

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING  
OF THE BOARD

February 18, 2021

A meeting of the Board of Directors of the Kent County Water Authority was held on the 18<sup>th</sup> day of February 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 the board members.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Chairman Robert Boyer, Treasurer Russell Crossman, Brian Kortz, Jefferey Giusti, Scott Duckworth and Geoffrey Rousselle were all in attendance along with Executive Director/Chief Engineer David L. Simmons, Legal Counsel Patrick J. Sullivan, Esq., Director of Administration John Duchesneau and Director of Human Resources and Finance Michael Lanfredi. Administrative Assistants Nicole Jacques and Nicole Campagnone were also in attendance.

Point of Personal Privilege & Communication

Chairman Boyer led the group in a tribute to the late Vice Chairman Joseph Gallucci after 25 years of service to the KCWA. He said Mr. Gallucci grew up in Natick, and that his dad was a former chief of police in Warwick. He said “Joe” was involved in Warwick politics, and that he helped people constantly. He said Joe was persistent in getting things done. He said the Crowne Plaza was one of his signature achievements. He said Joe took some heat for his support, but the facility fit in like a glove. He said the tax revenues were a great boost for Warwick. He said Joe’s numerous achievements were too numerous to list. The Chairman said he will miss Joe and his cavalier attitude. He asked the board for a moment of silence in his honor.

The board paused the meeting.

**APPROVAL OF THE MINUTES**

The minutes of the regular board meeting, including the executive session minutes, held on January 21, 2021 were presented for approval. Mr. Rousselle moved, seconded by Mr. Crossman for approval of all the minutes. 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 no updates since the last meeting.

### RIDOT-Pipe Gantry Issue

Mr. Sullivan advised the board that this matter is going along well, from a legal standpoint. He advised the board pursuant to the request of legal counsel of RIDOT, his office sent off a series of invoices to RIDOT legal for reimbursement.

Mr. Sullivan also said he had been hearing rumors of the CCFD financial troubles once again, including threats of bankruptcy. He advised the board that in 2012 they filed papers that ultimately resulted in a quasi-bankruptcy. He asked about their hydrant fees, and Ms. Jacques said they were in arrears in the amount of \$65,574.00 that was due at the end of January 2021.

## **QDC Wholesale Connection – Update - Agreement**

Mr. Simmons updated the board on the Quonset Development Corporation project. He said QDC forwarded a revised agreement to KCWA legal counsel that day, and that KCWA legal needs to update the agreement. He said QDC was getting prices and reported that they should be active and online by July.

## **Director of Finance Report:**

### Closing Report December 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 January 2021 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of January 2021, attached as exhibit “A”, and a thorough discussion ensued with regard to the sales and revenue.

Mr. Lanfredi added that KCWA no longer has funds in bank NY Mellon. All funds were transferred to Washington Trust.

Chairman Boyer asked if the billing activity was ok in light of the billing controversy. Mr. Lanfredi said the collections were higher than this period last year.

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

## **PUC/DPUC MATTERS:**

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

Mr. Simmons updated the board on this topic. He shared his screen and showed participants and the public the flows during Covid and the reports that they send to the PUC. He showed the sales volume parallels from last year. He said the usage spikes from last year are gone, and that was ok.

He raised the confusion over the usage period on the last bill. He said the legislative delegation asked that KCWA do that, so we did. He said the office was inundated with calls resulting from that decision, including a nasty press release from Sen. Raptakis.

### Annual PUC Report Submission

Mr. Simmons spoke on all the restricted accounts and the submission to the PUC. He said all are tabulated for the IFR and capital projects. He said KCWA is a non-profit public benefit corporation. Every dollar KCWA generates has to go back into the system. There is no profit. He said contrary to public accounts, there is no slush fund with extra money coming in. This all required by the PUC for use for infrastructure replacement and capital projects.

Mr. Rousselle said Mr. Simmons was doing a great job. He said if someone wants to send the auditor general down, so be it. He asked Mr. Simmons to continue to do what he was doing.

### Monthly Billing – Tariff Advice Filing and Petition for Relief to RIPUC

Mr. Simmons said the monthly billing rate consultant has completed his testimony and his cost-of-service modeling. Ms. Jacques described the monthly billing rollout, with Coventry beginning on August 1, West Warwick in September, and October for East Greenwich and

Warwick. He went on to say PUC Docket 5012 allowed larger meters, 3” plus, to go on monthly billing already. He said he has to complete his testimony. He said it would be filed next week, and thereafter the PUC will issue an order.

#### Meter Change Out Program – Update Status

Mr. Simmons introduced Ms. Campagnone to the board. She said 15,286 meters were installed. 14,623 were installed by Thielsch Engineering and 663 were installed in house. She said the job was 63.4% complete.

Mr. Kortz asked if the customer was getting a receipt. He also asked about the status of the end of the project. Ms. Campagnone said they hoped to be done by September. It had slowed as a result of people not wanting strangers in their home due to Covid – 19. Mr. Kortz said he thought we needed all meters changed out before monthly billing. Mr. Simmons replied that Coventry was the first in line. He said 95% of Coventry meters have been changed out by design. He said the remaining 5% can be done after the monthly billing. Customers receive a receipt after every meter installation with the final read and sign off that they read and understand the final reading. In addition to a written receipt, about half of the customers have also taken their own picture of the meter with the final read before it is removed from the home or business.

Mr. Boyer said he received a call from Rep. Serpa regarding private hydrants. She said she had a constituent that wasn’t being billed and suddenly they were. He advised her that the PUC required them to bill all hydrants.

Mr. Simmons added that the PUC required that every hydrant be billed, both public and private. All hydrant fees are generated from an approved cost of service study that was vetted during the rate filing. Fire fees are based on the capacity of the system inclusive of the water tanks and the sizes of the water mains to deliver water to the hydrants and fire systems. He said along with the usage rates going down, the hydrant fees for every city, town, and fire district dropped substantially from the reallocation of revenues because the public systems were subsidizing the private. Letters were sent to every city, town, and fire district with the savings and he said ideally the cities and towns should have given the taxpayers back the money. Mr. Kortz asked if Mr. Simmons knew of any city or town to return the funds. Mr. Simmons said not to his knowledge.

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

##### **GENERAL:**

##### Muni-link Utility Billing/CIS Update-Deployed February 1, 2021

Mr. Simmons explained that KCWA would be deploying the new utility billing and customer information system on February 1, 2021. He said he was very excited for the long-

needed upgrade to the Authority's systems to better serve the customers. He said the new system was functional night and day. He said the system was tremendous and will allow the customers to sign up for a customer portal to view and pay their bill, review usage history, and setup automatic bill payments which was something being asked for by many customers for many years.

Ms. Jacques said the new system saves time. She said that doing meter change outs went from one week to two and one-half days. She said it was very user friendly and that the customer service staff was happy with it.

#### New water bill design launching Cycle C-West Warwick-March 2021

Mr. Simmons said the first new bill would be out on March 1, 2021. He said they were doing a detailed analysis on the first bills, ensuring historical usage migrates from the old system. He then showed a new insert he was working on explaining the new bill. He said the silver lining of the billing dispute investigation was capturing the same information provided to customers regarding historical use, meter change out information, and specific usage periods on the bill. The new look of the bill will provide all of the information a customer will need to monitor and track their usage patterns and be alerted to potential problems.

Mr. Crossman said he received telephone calls from people who liked the new bill and that it was much more user friendly.

Chairman Boyer said notwithstanding the past, since Mr. Simmons came on KCWA has been completely transparent.

#### Discussion and/or action for RFP for public private partnership agreement or virtual net metered solar projects

Mr. Simmons said he sent the proposed RFP to the board before the meeting. He then read the RFP for solar net metered project. He explained that this was not for our own solar panels, but rather buying into capacity of others. He said the savings can be tremendous. He said any savings achieved goes back to the rate payers or restricted account. He said the goal of the state of RI is 100% renewable energy. It is a tremendous benefit to the environment. It is important for everyone.

Chairman Boyer said it is time to get this moving. Mr. Kortz asked how long the contract was for. Mr. Simmons said 20 or 25 years. Chairman Boyer estimated KCWA might be able to save about \$200K per year. Mr. Simmons and Mr. Giusti agreed that the RFP should include language that if KCWA wanted to put solar panels on their buildings, they cannot prohibit it in the submission.

## **ONGOING PROJECTS:**

### Board Action – award bid for IFR 2021-Advertising Bid for construction this Spring

Mr. Simmons said they received three bids, extremely close, for this IFR project. He said he shared a memo from J. Geremia and Associates for IFR 2021 for work in Coventry, East Greenwich and West Warwick. He said three bids from C.B. Utility Co., Boyle and Fogarty, and D'Ambra Construction were received. He said our consultant recommended it be awarded to the lowest responsible bidder, C. B. Utility, Co. in the amount of \$10,671,614.00.

Mr. Duckworth moved, seconded by Mr. Crossman, to award the bid to C. B. Utility, Co. in the amount of \$10,671,614.00.

Mr. Kortz informed the Chairman that he would be abstaining from the vote as one of the companies is a client of his.

There was discussion of whether or not this company did any work for KCWA in the past, and after confirming they recently did, it was

VOTED: That KCWA awards the bid for IFR 2021 to C. B. Utility, Co. in the amount of \$10,671,614.00.

### East Greenwich well Treatment Design – RIDOH

Mr. Simmons said we received comments from RIDOH. He said all were reasonable except one. He explained that the water used in the process was required to be placed in the sewer rather than back into the lagoon to recharge the aquifer. He explained that this, in his opinion, was incorrect. Removing water from the aquifer did not make sense. He said he would be working with the design engineer, Pare Engineering, requesting a variance. He said the benefits of returning the water to the aquifer outweighed the dangers.

Mr. Simmons then realized that he missed a couple of agenda items. He raised them here.

### Discussion House Resolution 5030-Oral and Written testimony.

Mr. Simmons said he testified at the House Corporations Committee hearing, both orally, and with written testimony. He said the Attorney General provided amendments to correct the resolution. He said the PUC and the DPUC both provided written testimony as well. He said everything in the resolution was incorrect and is currently being held in committee.

Meter and Billing Investigation Update-Presentation given to Town of Coventry.

He also said that Coventry had a council meeting last night. He said they considered and passed a resolution to support the House resolution. He said they incorporated the amendments from the Attorney General. He also notified the board that Sen. Raptakis has completed a letter asking the Auditor General to get involved and that he was trying to get other signatures. He said KCWA was just keeping our heads down and moving forward.

Chairman Boyer said he has been around for a while. He said the KCWA was the strongest it has ever been, regardless of what Sen. Raptakis was doing.

Mr. Simmons said everyone, every board member, legal, staff, have all worked together as a team to deal with this.

Mr. Duckworth said the District 2 council woman Ms. Ludwig called him. She said she was impressed with KCWA's handling of the controversy. She was thankful Mr. Simmons was thorough and supported his efforts. Mr. Simmons also said the Council President Dickson also offered these sentiments. Ms. Dickson stated that she took the time to read all of the documents, watched the videos of the meetings, and get a solid footing of the facts to determine that KCWA took the matter very seriously and performed a thorough investigation to her satisfaction.

Water Main North / South Interconnection High Service Update

Mr. Simmons said the pipe bridge was moved and located on the DOT pipe caps. He said the area was backfilled. He said the construction was on schedule for early April finish, which is required for DOT spring startup. There was a discussion between Mr. Simmons and Chairman Boyer to shoot some elevations to ensure there is no settlement.

Next, Mr. Simmons asked the board to approve change order no. 6, to be reimbursed by RIDOT as a pass through, for the work on the bridge repairs for the damage by D'Ambra. The amount was \$626,107.27.

Mr. Duckworth moved, seconded by Mr. Rousselle, to approve the change order.

Motion made and duly seconded, it was

VOTED: That change order no. 6 for the work on the bridge repairs for the damage by D'Ambra be approved in the amount was \$626,107.27.

Mr. Kortz asked if there was a written agreement with DOT for reimbursement. Mr. Sullivan said there was not, and the first invoices were just sent. Mr. Sullivan said there was a 5%

retainage in the original contract, and that the lawsuit and the claims for damage were alive and well if needed.

## **LAND ACQUISITION – Progress Update**

### Due Diligence Progress Update

Chairman Boyer led the discussion about the lack of a survey. He said he got involved and called Condylne to find out what the problem was. He said that the plans were promised two Wednesdays back. He still doesn't have the survey. He said his office sent the surveyor some plans to assist. He said he was dissatisfied with the slow movement of surveying.

Mr. Kortz updated the board on the progress. He said much of the work has been done by our consultants, but he has concerns about the lack of a survey. He said the survey is important as it is needed for a conceptual layout of the building. He said no final decisions can be made without the survey.

Mr. Simmons said the 60-day clock doesn't start until the ALTA survey is done and in hand.

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

Dated: March \_\_\_\_\_, 2021

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Patrick J. Sullivan  
Legal Counsel