

KENT COUNTY WATER AUTHORITY

MINUTES OF THE REGULAR MEETING
OF THE BOARD

January 21, 2016

A meeting of the Board of Directors of the Kent County Water Authority was held on the 21st day of January 2016, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Boyer opened the meeting at 3:30 p.m. Board members Chairman Robert Boyer, Vice Chairman Peter Masterson, Treasurer Joseph Gallucci, and Secretary Edward Inman and Member Frank Giorgio were all present together, along with the General Manager/Chief Engineer Timothy J. Brown, Legal Counsel Patrick J. Sullivan, Esq., Director of Technical Services John Duchsneau and Director of Administration and Finance Jo-Ann Gershkoff. Chairman Boyer led the group in the pledge of allegiance.

APPROVAL OF THE MINUTES

The minutes of the regular board meeting of December 21, 2015 were presented for approval. Mr. Giorgio moved passage of the minutes of both meetings, seconded by Mr. Inman and the minutes of the meeting were unanimously approved.

Mr. Brown then advised the board that he was looking for an amendment to the agenda for discussion purposes only. He indicated that he had information regarding case KCWA v. Coventry Fire District.

Mr. Inman moved, seconded by Mr. Masterson to add to the agenda for discussion purposes only, KCWA v. Coventry Fire District (CFD) 2015-0487

Upon motion made, a duly seconded, it was unanimously

VOTED: That the agenda shall be amended to add KCWA v. CFD for discussion purposes only.

Mr. Brown, along with legal counsel Sullivan, then advised the board that he and Mr. Sullivan met with the attorneys for the CFD, Arthur Read and Frederick Tobin, as well as their treasurer and their board president. They made an offer to resolve the judgment against them. The offer was outlined in an email sent by attorney Read that was distributed to the members.

Mr. Brown detailed the offer of dividing the current amount owed, and divide it by 12. The payments of the past due amounts would be paid in twelve quarterly installments over three years. If the payments were timely, they requested the interest be waived. In addition, the

ongoing quarterly payments would remain current as well.

The chairman asked about the ability of the authority to waive the interest. Mr. Brown indicated it was part of the tariff and if KCWA waived this interest payment, they may be bound to waive it for others. Mr. Brown added that there is a provision for payment plans for residential customers, not commercial customers.

Mr. Inman asked if the waiver could cause a problem. Mr. Brown added that the treasurer of the CFD said they only budgeted \$70,000.00 for hydrant rentals which is insufficient, and it raises concerns about their ability to even pay the ongoing bills, let alone the judgment. He suggested that the court case should run its course. Mr. Inman then agreed to send legal counsel back on the writ for mandamus. Mr. Brown agreed, advising the board that the authority would look better at the PUC if they continued in court.

Mr. Brown then advised the board that the attorneys then suggested that all the infrastructure may belong to the CFD and that the PUC may have no authority to set the tariff. The chairman then asked if they paid the last quarter, to which Mr. Brown replied they had not.

The chairman asked about the payment plans for the residential customers. Mr. Brown explained that they do exist, and they are usually for three months as the next bill would come due then.

LEGAL MATTERS

Mr. Sullivan advised the board on the CCFD matter. He advised that the matter was briefed and there is a hearing on summary judgment that is pending for late February, 2016. The argument was similar to that of the KCWA v. CFD.

Next, the matter of CONE was raised by Mr. Sullivan. He advised that Mr. McGowan has requested a meeting, and Mr. Sullivan was attempting to set it up. That receivership remains pending with little effect on KCWA.

Mr. Sullivan advised that the matter of KCWA v. Colbea Enterprises LLC will be addressed near the end of the meeting if the board elects to go into executive session.

Point of Personal Privilege and Communication

There was nothing to report in this heading.

Director of Finance Report:

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She reported on the Cash Receipts and Disbursements and Statement of Cash Location FY 2015-2016 as of December 2015, and Statement of Revenues, Expenditures and Changes in Fund Balance as of December 2015, attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Gallucci moved and seconded by Mr. Masterson 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 2015-2016 as of December 2015, and Statement of Revenues, Expenditures and Changes in Fund Balance as of December 2015 attached as exhibit "A", be approved as presented and be incorporated herein and made a part hereof.

Presentation C&E Engineering, Tank & Hydrant Study, Finalization

Thomas Nicholson appeared on behalf of C & E Engineering for a presentation to the board. He divided his presentation into two sections, the High Service Tank Study and the Hydrant Fire Flow Analysis.

Mr. Brown introduced Mr. Nicholson, and added that he was pleased with both reports. He added that the good work done will help the next infrastructure replacement program.

Mr. Nicholson went over the tank study first. He indicated that they looked at all the tanks, based on the new model, in an effort to determine the age of the water within the particular tank. He added that this grew out of the Wakefield St. tank issue. He advised the board that the water in the Carrs Pond tank ages to 68 days. He said that one way to ensure no real old water enters the system is to remove Carrs Pond tank from the system for now. If high service north and high service south were combined, it would improve the circulation in the Carrs Pond tank as well.

The chairman said that connecting both high service areas will have to eventually be done.

Mr. Nicholson said that although it isn't absolutely necessary, its connection comes with a lot of benefits. Mr. Brown added that if Carrs Pond tank is taken off line, that would leave single tanks in high service north and one in high service south. He advised that it would be an Achilles heel, as there would be a redundancy issue. Tanks have to come off periodically due to maintenance issues.

Mr. Nicholson then shifted the discussion over to the hydrant modeling. He introduced Nicole Campangone who has experience in this field for several years. He began with advising the board that until recently, the hydrants were not in the model at all. After the Westgate fire, it became more important to put them in the model he explained. He said there were 2377 hydrants in the model. It listed where geographically each one was, its elevation and the size of the pipe that connects it to the system. He added now that this is done, the fire flow for each hydrant can be run any day or time. The authority can make assessments of how good each one is. He added that the American Water Works suggest that a residential hydrant should be able to produce 500 gallons/minute at 20 psi. He said of the 2377 hydrants, only 43 are incapable of the

AWW a standard. He went on to summarize the results of those hydrants incapable of the standard and the reasons they do not.

The chairman asked if there is a way to determine if there is a constriction in a water pipe. Mr. Nicholson explained how one can determine if there is a constriction.

Mr. Nicholson added that now with the hydrants in the model, with the new modeling, the information will be updated instantly. The chairman asked if the hydrants with less than 20 psi were concentrated or were in a large area. Mr. Nicholson said there were not in that many areas, but of those, five provide copious amounts of water.

Mr. Brown added that the minimum pressures and elevation that was set by the board was eviscerated by the division. Fluctuations in pressure can occur every day, and that was the reason the board set pressure at 35 psi. Mr. Nicholson added that, all in all, with such a small amount substandard, it is a pretty good system.

Mr. Nicholson then updated the East Greenwich well status. He said the screen would be set on Monday, as it was delivered this past Tuesday. He discussed the construction status with the board. Mr. Masterson wondered if there were any problems with permits, etc... and discussed the sewer extension. There were no problems.

Mr. Brown and the board thanked Mr. Nicholson and Ms. Campagnone.

EXECUTIVE SESSION: Pursuant to RI GL 42-46-5(a)(2) Litigation *Kent County Water Authority vs. Colbea Enterprises, LLC, Motiva Enterprises, LLC, and RBS Citizens National Association* C.A. No. KC 14-0809

The chairman then read the agenda item above and asked for a motion to go into executive session.

Mr. Inman moved and seconded by Mr. Masterson that the board move into executive session for discussion of litigation.

Upon Motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That the board moved into executive session for discussion of litigation RI GL 42-46-5(a)(2) Litigation *Kent County Water Authority vs. Colbea Enterprises, LLC, Motiva Enterprises, LLC, and RBS Citizens National Association* C.A. No. KC 14-0809

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

At 5:50 p.m. the board emerges from executive session and resumes open session.

Mr. Inman moved and seconded by Mr. Giorgio that the board exit from executive session.

Upon Motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That the board exit from executive session.

Mr. Masterson moved, seconded by Mr. Gallucci, that the minutes of the executive session meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

Upon motion duly made and seconded, it was unanimously, by roll call vote,

VOTED: That executive session minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

Mr. Sullivan announced that there was a vote taken in executive session that KCWA voted to reject an offer to settle the litigation in the amount of \$15,000.00.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

INFRASTRUCTURE PROJECTS

Apponaug Circulator Water Main Replacement (Status)

Mr. Brown reported the project was ongoing. He reported that the work is being monitored by KCWA personnel.

East Greenwich Refurbishment

Mr. Brown reported that this was covered by Mr. Nicholson.

IFR 2014A

Mr. Brown informed the board that construction is ongoing with winter shutdown imminent.

IFR 2014B

Mr. Brown reported that this project is undergoing shut down for winter.

IFR 2015 B DESIGN

Mr. Brown reports that contract 2015B will be bid for construction in the winter.

IFR 2016 DESIGN

Mr. Brown reported to the board that design services are underway.

Quaker Lane Pump Station Upgrade (Status)

Mr. Brown reported that the work is complete and that the pumps have been rebuilt.

IFR Structure Demolitions

Mr. Brown reported that KCWA is awaiting a response from the state.

CAPITAL PROJECTS

Mr. Brown recommends approval of TO#4 for the Mishnock Area Water Transmission Main for additional engineering services in the amount of \$29,893.00.

Mr. Masterson moved and seconded by Mr. Gallucci that the board approve TO#4 for the Mishnock Area Water Transmission Main for additional engineering services in the amount of \$29,893.00.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the board approve TO#4 for the Mishnock Area Water Transmission Main for additional engineering services in the amount of \$29,893.00.

There being no further business before the board, Mr. Inman moved, seconded by Mr. Giorgio to adjourn the meeting.

Dated: February ____, 2016.

Patrick J. Sullivan, Legal Counsel