

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING
OF THE BOARD

September 19, 2013

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 19th day of September, 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. Inman and Mr. Giorgio were present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq., Rate Counsel Robert Watson as well as Finance Director Jo-Ann Gershkoff, Mr. Duscheneau and Mr. Simmons. Mr. Giorgio led the group in the pledge of allegiance. Mr. Giorgio appeared later during the meeting.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of August 15, 2013 were presented for approval. Mr. Giorgio moved passage, seconded by Mr. Gallucci and the minutes were unanimously approved.

GUESTS

Super 8 Motel West Greenwich - Amin Mesiya

Charles Reilly Esq. and Michael Gemma appeared on behalf of the Super 8 motel. Mr. Reilly related to the board that the hotels, once under common ownership, are no longer so. He requested a master meter as there was only one service there now. Mr. Brown indicated that this was available under the regulations, but there needs to be an entity to bill, since if the bill was unpaid, then both hotels would be shutoff. Mr. Reilly would revisit the issue with his client.

HIGH SERVICE REQUEST

Woods on Middle

Mr. Moorehead appeared for the applicant. He presented a four-lot subdivision to the board in East Greenwich. He would like to extend the existing water main approximately one hundred feet to serve two of the four lots in the subdivision. The remaining two lots would be served by a well.

After a brief discussion, it was moved by Mr. Masterson, seconded by Mr. Inman, to

conditionally approve the request for water supply to two single family homes 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 for each home. 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: That based upon health and safety concerns, the board conditionally approves the request for water supply to service two single family homes 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 two formal single-family home applications. 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.

LEGAL MATTERS

Legal Counsel Mr. Sullivan reported that there was progress with the principals from COLBEA Enterprises regarding the water line and contaminated soil at 642 Washington St. He advised the board that the project was changed by their contractors who did the original work and who were familiar with the soil conditions. They were drawing up a cost estimate for COLBEA to do the work without having to use prevailing wage contractors and had verbally given Mr. Sullivan a maximum price of \$75,000.00, which includes bringing in the line from across the street, the PAP, police details, etc... He finished that they were still looking for some financial assistance from the KCWA especially in light of the fact that they were required to cross the roadway. Mr. Brown advised Mr. Sullivan to obtain the written proposal and forward it to him. The General Manager and the board wanted to get the work done prior to winter settling in.

Mr. Sullivan also updated the Board regarding the receivership of the Commerce Park Properties at the Centre of New England. There were numerous hearings before the Superior Court business calendar, with Mr. Cambio fighting the efforts rather vigorously. Mr. Sullivan went on to report that Ms. Gershkoff had spent the day at the hearing and testified for the receiver. After several hearings, both in Superior Court and Bankruptcy Court, Mr. Cambio had appeared to give up the fight and agree to a receivership, with the caveat he retain the maintenance and landscaping contract in the common area maintenance agreements for a short period of time. Mr. Sullivan reported that the receiver promised when the revenues began to be replenished, the arrearage will be paid.

Mr. Sullivan reported to the board that the Green View Condominium easement was resolved and he awaits the recorded original easements.

Next, Mr. Sullivan reports that there has been no activity with the CCFD receivership. Mr. Brown expressed frustration with the amounts owed, at \$187,000.00 and with not even an attempt to pay. The board instructed Mr. Sullivan to do all he could to get them on a payment plan, or budget plan.

Lastly, Mr. Sullivan reports he is at an impasse with the 55 Sandy Bottom Road matter. There had been a meeting with Attorneys Callaghan and staff. The ultimate result is a request by the attorneys to delay compliance with the master meter regulations until the sale of the property, which was denied. Mr. Brown instructed legal counsel to communicate a shut off notice to the user to bring the dispute to a head.

Director of Finance Report:

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. Statement of Cash Location FY 2012-2013 and Cash Receipts and Disbursements FY 2012-2013 as of July 31, 2013 attached as exhibit “A”, and a thorough discussion ensued with regard to the sales and revenue. Chairman Boyer asked how the sale of water was going, and Mr. Brown added that although August 2013 was slightly higher than August 2012, sales continue to lag.

Mr. Gallucci moved and seconded by Mr. Masterson 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 financial report and Statement of Cash Location FY 2012-2013 and Cash Receipts and Disbursements FY 2012-2013 as of July 31, 2013 attached as Exhibit “A”, be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege & Communication

There was no discussion on this matter.

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. Counsel has completed the brief, and it is due by September 30, 2013.

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

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

Review KCWA Organizational Structure/Strategic Plan Update

General Manager Brown next discussed the strategic plan that was attached to the General Manager's report. He believes the KCWA should move to a corporate type structure and believes we can do this in house. He believes that KCWA has come a long way in our planning and our open issues are mostly non-approved projects by the PUC. He reports that the facilities, security issues, reorganization of branches are issues to concentrate on. He didn't think a planning session with a facilitator was necessary, but believed staff could assist the board in this endeavor. He suggested that the board should discuss and consider these plans at the next board meeting.

Mr. Brown also updated the board on the PWSB rate filing. He indicated that Bristol County Water Authority was asking many questions, and he indicated that he had never seen so many requests for protective orders, keeping documents away from the public. He indicated that the filing has become nasty. Attorney Watson expressed that the rate filing would help find out information regarding the proposed Ocean State Water Authority. Mr. Brown indicated that the decision should be handed down by the end of the year.

Legal Services Approval

The board then discussed the proposal for a legal research analyst. Mr. Brown reminded the board that the current budget has a line item for this matter. The board had indicated that they would like Mr. Sullivan to look into the case law and PUC decisions and this will be discussed in greater detail at the next meeting.

Payroll Review

General Manager Brown recommended that this matter be postponed until the October meeting. The board had previously made a commitment to look at this issue in September 2013 but Mr. Brown requested an extension.

Employment Agreement – General Manager – Approval

Chairman Boyer reports that he met with Mr. Sullivan to continue to iron out an agreement for the General Manager. He reports that they will attempt to meet to try to finalize an agreement and asks that the matter be tabled once again.

CAPITAL PROJECTS:

