

# KENT COUNTY WATER AUTHORITY

## MINUTES OF THE MEETING OF THE BOARD

May 15, 2014

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 15<sup>th</sup> day of May, 2014, 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. Chairman Boyer, Board Members Vice-Chairman Masterson, Mr. Inman, and Mr. Giorgio were present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq., Rate Counsel Robert Watson as well as Finance Director Jo-Ann Gershkoff, Mr. Duscheneau and Mr. Simmons. Mr. Simmons led the group in the pledge of allegiance.

### **APPROVAL OF THE MINUTES**

The minutes of the regular board meeting of April 17, 2014 were presented for approval. Mr. Masterson moved passage, seconded by Mr. Giorgio and the minutes were unanimously approved.

### **GUESTS**

#### **3:30 p.m. High Service Requests:**

##### **12 Carrs Pond Road – Raymond Dauplaise**

Mr. Dauplaise appeared before the board with his application for high service. He explained to the board that his well had gone dry twice over the last 21 years. He wanted certainty with his water service. Mr. Brown indicated that there were no issues with the application.

It was moved by Mr. Masterson, seconded by Mr. Inman, to conditionally approve the request for water supply to a single family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.

2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.
3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.
6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping techniques and/or proper planting bed (high water holding capacity) slow preparation shall be employed throughout the project.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That based upon health and safety concerns to conditionally approve the request for water supply to service a single family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.
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5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors on faucets.

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### 2293 New London Turnpike – DiPrete Engineering

Attorney Brunero appeared on behalf of DiPrete Engineering to apply for high service. He explained that there was a Cumberland Farms store planned for the site. He said the water was necessary for restrooms and general convenience store uses. A well would be used for landscape irrigation.

It was moved by Mr. Inman, seconded by Mr. Masterson, to conditionally approve the request for water supply to a single family home with the following conditions in lieu of a moratorium:

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2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA; KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers KCWA.

3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.

4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.

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3:45 p.m. Water Resources Board – Kenneth Burke

Mr. Burke appeared before the board, with Ms. Crawley, and discussed the work he and the WRB are doing to protect flow rates in its strategic planning. He indicated that about 6 months ago he began looking at the Hunt River to develop estimates regarding DEM requirements to protect and restore environmental conditions. He added that these estimates are intended to assist water suppliers to incorporate this date into their strategic planning.

Mr. Brown indicated that there has to be a public vetting process with any proposals that come out of this endeavor. Mr. Burke indicated that he wanted to engage suppliers, and that the WRB wants feedback in a very vigorous discussion.

Mr. Masterson questioned what is the restoration point in history? Mr. Burke replied that it is not defined, and it leaves a lot to imagination. He interpreted it as a point where it is “as natural as possible”, adding that you have to integrate human impact in this analysis. Mr. Masterson added that every time KCWA coordinates with DEM, it never works out well. He cited a problem East Greenwich had with wells it built and DEM wouldn’t let them into use. Mr. Burke said the attention will shift to cities and towns regarding how the program will actually roll out.

There was a discussion with Mr. Inman and Mr. Burke regarding the procedure of how Mr. Burke arrived at the meeting. Mr. Burke said that DEM promulgated regulations in draft form 6 years ago, and did not go through the rule making process. Mr. Brown added that since there was no rule making process, there was no public vetting. He added that KCWA strongly disagrees with these draft regulations but had no ability to have input or even comment.

Chairman Boyer asked why Mr. Burke came to the meeting. Mr. Burke replied that he was garnering support for the Governor’s budget, especially the budget article that deals with investment in public water supply systems. That article deals with investment on the east bay. He wants all water suppliers to support the east bay initiative as future articles will float around the state.

Mr. Burke, Chairman Boyer and Mr. Masterson discussed the restoration plan. Mr. Burke discussed the aggressive philosophy that DEM wants restoration where water is being removed. Mr. Masterson cited the need to serve the customers. Chairman Boyer again asked where the restoration point was. Mr. Burke added that the goal is to be as natural and as pristine as possible.

Mr. Brown added that the goal is to have KCWA limit its withdrawal from the Hunt River. Chairman opined that he thought this was a warning. He added he would never go along with WRB taking the ability of KCWA water removal.

Mr. Burke added that the next step is to set up a meeting with water suppliers so as to understand the local concerns.

There was a brief discussion regarding the water availability to the Quonset Point area. Chairman Boyer queried whether it was an option that all water to serve that area could come from the Hunt River. Mr. Burke added that it was a possibility, but there were other possibilities as well.

The chairman thanked Mr. Burke for his attendance.

## **LEGAL MATTERS**

Legal Counsel Mr. Sullivan reported on the Central Coventry Fire District. He advised the board that the landscape had changed. He informed the board that the Governor signed the amended fiscal stability act into law. That amendment added fire districts to the list of entities that have to undergo a special process in recovering from a fiscal emergency. He reported, however, that prior to the legislation being signed, the court had approved a payment of \$175,000.00, and the payment was made. Mr. Brown confirmed that the check was deposited and the account credited. Mr. Sullivan promised to follow the matter into the new receivership process.

Mr. Sullivan also updated the Board regarding the receivership of the Commerce Park Properties at the Centre of New England. He reported no new issues with the receivership. Mr. Brown indicated that they were paying their water bills as they came due.

Mr. Sullivan informed the board that the issue regarding 642 Washington St. was referred to COLBEA Enterprises, the owner of the Shell station. He advised he had discussions with Mr. Breckel, and referred the proposal from C&E Engineering to COLBEA. Mr. Breckel asked that the KCWA undertake the engineering so that COLBEA could estimate the final cost. Mr. Brown indicated that he felt the KCWA is not responsible for going across their property; he added that KCWA didn't cause the problem. The board added that the proposal stands, and gave Mr. Sullivan to reach agreement within 30 days or legal action will be undertaken.

Rate counsel Robert Watson reported on his progress with the Division regarding the new facility discussions. He reported that he met with Mr. Ahearn and senior legal counsel relative to a single rate filing for a new facility. He advised that both were aware of a deficient facility, but a single rate filing is generally disfavored, and traditionally objected to. He reported that the KCWA was better advised to include this request in a general rate filing.

To that end, Mr. Brown informed the board that there will be a tour of the facility with Division staff on June 06, 2014, coupled with a bus tour of the external facilities.

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

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She presented the Statement of Revenues, Expenditures and Changes in Fund Balance as of March, 2014 and the Statement of Cash Location FY 2013-2014 and Cash Receipts and Disbursements FY 2013-2014 as of April 30, 2014 attached as exhibit "A", and a thorough discussion ensued with regard to the sales and revenue.

Mr. Brown indicated that April, 2014 was another record for low sales.

Chairman Boyer 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 Statement of Revenues, Expenditures and Changes in Fund Balance as of March 2014 and the Statement of Cash Location FY 2013-2014 and Cash Receipts and Disbursements FY 2013-2014 as of April 30, 2014 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 no discussion under this heading.

**GENERAL MANAGER/CHIEF ENGINEER'S REPORT**

**GENERAL:**

Credit Card Agreement – RI Interactive – Approval

The general manager explained the RI Interactive service level agreement that was before the board. The Commission was impressed with it he reported. This would allow the KCWA to accept payments via credit cards for customer's payment of water bills. Mr. Brown recommended approval to enter into the agreement.

Mr. Masterson moved and seconded by Mr. Giorgio to authorize the Chairman to sign the agreement between RI Interactive and KCWA so as to allow the payment of water bills via credit card.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Chairman to sign the agreement between RI Interactive and KCWA so as to allow the payment of water bills via credit card.

Revised Niagara Pool Filling Agreement – Approval

Mr. Brown reports that the pool filling company has been sold. The previous contract did not have a successors and/or assigns clause, and legal counsel has revised it. He recommended approval.

The Chairman placed the fact that he was recusing himself from this discussion on the record and he was directed to complete the recusal form.

Mr. Masterson moved and seconded by Mr. Giorgio to authorize the Chairman to sign the agreement between Niagara Pool Filling Company and KCWA.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Chairman is authorized to sign the agreement between Niagara Pool Filling Company and KCWA.

## **CAPITAL PROJECTS:**

### **CIP 1C Mishnock Well Treatment Plant (Construction Status)**

Mr. Brown reported the plant is operational, but it remains behind schedule. The contractor has requested an extension of 2 weeks to finish punch list items. He added that they have to pay for a crane expense.

## **INFRASTRUCTURE PROJECTS**

### **IFR 2010B Prospect Hill (Construction Status)**

Mr. Brown informs the board that construction has restarted and should be complete this construction season.

### **Quaker Lane Pump Station Upgrade (Status)**

Mr. Brown reports that construction has begun for the season. Contractor has not completed work on time. He also predicted liquidated damages for this project.

### **Apponaug Circulator Water Main Replacement (Status)**

Mr. Brown reported that the bid was received by the state and KCWA awaits award of the contract. The bid was 40% less than estimated, and as such, the state owes KCWA funds.

### **System Chlorinators, Addition to Clinton and Quaker PS**

Mr. Brown reports that the Department of Health has approved the chlorinators for installation.

### **Hydraulic Model Upgrade**

Mr. Brown reports that the kickoff meeting held project is underway.

### **East Greenwich Refurbishment**

Mr. Brown reports that this is located in a flood plain and may need to be moved. Mr. Masterson reports that a resident may have records related to this.

### **2014/2015 IFR**

Mr. Brown reports that this project proceeds with design. He added that he needs a decision on the Coventry streets as paving issue could not be resolved. Mr. Brown reported that KCWA engineer visited their engineer and he reported that there was no movement by the town. He recommended that the design be completed on the streets but the work not be done at this time.

Dated: June \_\_\_\_, 2014

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Legal Counsel