

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE BOARD

September 17, 2020

A meeting of the Board of Directors of the Kent County Water Authority was held on the 17th day of September 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 and Mr. Gallucci were at the offices of the Authority.

Chairman Robert Boyer opened the meeting at 3:30 p.m. Board members, Chairman Robert Boyer, Treasurer Russell Crossman, Secretary Scott Duckworth, Brian Kortz and Geoffrey Rousselle, 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. David Simmons led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting, held on August 20, 2020 were presented for approval. Mr. Rousselle moved, seconded by Mr. Crossman. The minutes were approved unanimously.

PUC Matters

Abbreviated Rate Filing Docket 5012

– Ruling and Decision -New Quonset Agreement – Warwick Agreement Review -Press release on rate reduction

Mr. Simmons advised the board that the PUC has accepted and ordered the settlement with the Division. He said he sent the order out to the board, along with copies of a press release that went out to all the cities and towns, both finance departments and the executives. He said KCWA received mostly everything it asked for with the exception of a separated restricted meter account fund. The settlement included Quonset Development Corp wholesale rate . He said an agreement with QDC is now being developed with rate counsel that will be finalized by Mr. Sullivan, then

sent over to the QDC attorneys. The final document will go to the board for approval. Although there is no pipe in the ground for the new wholesale connection, it has been fully designed. He said they will need the metering equipment and pressure reducing valve, as their pressure gradient is lower than what we provide.

He went on to discuss the Warwick agreement review. He described the agreements between KCWA and Warwick and how the water is resold to Warwick at the wholesale rate. He said the agreements require review every 10 years and were last reviewed in 2006. He said they will need revisions and has sent it to legal counsel for review. He said the revised agreements would not be before the board until December the earliest.

Providence Rate Filing Docket 4994

-Ruling and Decision -Individual wholesale rates

Mr. Simmons described the individual wholesale rate case before the PUC. He said we will need to adjust the way we purchase water from Providence. He said the PUC approved 1/3 of the individual wholesale rate to be implemented using gradualism. There will be a study ordered to review the individual rates using Providence Water's Cost of Service Model and allocation factors. The study will be reviewed by the PUC after 6 months to see if full scale implementation would be set at one year from now.

Mr. Kortz asked if there were any adjustments to the purchase of wholesale water between the Quaker Lane or Clinton Ave. pump stations as a result of this change to individual wholesale rates. Mr. Simmons said not yet. He said the volume utilized from Quaker is seasonal, and that we need to look at this next summer. He said this needs a close look, as it might not be worth it if it will affect safety or water quality.

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

Mr. Lanfredi said he is continuing to comply monthly with this case. He said we are doing well with collections and that over the last 4 months as compared with 2019, we were up \$40k. He said we were able to meet KCWA obligations going forward.

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 that he checked the court case portal yesterday and there was nothing new. He reminded the board of last month's report with the Highlands at Hopkins Hill agreement with the receiver. He also updated the board on the receiver's closing on the lots that KCWA is owed inspection fees, to be paid at closing.

Johnson Blvd. Easement

Mr. Sullivan discussed the need for cooperation with the Town of Coventry. He said they currently lease land on Johnson Blvd. from Coventry, but DEM will not approve an insignificant alteration of the wetlands unless KCWA either has an easement or owns it. He said he met with the town manager and he seemed fine with it. He said he contacted the manager for an update and he was notified that it slipped a bit through the cracks but will fast track it. Mr. Sullivan asked Mr. Crossman if he had any information on it. Mr. Crossman said the town engineer green lighted it, and that he had a meeting with the manager tomorrow and will inquire.

Mr. Giusti joined the meeting at 3:45 p.m. citing connectivity issues.

Director of Finance 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 2019-2020 as of August 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of August 2020, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Rousselle moved, seconded by Mr. Giusti, 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 2019-2020 as of August 2020 and Statement of Revenues, Expenditures, and Changes in Fund Balance as of August 2020, 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 nothing to report under this category.

Board Action Approval of Task Order for Professional Services/Due Diligence

Chairman Boyer updated the board. He said it looks like the subcommittee was very successful. He said he hoped the property would be under contract shortly. He said it started at \$1.6 million, then to \$1.2 million, and the final price would be \$900k. He thanked Mr. Kortz for all his efforts.

Mr. Simmons went on to reiterate the Chairman's comments, saying that they were working on a letter of intent with a formal purchase and sale agreement. He said the LOI deals with the due diligence, and that was task order no. 1 that would give us 60 days to do just that. He said the \$87,832.00 was a maximum as half of the charges were allowances if the services are needed.

Mr. Kortz said they met with Vision 3 and developed the due diligence scope that the committee thought was good and thorough. With that, they arrived at the 60 day due diligence period.

Mr. Kortz moved, seconded by Mr. Rousselle, to approve the task order for Professional Services to Vision 3 Architects in the amount of \$87,832.00.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves task order 1 for Professional Services to Vision 3 Architects in the amount of \$87,832.00.

Mr. Rousselle congratulated Chairman Boyer for playing a big role in this matter and said the board appreciated his efforts.

EXECUTIVE DIRECTOR/CHIEF ENGINEER'S REPORT

GENERAL:

Board Action - Recommendation for Hire (Laborer) –Joshua Hencler

Mr. Simmons recommended Mr. Hencler for a conditional offer of employment. He said there is a large hole in the second and third shift. Mr. Hencler has agreed to fill the void. He said the beginning wage to be \$20.08 per hour and that he would need to provide the standard BCI and drug screening prior to starting work and get the required RIDOH water licenses within 12 months.

Chairman Boyer indicated that he was an aggressive young man and that his resume was excellent.

Mr. Rousselle moved, seconded by Mr. Giusti, to extend Mr. Hencler a conditional offer of employment.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA extends Mr. Hencler a conditional offer of employment.

Updated Kent County Water Website -Launch date Oct 1

Mr. Simmons said that KCWA has updated its website. He said he provided a development link and asked the board to look at the site and make comments. He said he wants it to go live October 1, 2020.

Muni-link Utility Billing/CIS update

Mr. Simmons said they shifted the go live date on this to the first part of 2021. He said he wants to run the existing billing and the new software in parallel for 2 months to check for problems before they go live. He said the expanded options and information for the ratepayer is great. He said they can go to auto pay now that pays the customer's bill automatically each month. He also said there was a new credit card company that has reduced fees that they will now absorb for the customer.

Cellular based Leak Detection and Tank Sensor systems

Mr. Simmons advised the board that currently the leak detection is using a listening device with headphones. This method, although very effective, relies on a trained ear and is highly time consuming. He said the new technology will allow them to deploy a series of listening devices on valves in a particular area look for abnormalities over a period of a couple of weeks. The devices send the data to a cloud based software platform that runs the sound through an algorithm and can pinpoint the anomalies. Armed with this information they can then follow up with a handheld and get closer for an investigation before breaking ground. He said the leak detection sensors eliminate the continuous manual look that only allows a small portion of the system to be checked each year. The new system will allow the entire system to be checked annually. He went on to discuss remote cellular tank level sensor systems. He said they used to have to travel to the tank and find out the level by hand whenever there was a power or communication failure at the sites during storm events. The tank levels are what communicates to the pump stations to turn them on and off. With the backup system you can get the tank level data on the phone in the form of a graph so you can manually control the pump systems based on the data on your phone.

Mr. Giusti had some questions on the technology and Mr. Simmons responded.

ONGOING PROJECTS

Well Rehabilitation Mishnock Treatment Update

Mr. Simmons discussed the treatment process that removes the residuals. He said when they dry, they are brought to a landfill. He said it is a long process, and the residuals have to be

tested. He said the landfills will only allow residuals with acceptable levels of manganese and aluminum.

East Greenwich Well Treatment Design Update

Mr. Simmons said the preliminary design went to the board last month. He said RIDOH was trying to do a quick turnaround with their comments. He also said he was hopeful that next month it would go to full design.

Meter Change Out Program-Update

Mr. Simmons said that 8000 meters were installed. He described the contractor, Thielsch Engineering, had suffered a ransomware attack on their servers. This caused some delays. He said they were 38% complete with the meter change out program.

Board action Task Order to expand meter change out program to include large meters

Mr. Simmons said the latest rate filing included an approval to expand the meter replacement to include large meters. He said phase 1 is a survey of the large meters to do an assessment to get a handle on the scope of the project. He said the task order was \$175.00 per meter and it was to WMS, a division of Thielsch Engineering.

Mr. Giusti moved, seconded by Mr. Rousselle, to approve the task order at \$175.00 per large meter to WMS a division of Thielsch Engineering.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA approves the task order at \$175.00 per large meter to WMS a division of Thielsch Engineering.

Water Main North/South Interconnection High Service Update-Pipe Gantry issues

Mr. Simmons updated the board on the damage to the gantry. He said overall, the project was going well on Sandy Bottom Road, but for the gantry bridge. He reminded the board of the pile driving that damaged the gantry. He said our design professionals were trying to determine 1) stabilizing the existing site, and 2), mitigating the damage. He said although Mr. Alвити from RIDOT sent a conciliatory letter, the actual negotiation was not so good. He said the sides are quite far apart in the meetings. He said this transmission line, trunk line, if it failed would be catastrophic. He said it would be a solid month before the low service bypass would be done. He opined that it would be north of \$250k to repair.

Mr. Giusti asked if they could go over Mr. Alviti's head to the governor's office. Mr. Simmons did not dismiss that thought. Mr. Duckworth said that the Town of Coventry has had issues with the pump station with the same contractor. Mr. Rousselle asked legal counsel for options. Mr. Sullivan said sometimes a lawsuit being filed actually speeds things along with parties electing mediation. Mr. Sullivan said he recommended his office sending a letter, regular and certified, to the contractor asking it to notify its insurance carrier. He said most policies have a clause that if they do not timely notify their carrier of a loss, they may lose coverage for a loss.

Mr. Rousselle moved, seconded by Mr. Duckworth, to authorize Mr. Sullivan to send a lawyers letter, regular and certified, to the contractor asking it to notify its insurance carrier.

Motion made and duly seconded, it was unanimously

VOTED: That KCWA authorizes Mr. Sullivan to send a lawyers letter, regular and certified, to the contractor asking it to notify its insurance carrier.

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

Dated: October _____, 2020

Patrick J. Sullivan
Legal Counsel