

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

July 16, 2020

A meeting of the Board of Directors of the Kent County Water Authority was held on the 16th day of July 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. The Chairman was at the offices of the Authority.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Chairman Robert Boyer, Vice Chairman Joseph Gallucci, Treasurer Russell Crossman, Secretary Scott Duckworth and Brian Kortz, were all present together, 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. Director of Information and Technology Alisa Morrison 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, including executive session minutes, held on June 18, 2020 were presented for approval. Mr. Gallucci moved, seconded by Mr. Kortz. The minutes were approved unanimously.

Board Declaration

Recognition and Citation presentation. Retirement 44 years of service Cindy Heard

Chairman Boyer recognized Ms. Heard. He congratulated her for her many years of faithful service. He said her people skills are second to none. He said in his 18 years of service to KCWA, he never heard a single complaint.

Mr. Gallucci presented her with a citation from the general assembly signed by Speaker Mattiello and Majority Leader Shekarchi. He read the proclamation and added his personal congratulations.

The remaining board members offered their congratulations as well.

Ms. Heard thanked the board for their kind words. She said she enjoyed working at KCWA and said she was always treated with respect.

Chairman Boyer presented her with a traditional rocking chair as a memento for her many years of service.

**Board Action Abbreviated Rate Filing Docket 5012 - Settlement Agreement approval
Providence Rate Filing Docket 4994-Update on settlement and wholesale rates COVID-19
Updates - Continuity of Operations -PUC Dockets 5022 and 5026**

Rate counsel Mary Shekarchi presented a proposed settlement to the board that needed board approval on the PUC abbreviated rate filing docket 5012. She said the settlement would reduce the water rates across the board. She discussed the creation of an effective rate combining the compound meter rates where there exists a larger meter and smaller meter as part of a compound meter in one location each with separate rates. She went on to discuss the settlement of the \$2 million annual allocation funded from small meter rates over the last three years. The meter replacement account is fully funded, and the settle is set to reapply those dollars back to the rate payers in the form of a rate reduction. She discussed the elements of each additional settled issue.

Ms. Shekarchi went on to discuss the Bristol County Water Authority's (BCWA) attempts at compelling the Commission to adopt individual wholesale rates as proposed and be applied to PWSB Docket 4994. She said KCWA has intervened in their rate case and that she was attending hearings along with Mr. Simmons and, our rate consultant, David Bebyn as witnesses and respondents to many data requests put forth by the PUC and BCWA. KCWA's position on the matter of individual wholesale rates is that it needs further study before adoption. Adoption of individual wholesale rates also presents challenges with agreements in place between KCWA and the City of Warwick because of wheeling arrangements between systems at wholesale rates. She said the PUC was struggling with the wholesale issues and that they asked all parties to file a brief.

Mr. Simmons added to the meter replacement element saying that KCWA saved a significant amount of money by the Board's action to award the bid to the same meter supply company that KCWA currently uses for all new meter replacements. The value of this decision equates approximately \$1 million dollars and was petitioned as part of the settlement to expand the meter change out program to include all large and medium sized meters. He went on to discuss the types of large meters and that the expanded program is designed to only change out the unitized measuring elements on older compound meters and full replacements on single register large meters. He stated our meter supplier now has ultrasonic metering technology that just received UL/FM approvals needed for systems supporting fire flows for meters up to six-inch in size. The larger sizes are slated for approvals in the fall. This style meter makes for easier retrofits on single

register turbine meters that may be currently located in difficult areas. This type of meter would now also be approved for new installations providing for less expensive options to new customers needing large metering assemblies.

Mr Simmons went onto say that there were additional restricted funds that were collected monthly since January not being utilized for the meter change out program. The settlement requires that the additional funds that were collected shall be used in conjunction with several restricted accounts being held as requirements for bond holders to eliminate and pay off all the Authorities long-term debt. This will strongly position KCWA financially by fully funding restricted IFR and CIP pay-as-you-go accounts and research for future bond issues to fund the construction of a new office and maintenance facility and treatment plant. The settlement also calls for eliminating the ACH charge for a credit card payment for the customers on a going forward basis. The fees are currently not being charged during the crisis to try and provide some relief and alternative ways for customers to pay.

Mr. Simmons went on to inform the board that 25-30% of the meters have been installed to date but progress was significantly reduced for two months because of the Covid pandemic. It is estimated that the COVID pandemic has put this program about 3 months behind schedule.

Mr. Gallucci moved, seconded by Mr. Kortz, to accept the settlement and authorize Ms. Shekarchi to enter into it.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA accepts the settlement and authorizes Ms. Shekarchi to enter into it.

May go into closed session pursuant to RIGL 42-46-5(a)5 discussions or considerations related to the acquisition or lease of real property for public purposes.

Chairman Boyer began the discussion without going into executive session. He said the committee met with the real estate professional Mr. Coutu to come up with a game plan on negotiation. He said Ms. Shekarchi was there.

Legal Matters

CONE Receivership

Mr. Sullivan updated the board on the Center of New England receivership. The case remains before the superior court. He said there was a motion to be heard this month to sell some real estate before the court. Some of the parties in interest were fighting the motion and there was a hearing on the sale of new lots. The association and the receiver were negotiating to pay the expenses of securing KCWA sourced water.

Director of Finance Report:

Mr. Lanfredi, Finance Director, indicated that this report will be put off until next month.

Point of Personal Privilege & Communication

Chairman Boyer again expressed his satisfaction that the organization was running smoothly, and that the office staff was performing well.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

GENERAL:

Board Action Recommendation for Hire (Customer Service) –Danielle Diaz Board Action

Mr. Simmons read his memo recommending the board hire Danielle Diaz that he distributed to the board. He said Nicole Jacques was moving into Cindy Heard’s position and that Ms. Diaz would move into Ms. Bates position. Chairman Boyer endorsed her and said she came highly recommended.

Mr. Gallucci moved, seconded by Mr. Kortz, to extend Danielle Diaz a conditional offer of employment.

VOTED: That KCWA extends Danielle Diaz a conditional offer of employment.

Award bid- RFP for Well Rehabilitation Services -Mishnock

Mr. Simmons advised the board that the Mishnock wells need a cleaning and the pumps need to be replaced. He advised that the impellers need replacement as well. He said Weston and Sampson bid \$114,818.00. This was a single bid.

Mr. Duchesneau said he spoke with Cumberland water doing a similar project and they were happy with their contractor doing the work. He said he called the other companies, only 2 or 3 can do this work, and they said they were too busy and didn’t bid.

Mr. Kortz asked if they were subcontracting the work out. Mr. Simmons said he believed they were using W. M. Church Co. but it wasn't specific under the bid. Mr. Crossman asked what Weston and Sampson was bringing to the table, just a premium to the bid? Mr. Simmons had the same questions, and that is why he asked Mr. Duchesneau to look further into it. He also said there was an urgency to it, and a re-bid may delay the work too long. Mr. Crossman was fine with that explanation.

Motion made by Mr. Kortz, seconded by Mr. Gallucci, to award the bid for Mishnock well rehabilitation to Weston and Sampson for \$114,818.00.

Motion made and duly seconded, it was unanimously

VOTED: That the KCWA awards the bid for Mishnock well rehabilitation to Weston and Sampson for \$114,818.00.

Board Action – Request by the Town of West Warwick to reduce meter data fees

Mr. Simmons explained meter data fees to the board. It relates to the water bill's connection to the sewer fees in West Warwick. He said the request is for a one dollar per account reduction in what KCWA charges. He said Warwick was at \$.50 cents per account. Mr. Simmons said before computers, this was a labor-intensive activity. Not so much anymore. Mr. Gallucci said each community should be the same. Mr. Sullivan said the board could not act on East Greenwich this month as it wasn't on the agenda, but next month it could be fine.

Mr. Gallucci moved, seconded by Mr. Kortz, to reduce the fee charged West Warwick by one dollar to fifty cents per account.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Mr. Simmons to reduce the amount charged West Warwick for meter data by one dollar to fifty cents per account.

INFRASTRUCTURE PROJECTS

IFR 2016A to include Frenchtown Road Services transfer from 12AC to 16 DI Approval Task order No 3 to include Frenchtown Road in the design.

Mr. Simmons explained that there are two parallel mains going up Frenchtown Road and the smaller 12-in transite main needs to be deactivated due to continuing water quality issues and complaints arising from reduced velocities. He said this project is sorely needed and all services

on the 12-in transite main would be moved over to the recently updated 16 ductile iron main. He recommended Geremia and Associates for \$36,570.00.

Mr. Kortz moved, seconded by Mr. Gallucci, approval of task order no. 3 to Geremia and Associates in the amount of \$36,570.00.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves task order no. 3 to Geremia and Associates in the amount of \$36,570.00.

CAPITAL PROJECTS

Water Main North/South Interconnection High Service Update

Mr. Simmons said this project is ongoing and should be done by the end of this calendar year.

East Greenwich Well - Preliminary Design Report Update

Mr. Simmons explained that they were reviewing the initial version and a final report should be completed for submission to RIDOH by next meeting. The probable construction estimates for the 3 MGD facility are approximately 5.4 million dollars.

There being no further business before this meeting, on motion duly made by Mr. Kortz, seconded by Mr. Crossman and carried, the meeting was adjourned at 4:45 p.m.

Dated: August _____, 2020

Patrick J. Sullivan
Legal Counsel