

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING OF THE BOARD

July 18, 2013

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 18th day of June, 2013, 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. Chairman Boyer, 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. Duscheneau. Mr. Masterson led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of June 20, 2013 were presented for approval. Mr. Giorgio moved passage, seconded by Mr. Masterson and the minutes were unanimously approved.

GUESTS

Super 8 Motel, West Greenwich, Amin Mesiya

General Manager Brown informed the board that Super 8 Motel will not be appearing at the meeting today.

Mr. Brown informs the board that Mr. Skekarchi will be arriving at 4:00 p.m. for the Balise Subaru application.

LEGAL MATTERS

Legal counsel Patrick J. Sullivan updated the Board on the Central Coventry Fire District receivership. He reports that the District remains in receivership. There were elections for a new board, and that board is in place. He reports that there is a significant overdue balance, and that he wrote the receiver requesting at least a position on the matter, so that legal counsel can advise the board of their options. Mr. Sullivan reports that as of the meeting, he hasn't heard from Mr. Land, but expects to hear.

He went on to report on the Center of New England receiverships. Mr. Sullivan reported of his contact with the receiver and his request for Mr. Brown to appear on standby to testify at an emergency hearing any given day. It was down for July 8, 2013 where Mr. Cambio attempted

to circumvent the state receivership process by placing Commerce Park Management LLC into federal bankruptcy, but that case was dismissed. As such, the state has jurisdiction over all receivership proceedings. The case is still active, and the KCWA is owed approximately \$48,000.00. Mr. Brown reports no additional payments have been received since the last meeting.

Mr. Sullivan reported that as a result of the meeting between the principals from COLBEA Enterprises and the General Manager and legal counsel regarding 642 Washington St., Coventry, there was an offer from COLBEA to construct the alternate water main around the parking lot away from the contaminated soil. Their offer was to pay for the work commissioned by the Authority. COLBEA would pay for construction if KCWA paid for the engineering. The board spoke about the offer, and the General Manager opined the costs could be in excess of \$80,000.00 with engineering being about \$25,000.00 of that. Mr. Brown indicates that if KCWA has to engage the contractor, there will not only have to be bids, but prevailing wage must be paid. There was a lively discussion among the board members, General Manager and Legal Counsel that resulted in the board directing Mr. Sullivan to return to the table and attempt to counter to obtain a better deal for the Authority.

Mr. Sullivan reported to the board that the Green View Condominium easement was continuing to be an issue to be resolved. He reported that he wrote and called Attorney Rick Scungio several times, but his calls and letters have since received no response whatsoever. Mr. Sullivan expressed concern with the time it has been taking, and Mr. Brown echoed that sentiment. Mr. Sullivan indicates that the organization called Green View Condominiums LLC has been revoked by the Secretary of State. Mr. Brown indicates that Legal Counsel should inform Mr. Scungio as well as the attorney for service that shutoff notices would be delivered on August 1, 2013.

Regarding Industrial Drive in West Warwick, Mr. Sullivan reports that he spoke with Mr. Williamson, the town solicitor, and wrote him as well regarding the need for the written resolution as well as the signed escrow agreement that Legal Counsel provided to Mr. Sullivan. Chairman Boyer indicated he would visit the issue with West Warwick.

Director of Finance Report

General Manager Brown informed the board that the director of finance remains out of work, and as such, there is no director of finance report. He added that the sales remain low, but expressed optimism that the summer will bring increased sales of water. He also commended staff for going the extra mile, which was echoed by Chairman Boyer. Mr. Brown reports that this quarter should improve, as the billing for hydrants would be going out.

Point of Personal Privilege & Communication

Mr. Giorgio reports that the West Warwick Centennial Anniversary was looking for donations for the celebration. Mr. Brown replied that the KCWA is a non profit and as such, cannot make donations as a company.

GUESTS

Balise Subaru – Route 2

Attorney J. Joseph Shekarchi arrives at the meeting at the promised time of 4:00 p.m. He reminded board that he represents Balise Motors and their efforts to put in a Subaru dealership on Route 2 in West Warwick.

Chairman Boyer informs the board that he has an actual conflict and steps down, turning the meeting over to Vice Chair Masterson. Attorney Shekarchi reports that although the Town of West Warwick has yet to grant final approval, he is confident there will be no problems. He goes on to say that the company will make improvements to the high service line and extend it. To do so, they are offering to extend the high service line from East Greenwich Ave. to Metropolitan Insurance in Warwick.

Mr. Gallucci reminds the board that Herb Chambers had previously received approval for the same proposal. General Manager Brown indicates that it was a conditional approval, subject to both the high service restrictions and subject to technical review.

It was moved by Mr. Giorgio, seconded by Mr. Inman, to conditionally approve the request for water supply to the proposed Balise Subaru Dealership, consistent with the Crossman Engineering analysis attached hereto as exhibit “A”, 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 of 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 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 technique 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 the proposed Balise Subaru Dealership, consistent with the Crossman Engineering analysis attached hereto as exhibit "A", 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 of 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 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 technique and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

Point of Personal Privilege & Communication (continued)

Mr. Boyer addresses the board in connection with the General Manager's list of

accomplishments. He indicates that Mr. Brown arrived in 2002 and has since got quite a few things accomplished. He cites the last four years in how the entire system has improved under his tutelage. He further cites the treatment plant for a new source of water for our customers. Chairman Boyer finishes up the address by suggesting it would be fitting to name the new treatment plant after the General Manager, suggesting that it is a fitting tribute.

Mr. Gallucci echoed the Chairman's remarks and suggested that in light of the awards Mr. Brown has received, as well as the accomplishments he has reached, it was indeed a fitting tribute.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

Division Hearing – Service Availability – Appeal –

General Manager reports that the appeal of IN RE: DOCKET NO. D-111-45 COMPLAINT FILING BY GREGORY M. DECUBELLIS AGAINST THE KENT COUNTY WATER AUTHORITY remains in the Superior Court for Providence County.

642 Washington Street, Status of Engineering Review – Action to Date

General Manager Brown reports that this topic was covered in legal matters by Mr. Sullivan.

Approval Legal Agreements FY 13/14

The General Manager provided the board, pursuant to their request last month, the legal engagement agreement of Sullivan & Sullivan for approval. He reports that the agreement is the same rate and level as last year, but the term is July 1, 2013 through June 30, 2014. Mr. Watson reports that his agreement is in transit, but that it is exactly the same as last year save for the term.

Mr. Gallucci, seconded by Mr. Masterson, to approve the legal agreements for FY13/14 as presented by Sullivan & Sullivan, and conditionally as to Mr. Watson, conditional on his providing the document.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the board approves the legal agreements for FY13/14 as presented by Sullivan & Sullivan, and conditionally as to Mr. Watson, conditional on his providing the document.

Pension Fees

General Manager Brown reports that there was an inquiry from the Governor's

Commission on Locally Administered Pension Plans and Other Post Employment Benefits. He indicated that he is attempting to pay the least amount of management fees possible. He indicated that at the next meeting, he should have some more information. Mr. Brown indicated that he forwarded materials it requested and added that they will be pleased with the fact it is 73% funded.

CAPITAL PROJECTS:

CIP 1C Mishnock Well Treatment Plant and

The General Manager reports the training is ongoing. Considerable work is being done on the project. He added that water is moving through part of the system, and that things are coming together and that it should be operational.

CIP 1B Mishnock Transmission

Mr. Brown indicates that this project is completed to a point and the project needs additional funding to complete.

INFRASTRUCTURE PROJECTS

IFR 2010A O'Donnel St. West Warwick Business Park

Mr. Brown reports that the area should be paved.

IFR 2010B Prospect Hill (Construction Status)

The General Manager informs the board that bypass piping is moving along. This project will last well into next year, being a good-sized project.

Quaker Lane Pump Station Upgrade (Status)

The General Manager reports that this project is ongoing. Chairman Boyer added that they are currently on a penalty of \$1,000.00 per day.

Apponaug Circulator Water Main Replacement (Status)

Mr. Brown indicates that the project is on the state's hands now. KCWA is done with its work. This should remain on the agenda for about 3 years.

Employment Agreement – General Manager - Approval

Chairman Boyer began the discussion of an employment agreement with the General Manager. He began with the annual increase of the General Manager's salary. Chairman Boyer encouraged discussion and thought the appropriate increase in salary was from \$152,000.00 to

\$160,000.00. Mr. Giorgio asks what the percentage is, and Chairman Boyer indicated it is approximately 5%.

Mr. Giorgio, seconded by Mr. Galucci moved to approve the salary increase for the General Manager/Chief Engineer from \$152,000.00 to \$160,000.00 effective July 1, 2013.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the board approves the salary increase for the General Manager/Chief Engineer from \$152,000.00 to \$160,000.00 effective as of July 1, 2013.

At this time, the General Manager thought it would be appropriate to excuse himself from the meeting. The Chairman agreed and Mr. Brown left the meeting.

Mr. Gallucci reiterated his support for Mr. Brown. He noted Mr. Brown's awards and acknowledgements. He added that Mr. Brown is holding down two positions, that of General Manager and that of Chief Engineer.

Mr. Boyer informed the group that Mr. Sullivan and he met. Mr. Sullivan drafted a contract and sent it over to Mr. Brown, who in turn annotated it. Messrs. Boyer and Sullivan met briefly on the contract and will revise it further. Then it will go out to each member of the board for further revision.

There being no further business before this meeting, on motion duly made by Mr. Giorgio, seconded by Mr. Gallucci and carried, the meeting was adjourned at 5:16 p.m.

Dated: July ____, 2013

Legal Counsel