The Chairman remained uncomfortable with the dual representation.

Mr. Gallucci expressed dismay that this dual representation was not raised during the numerous times they met with Mr. Keough. This was followed by a general discussion of the history of rate cases and legal counsel for KCWA in these cases.

Mr. Masterson praised the letter saying that the letter is a clear communication of a procedure when a conflict arises. He added he thought this was an honorable way to communicate the issue to the board.

The Chairman said although there was a place for him to sign the dual representation letter, he indicated that he wouldn't.

Mr. Brown added that if the board lost credibility in this attorney, then they should not go

forward with that firm in any capacity.

Mr. Masterson suggested that house counsel Sullivan can represent KCWA in PWSB case 4405 and Mr. Keough can remain counsel for KCWA rate case.

The Chairman thought the proper route would be to issue an ultimatum; to represent KCWA or BCWSB.

Mr. Inman moved, seconded by Mr. Gallucci, to have Mr. Sullivan send a letter to Mr. Keough to advise that in order to remain rate counsel for KCWA he must disengage with BCWA.

During discussion, Mr. Masterson advised that he has been to these hearings in the rate cases. He described the hearings as very political and that we need someone in the case. Mr. Inman discussed bifurcation of the issues between KCWA and BCWA.

Mr. Giorgio suggested if KCWA knew of the conflict of interest potential during the interview process, would it have impacted the vote. Mr. Giorgio asked Mr. Brown what impact this would have with the process. Mr. Brown said he expected Mr. Keough to withdraw from the case on KCWA behalf, but cautioned the board that there a numerous issues on the table and they need to get things going.

Upon motion made, and duly seconded it was

VOTED: That Mr. Sullivan is directed to send a letter to Mr. Keough to advise that in order to remain rate counsel for KCWA he must disengage with BCWA.

Mssrs. Giorgio, Inman, Gallucci, and Chairman Boyer voted aye. Mr. Masterson voted nay.

Financial Institution Changes

Mr. Brown advised the board that this task is continuing. He is still conducting interviews. He predicted that once the budget is done, this will be finished.

GIS Coordinator – Approval to Hire

Mr. Brown reported his search for the new coordinator. He reported conducting nine candidates for interviews, with three offered second interviews. He reported that after a great deal of thought, reviewing responses to questions, their interview skills and their education, Mr. Brown recommended Shelby Southworth for the position of GIS Coordinator. He recommended the salary be at \$55,000.00 per year with a two-year probationary period, along with all other pre employment requirements of KCWA.

Motion was made by Mr. Masterson, seconded by Mr. Gallucci, to extend a conditional offer of employment to Shelby Southworth for the position of GIS Coordinator at a salary be at

\$55,000.00 per year with a two year probationary period, along with all other pre employment requirements of KCWA.

Upon motion duly made and seconded, it was

VOTED: That the General Manager is authorized to extend a conditional offer of employment to Shelby Southworth for the position of GIS Coordinator at a salary be at \$55,000.00 per year with a two year probationary period, along with all other pre employment requirements of KCWA.

There was a general discussion between thee general manager and the members of the board regarding the current status of vacancies within the KCWA.

Bid Award by Parts (1-5) General Construction Materials

Mr. Brown discussed the bid documents that allow the award of individual parts of the bids for general construction materials. He advised the board that based upon the bid of all five participants, KCWA received very good individual pricing for all the parts. As such he recommends the following bid awards for general construction materials:

Part 1	EJP for the bid price based on estimated quantities	\$49,063.74
Part 2	Warwick Winwater based upon their overall bid	\$184,916.00
Part 3	Hoadley based upon the best pricing on Mueller Hydrant Risers, the predominant hydrant in the KCWA system.	\$42,800.00
Part 4	HD Supply as being the lowest, as it was bid by all	\$117,270.08
Part 5	EJP as being the lowest, as it was bid by all	\$11,581.00

Motion was made by Mr. Gallucci, seconded by Mr. Masterson, to award the bids for general construction materials as recommended by Mr. Brown as follows:

Part 1	EJP for the bid price based on estimated quantities	\$49,063.74
Part 2	Warwick Winwater based upon their overall bid	\$184,916.00
Part 3	Hoadley based upon the best pricing on Mueller Hydrant Risers, the predominant hydrant in the KCWA system.	\$42,800.00
Part 4	HD Supply as being the lowest, as it was bid by all	\$117,270.08
Part 5	EJP as being the lowest, as it was bid by all	\$11,581.00

Upon motion duly made and seconded, it was

VOTED: That KCWA awards the bids to the following companies as listed:

Part 1	EJP for the bid price based on estimated quantities	\$49,063.74
Part 2	Warwick Winwater based upon their overall bid	\$184,916.00
Part 3	Hoadley based upon the best pricing on Mueller Hydrant Risers, the predominant hydrant in the KCWA system.	\$42,800.00
Part 4	HD Supply as being the lowest, as it was bid by all	\$117,270.08

INFRASTRUCTURE PROJECTS**IFR 2010B Prospect Hill (Construction Status)**

Mr. Brown informs the board that Providence St. continues with trench reconstruction and concrete base replacement.

Apponaug Circulator Water Main Replacement (Status)

Mr. Brown reported the project back in full motion, with work being monitored by KCWA personnel. There was a break caused by Cardi that KCWA will be getting involved in.

East Greenwich Refurbishment

Mr. Brown reported that the demolition contract has been awarded and work begun.

IFR 2014A

Mr. Brown reported that Boyle and Fogarty had been awarded the contract and construction in the Tollgate Road area is underway.

IFR 2014B

Mr. Brown reported that construction on the West Warwick roads are underway. The town wants to rebuild the road.

IFR 2015A/B DESIGN

Mr. Brown reports that both contracts are under design. 2015A is under review by RIDOT. Mr. Brown indicated that if the approval of the settlement Colbea Enterprises is forthcoming, then he would recommend the Laurel Avenue Bridge for design services.

Quaker Lane Pump Station Upgrade (Status)

Mr. Brown reports that the parts remain on order and will be installed by the contractor once received.

Executive Session

Mr. Gallucci moved and seconded by Mr. Masterson that the board move into executive session for discussion of litigation and/or potential litigation, Rate Counsel, pursuant to RIGL 42-46-5(a)(2)

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

VOTED: That the board moved into executive session for discussion of litigation and potential litigation pursuant to RIGL 42-46-5(a)(2)

The board goes into executive session at 4:45 p.m.

At 5:35 p.m. the board emerges from executive session and resumes open session.

Mr. Inman moved and seconded by Mr. Gallucci that the board exit from executive session.

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

VOTED: That the board exit from executive session. The board resumes in open session.

Mr. Inman moved, seconded by Mr. Giorgio, that the minutes of the executive session meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

Upon motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That executive session minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

There being no further business before the board, Mr. Inman moved, seconded by Mr. Giorgio to adjourn the meeting.

Dated: August ____, 2015.

Patrick J. Sullivan, Legal Counsel