

## KENT COUNTY WATER AUTHORITY

### MINUTES OF THE REGULAR MEETING OF THE BOARD

December 17, 2020

A meeting of the Board of Directors of the Kent County Water Authority was held on the 17<sup>th</sup> day of December 2020, 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 the board members.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Chairman Robert Boyer, Vice-Chairman Joseph Gallucci, Treasurer Russell Crossman, Brian Kortz, Jeff Giusti and Geoffrey Rousselle were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq., Rate Counsel Mary Shekarchi, Esq., Director of Administration John Duchesneau and Director of Human Resources and Finance Michael Lanfredi. Administrative Assistant Nicole Jaques was also in attendance.

Chairman Boyer led the group in the pledge of allegiance.

#### **APPROVAL OF THE MINUTES**

The minutes of the regular board meeting, held on November 19, 2020 and the special board meeting held on December 1, 2020 were presented for approval. Mr. Rousselle moved, seconded by Mr. Giusti. Both sets of minutes were approved unanimously.

#### **Legal Counsel**

##### CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. The case remains before the superior court. He said there were several matters before the court and the parties were seeking expedited hearings on the matters, including appeals and motions to dismiss. They do affect the installation of water infrastructure in the Highlands at Hopkins Hill as the purchaser of the lots is getting cold feet even though the appeal of the decision to approve the land sale was filed significantly late.

### RIDOT-Pipe Gantry Issue

Mr. Sullivan advised the board that KCWA threats of litigation has assisted KCWA in their dealings with RIDOT. He said RIDOT legal, KCWA legal, and all the stakeholders have a bi-weekly conference call so things don't fall by the wayside.

Mr. Simmons discussed the engineering aspects of the repair going forward. He advised of the KCWA using their abutments to connect our pipe during the winter shutdown. He also said that the gantry pipe work should be done by April 2021 and the north/south will be officially interconnected.

### **QDC Wholesale Connection - Update**

Mr. Simmons updated the board on the Quonset Development Corporation project. He said the work can continue as it doesn't require asphalt. He said all pipe is in the ground on Frenchtown Rd. and they crossed the roadway into their easement. He said they will continue installation to their building and it was going well. He said it should be going live in the next few months.

### **Director of Finance Report:**

#### Closing Report November 2020 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 November 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of November 2020, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Rousselle moved, 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 2020-2021 as of November 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of November 2020, attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

Chairman Boyer commented on the collections being strong. Mr. Kortz asked about the overtime situation related to the usage complaints from the customers, essentially if it was

impacting the budgeted salary amounts. Mr. Simmons said it was not outside the budget. He said each investigation lasts approximately 45 mins. with 306 investigations to date.

#### 2012 and 2017 Series A Bond Defeasance and Payoff Update

Mr. Lanfredi advised the board of the sequence of events that surround the payoff of the two bonds. He said the debt from both bonds will be off the books of KCWA in January 2021, and described the machinations of the trustee, Bank of New York Mellon in paying the bonds, including holding some funds in escrow until July 2021.

He continued a discussion of the funding of the IFR funds and Capital accounts in a post bond payoff scenario, including funding the IFR account at \$500k/month starting February 2021 and the Capital Account at \$300k per month also starting in February 2021.

#### **PUC/DPUC MATTERS:**

#### COVID-19 Updates - Continuity of Operations -PUC Dockets 5026

Mr. Simmons updated the board on this topic. He shared his screed and showed participants and the public the flows during Covid and the reports that they send to the PUC. Mr. Simmons shared that the month of November was the first time since May that production was lower than last year. Data show the large increases in production, and subsequent use, over the last several months were primarily resulting from the severe drought and the shifting effects on water use by the residential customer base outside of normal usage patterns due to the pandemic.

#### Meter and Billing Investigation Update

Mr. Simmons introduced Ms. Jaques to the board. She advised the board that they received 508 complaints of which 408 investigations were complete. She said out of the 408 completed, there were 15 deemed incorrect due to clerical errors. The errors were juxtaposing the digits on the final old meter readout, as it was done manually.

Mr. Giusti asked if it was the same person who made the mistakes. Ms. Jaques said it was the same two employees. Mr. Kortz asked if there were any ways to remedy the situation, and Mr. Simmons said yes, they now were checking the hand written slips with meter readings against the meter readings displayed on the photo taken of the meter when it was removed and the digital application used to perform the site survey at each location. .

Mr. Rousselle asked about the latest billing cycle. Ms. Jaques there were 14 pages of high consumption data and that KCWA checked each account with prior consumption. Ms. Jacques also added that many of the customers have requested monthly bills to catch issues that may arise sooner. Mr. Rousselle added that things seem to have quieted down, and commented that the East

Greenwich news article was fair overall. Mr. Rousselle also asked about any high-profile cases that were now with the DPUC. Mr. Simmons said they had approximately sixty there now.

#### Petition to RIPUC to start monthly billing

Mr. Simmons said he has a meeting with PUC /DPUC staff on Monday to begin the process of petitioning the PUC outside of a normal rate case for monthly billing. He said he hoped for a quick decision, hopefully by March 2021 but was not sure on the timing until after the meeting and the procedural steps that need to be followed for the public notice. The PUC provided Newport's filing for monthly billing to use as a guide to get started. Mr. Simmons stated that the Coventry billing cycle could feasibly start immediately with monthly billing other zones to follow because 95% of the meters have been changed to the new remote reading meters in that cycle. It all depends on the timing of the approvals and the assurances of a smooth rollout. He also said in regards to the new bill layout that they will be putting the full billing cycle history [18 periods], usage period, average daily use on the new bill. The new bills will also clearly display both the usage and charges on both the old meter and the new meter where meters were changed mid cycle so it is clear for the customers. He said there will also be alerts, such as high usage patterns, reverse flow, among others to help assist customers if there are abnormal use patterns or potential leaks. Mr. Kortz asked if it would be difficult to go with one zone monthly with others quarterly. Mr. Simmons said it wouldn't, but it would increase the postage and mailing costs.

Mr. Giusti asked about auto pay, to which Mr. Simmons said the new software would allow for that. Mr. Simmons added that the auto pay could also reduce the additional cost of postage and bill generation when customers sign up for auto draft. Saving in the communities that use the auto bill pay feature have seen reductions in these cost of approximately 25%. He also stated that the monthly bills were crucial to getting information out to the customers to avoid problems that tend to get worse with time such as leaks or unknown water use. Many customers in this past billing cycle were getting large bills that could have maybe been avoided if the information was available to them sooner. Hopefully with the new bills and the monthly billing we can mitigate many of these issues moving forward.

#### Point of Personal Privilege & Communication

Chairman Boyer commented on the meeting Mr. Simmons had with the area senators and representatives. He said the meeting went very well and that Mr. Simmons did a great job explaining everything. He added that Ms. Jaques had immediate answers to all their questions and that the attendees left impressed.

### **EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT**

#### **GENERAL:**

### Muni-Link Utility Billing/CIS Update

Mr. Simmons explained that KCWA was running this in a parallel fashion to the existing software and it went flawlessly. He said the checks and cross checks were accurate. He predicted one more month then the system goes online.

### Board Action – Recommendations for Hire – Laborer and Operator

Mr. Simmons said he interviewed Dominic DiMasi via Zoom for the laborers position. He said it went well. He said the applicant has utility maintenance in his background and that he was able to obtain the required licenses. He has a bachelor's degree from RI College.

Mr. Rousselle moved, seconded by Mr. Kortz, to authorize Mr. Simmons to extend to Dominic DiMasi a conditional offer of employment.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Mr. Simmons to extend to Dominic DiMasi a conditional offer of employment.

### **ONGOING PROJECTS:**

#### IFR 20-21 Update

Mr. Simmons shared the memo from Geremia and Associates that outlined the IFR 2021 projects in Coventry, West Warwick and East Greenwich that listed all the projects by community. He said KCWA shares this with National Grid and other utility partners so they can share paving expenses. He estimated the cost of this to be in the area of \$10 million.

### **LAND ACQUISITION – Progress Update**

#### Purchase and Sale Agreement – Consideration and Approval 51 Technology Way

Rate Counsel Shekarchi began the discussion of the proposed transaction and the reduction of the agreement to a purchase and sale agreement. She said the final draft of the document was shared with all the board members and gave an overview. She said once the board votes to authorize the signing of the contract, KCWA signs first, then the seller signs. Once the seller signs, the timelines and deadlines begin to clock.

Mr. Sullivan said he was involved, and that he also approved the final purchase and sale agreement upon questioning from the board.

She said a 60 day due diligence starts, even though KCWA was already well into the due diligence while the contract was negotiated. She outlined various fail safes put in the document that allows the KCWA to get their deposit back, including unsatisfactory title exam, failure to get PUC approval.

Mr. Crossman asked if the project has to go before the WG planning commission. Ms. Shekarchi said that was the responsibility of the seller.

Chairman Boyer said the negotiations went on a little longer than he wanted, but at the end of the day he commended the parties that worked on the matter.

Mr. Kortz said he felt good about where we were on this matter and no major issues were found. He said there were some architectural tweaks that were made.

Mr. Rousselle moved, seconded by Mr. Crossman, to authorize KCWA to enter into the purchase and sale agreement for the purchase of 51 Technology Way, West Greenwich, RI, and to delegate the authority to populate the exhibits attached to the agreement.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA is authorized to enter into the purchase and sale agreement for the purchase of 51 Technology Way, West Greenwich, RI, and to delegate the authority to populate the exhibits attached to the agreement.

There being no further business before this board, on motion duly made by Mr. Rousselle, seconded by Mr. Crossman and carried, the meeting was adjourned at 4:35 p.m.

Dated: January \_\_\_\_\_, 2021

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Patrick J. Sullivan  
Legal Counsel