

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

August 18, 2021

A meeting of the Board of Directors of the Kent County Water Authority was held on the 15th day of September 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 any members of the public.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Vice-Chairman Jefferey Giusti, Brian Kortz, Geoffrey Rousselle, and Charles Donovan were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Director of Administration John Duchesneau, 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 held on August 21, 2021 were presented for approval. Mr. Rousselle moved the minutes approval, seconded by Mr. Kortz. 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 some skirmishes before the Court regarding fees due the receiver and his progeny and the matters were yet to be decided.

Johnsons Blvd land purchase/lease

Mr. Sullivan advised the board about the issue. He said he had presented the proposal conforming lot to Mr. Gorham, the Coventry solicitor, along with engineering and related paperwork. He updated the board on the reasons for the purchase. Mr. Sullivan said he awaits the town's response.

Hydrant Tax issue

Mr. Sullivan said he had prepared a petition before the division of taxation to determine the appropriateness to charge a sales tax on the hydrant fees. He said that it was still pending. He said the Division of Taxation had indicated they needed an extension of time to get their decision out.

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 August 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of August 2021, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi went through the status of shutoffs and delinquencies.

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

Bond Application to the RIIB for new facility

Mr. Simmons said KCWA was completing the application and submitting it soon. He said he needed an authorization vote so as to allow for KCWA to apply.

Mr. Rousselle moved, seconded by Mr. Giusti, to apply to the RI Infrastructure Bank in an amount not to exceed \$20,000,000.00 to finance the new facility.

There was a discussion regarding the amount being sufficient. Mr. Kortz asked if the amounts were to include the East Greenwich well. Mr. Simmons thought it better to isolate the two projects so as not to muddy up the application.

PUC/DPUC REGULATORY MATTERS:

PUC Docket 5133 Monthly Billing

Mr. Simmons updated the board on this tariff.

He stated that the monthly billing was all on target. The Warwick roll out was going smoothly. He said an isolated few people were not happy, but the overall response was positive.

Mr. Simmons updated the board on the quarterly service charge, which was \$15.10 prior to the monthly billing. He said rather than passing along a pro rata share of the quarterly charge, the KCWA went right to the monthly charge which cost the authority \$150k in service charges. He said he had to explain this to some elected officials. He also said that incoming revenues will start to change, and the spikes in revenue from quarterly billing will smooth out with monthly billing.

Mr. Kortz asked for a year to year comparison. Mr. Simmons said even though this was a wet year, production fell off 25% and pumping was down.

COVID-19 Updates - PUC Dockets 5026

Mr. Simmons updated the board on this topic. He said they were still tracking data reported to the PUC. He said there were meter change out cancellations as a result of the delta variant of Covid - 19.

Point of Personal Privilege & Communication:

Chairman Boyer said the water leaks caused by Cardi Corp. on Acorn Lane was catastrophic. He said it was scary to see all the damage caused. He commended the staff and said everyone performed well. Mr. Giusti said he was amazed there were no reports of injuries.

Mr. Rousselle raised the issue of not being advised of the water main break until 8:00 am via an email. He and Chairman Boyer said it can be a bit embarrassing to find out through a third party or a councilman. Mr. Simmons expressed that the information was disseminated to all of the board members first thing in the morning with the most complete information available as it was still an active emergency. He stated that he found out at 10:30 p.m. to 11:00 p.m. and wondered if he should notify the board without the complete information and the problem not yet isolated. Mr. Simmons did not want to send out phone calls and text messages in the middle of the night without complete information. Mr. Simmons asked if the board was okay with receiving notifications in the middle of the night. It was generally agreed that if the emergency was going to receive a lot of attention that they would appreciate the information regardless of time. Mr. Rousselle suggested

that there be a person to notify the board members who want to be notified. Mr. Simmons said he could accommodate that request.

Mr. Giusti said he should take care of the emergency first, and then notify the board. He said the 8:00 a.m. email was fine with him. Mr. Simmons said the current protocol on major outages is to notify the public, then RIDOH, then DPUC then the board. He generally stated that these steps typically happen simultaneously, however on a going forward basis the board members would receive a phone call, text, or email if the situation is serious enough. The KCWA website is actively updated with outage information with most large water main breaks.

Mr. Kortz agreed with Mr. Rousselle, saying he would prefer to hear it first internally.

Mr. Simmons said he would update the protocol for major emergencies.

Mr. Giusti asked Mr. Simmons about the complaints one year ago about the billing. He asked if the politicians have called at all. Mr. Simmons said no one had. Mr. Giusti said he wasn't surprised.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

GENERAL:

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

Mr. Simmons advised that this is going great. He said the billing is getting easier and easier with time and Muni-link.

Mr. Kortz asked how many customers had opted into auto pay. Mr. Lanfredi said 6358 customers had signed up on the online portal, and that 1394 accounts were on auto pay.

Meter Change Out Program-Update Status.

Ms. Campagnone said Theilsch had changed out 20,646 meters, and staff had changed out 779 meters for a total of 21,425 meters.

Mr. Simmons said shutoffs will begin for the roughly 1000 non-compliant customers that have failed to change out the meters. He said there were 6 separate notices sent out and hung on the properties. He said 288 shutoffs were to be hung tomorrow. Upon hanging the notice, the employee will be prepared to change the meter out.

Mr. Simmons went over the new technology being installed for large meter customers with the board. KCWA is proactively installing the new large meters and radios with an updated version that includes an additional chip that can take advantage of the long-range wide area

network when enabled. He said that this is a new fixed network solution that will allow the Authority to read the meters in real time without the need of additional expensive infrastructure or cellular contracts when enabled in the future. He went onto to say that KCWA will continue to read the large meters using the drive by radio system until the fixed network system is ready.

ONGOING PROJECTS:

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

Mr. Simmons said this project is done. He said it came in \$1.5 million under estimates, and this includes paying out over \$800k in damages to the water gantry bridge. Most of the savings were in roadway restoration.

IFR 2021 – Update

Mr. Simmons said the project is going well but they had used one of the crews from CB Utilities to help respond to the major break as they had the equipment and the additional personnel to respond to a break of that magnitude. International Paving assisted as well.

East Greenwich Well – RIDEM – RIDOH pre app meeting

Mr. Simmons said they had a pre application meeting. The preliminary design report was complete and they should have bid ready documents by the end of the year.

LAND ACQUISITION – Progress Update

PUC DPUC approvals - closing

Mr. Simmons said that they did not have to apply to the PUC for permission to make the purchase as it is an approved CIP project. KCWA filed a courtesy notification with the PUC of its intent as part of its Capital Improvement Program to purchase land to construct a new Office and Maintenance Facility. He said Ms. Shekarchi sent a letter to the PUC regarding the new facility. The DPUC replied with a letter authorizing the purchase since the long term debt being retired, no further action was necessary to go through with the purchase. The DPUC stated in the memo that the details of the project were included in KCWA's most recent CIP report filed with the Commission on February 12, 2021. The DPUC also found that the use of funds from the restricted CIP account for the purchase of the land fell within the intended use as described in the Amended Settlement Agreement in Docket 5012. The board asked Mr. Sullivan to contact Ms. Shekarchi to speed up the closing based on these findings.

Mr. Kortz asked about the next phase and the RFP for design. Mr. Rousselle asked if the last design we saw was final. Mr. Kortz said it was a concept design. Next is detailed construction drawings, permitting, etc...

There was a lively discussion amongst the board on this topic. Mr. Simmons said the timetable for the next step was at the end of the year.

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 KC-2021-0704

Mr. Rousselle moved to enter executive session. Mr. Giusti seconded the motion. Chairman Boyer, via roll call vote, polled the board. The vote was unanimous.

The board went into executive session at 4:30 p.m.

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The board convenes back in open session at 4:50 p.m.. Mr. Sullivan said there were no votes taken in executive session.

There being no further business before this board, on motion duly made by Mr. Giusti, seconded by Mr. Rousselle and carried, the meeting was adjourned at 4:55 p.m.

Dated: October _____, 2021

Patrick J. Sullivan
Legal Counsel