

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

July 19, 2018

A meeting of the Board of Directors of the Kent County Water Authority was held on the 19th day of July, 2018, 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, Vice-Chairman Peter Masterson, Treasurer Joseph Gallucci, Russell Crossman, Frank Giorgio and John Giusti were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, Legal Counsel Patrick J. Sullivan, Esq., Director of Technical Services John Duchesneau and Director of Finance and Administration Michael Lanfredi. Also, in attendance was Treatment Manager/Water Project Engineer Dave Simmons. Mr. Giorgio led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting held on June 21, 2018 and the special meeting held on June 26, 2018 were both presented for approval. Mr. Giorgio moved, seconded by Mr. Crossman, to approve both sets of the minutes. Both sets of the minutes were unanimously approved.

Legal Matters

Mr. Sullivan discussed the litigation entitled Conservation Law Foundation v. KCWA and Burrillville v. KCWA (PC2017-1037 and PC2017-1039). He discussed the progress of the case and the developments since the last meeting. He said there was a scheduling Order on Invenergy's motion for summary judgment and the case should end thereafter, absent an appeal.

With respect to the CONE receivership matter, he told the board that there was an approval of the sale of some of the undeveloped lots at the Highlands at Hopkins Hill. He discussed the proposal from the receiver to use the funds to finish some of the infrastructure in CONE, including some KCWA supplying some of the new condos. Mr. Brown added that there were test pits being dug and that is ongoing and that KCWA is monitoring the results.

Mr. Sullivan then brought up the case of 31 Deer Run. He said there was an agreement being circulated amongst the attorneys, three of them, that remained in draft form. He said he had an agreement with the attorney for Mr. DeCubellis and that just prior to Mr. Sullivan leaving his office for the meeting, he was informed that Mr. DeCubellis rejected the agreement that was approved by his attorney. Mr. Sullivan said the court appearance was scheduled for the following day in Providence.

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

Mr. Brown said the sales were at a record low. He said he may have to go to Division for approval to dip into some restricted funds. He said permission was granted in the past. He said the audit was due for August 14, 2018.

Mr. Masterson moved, seconded by Mr. Giorgio, 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 June 2018 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of June 2018, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege & Communication

Mr. Gallucci said the Warwick Water Department was the subject of a discussion at a recent council meeting. He said the infrastructure needs to be replaced and that there are no funds whatsoever. He said he also requested that KCWA be notified whenever there is a leak in their system.

Chairman Boyer discussed the break on Division Rd. in East Greenwich. He wanted to thank all who worked on the break for their professionalism.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

GENERAL:

Utility Conflict King Fisher & Osprey Drive, Coventry

Mr. Brown indicated that the only solution was for KCWA to modify the water line. Mr. Crossman promised to again attempt to meet up with Mr. McGee from Coventry Public Works.

Restorative Pavement Policy Discussion

Mr. Brown discussed the Warwick seven-foot paving policy. He said some communities, like Coventry, require curb-to-curb repaving of streets. He said the board should consider the seven-foot policy and adopt that position. He said it was unfair for the ratepayers to be forced to pay for the balance of the road. He said the board should address this before the next round of contracts.

INFRASTRUCTURE PROJECTS

IFR 2015A

Mr. Brown reports that paving was done with a few minor items remaining.

IFR 2015B

Mr. Brown reported that the project is ongoing and that most pipe would be installed prior to winter. Final paving was to take place next year.

IFR 2016 Design – 3 Phase Project

Mr. Brown updated the Board that this was on hold for funding and was a three-phase project.

IFR 2018 Design

Mr. Brown reported that only one bid was received. He said he may ask the board for the bid to be disregarded.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service

Mr. Brown reported that the design was done and the project will be set out to bid in the winter. He said the cost was to be around \$12 million and that KCWA has \$7-8 million for the project right now.

Inskip Facility Discussion

Mr. Giorgio advised the board that he would recuse himself as a result of a conflict. He filled out the required conflict form and left the room.

Chairman Boyer began the discussion. He discussed the parcel known as the Inskip Building, which is located on Providence Street where Inskip used to have a body shop. He said he asked Dave Simmons to do a utilization drawing that he passed out. He discussed the location and said he had gone and looked at it with Mr. Brown. He said there was a structural engineer that looked at it. He said he checked with DEM and EPA and there were no outstanding violations. He said he had an environmental study available for anyone who wanted to see it. He said the facility was for sale for \$1.2 million. The Chairman said there was a need for an appraisal, and PUC knows we need a new facility. He said he invited Rate Counsel Shekarchi for discussion of funding.

Attorney Shekarchi discussed PUC requirements, due diligence, known and measurable costs, and the recent PWSB acquisition. She discussed an abbreviated rate filing to use capital funding. She discussed the need to show unsuitability for the existing facility.

Chairman Boyer suggested he, Mr. Masterson and Mr. Duckworth be on a committee for negotiation. He said the spray booths need removal as well as the car lifts. He said there needs to be a feasibility study.

Mr. Masterson asked if they are currently using the building. Chairman Boyer said they only store parts there. He also asked about the financing and discussed this with Ms. Shekarchi.

Mr. Giusti then discussed construction, the layout of existing walls, and final paving. Mr. Crossman asked if a study is needed. Mr. Brown said that would be the first thing.

Executive Session – 42-46-5 (a)(2) Relating to Anticipated Litigation R. Zoppo Corp.

Mr. Masterson moved and seconded by Mr. Crossman that the board move into executive session for discussion of anticipated litigation with R. Zoppo Corp. pursuant to RIGL 42-46-4 and 42-46-5(a)(1)

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

VOTED: That the board moved into executive session for discussion of anticipated litigation with R. Zoppo Corp. pursuant to RIGL 42-46-4 and 42-46-5(a)(1).

The board goes into executive session at 4:35 p.m.

At 4:55 p.m. the board emerges from executive session and resumes open session.

Mr. Crossman moved and seconded by Mr. Giorgio that the board exit from executive session.

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

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

Mr. Masterson moved, seconded by Mr. Giorgio, to seal the minutes of the executive session 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 the board seal the minutes of the executive session pursuant to RIGL 42-46-4 and 42-46-5.

There being no further business before this meeting, on motion duly made by Mr. Crossman, seconded by Mr. Giorgio and carried, the meeting was adjourned at 5:00 p.m.

Dated: August ____, 2018

Patrick J. Sullivan
Legal Counsel