

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

January 19, 2005

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on January 19, 2005.

Chairman Perry opened the meeting at 3:35 P.M. Chairman Perry, Board Members, Mrs. Graham, Mr. Masterson, Mr. Boyer and Mr. Gallucci, were present together with the General Manager Timothy J. Brown, Director of Administration & Finance Arthur Williams Technical Service Director John Duchesneau, Kevin J. Fitta, System Engineer, Legal Counsel, Joseph J. McGair and other interested parties.

The minutes of the Board meeting of December 16, 2004 were moved for approval by Board Member Boyer and seconded by Board Member Graham and the minutes were unanimously approved.

### **Guests:**

#### Commissioner Robert Holbrook

Commissioner Robert Holbrook was present.

#### Councilman Richard Sanetti

Coventry Councilman Richard Sanetti appeared and was concerned about water quality issues in Coventry. The General Manager explained the naturally occurring manganese issue is a color problem and not a quality issue and that the situation will be better after the planned upgrades to the system. Mr. Sanetti stated that the Center of New England is recognized by the Coventry Town Council as a tax generator and would help with issues including the "as-builts". The Town has been reaching out for potential tenants and have been trying to facilitate permitting and to workout a Centre of New England water/business time table report. Mr. Sanetti mentioned that he knew Mr. Nicholas Cambio has recently appeared at a recent Kent County Water Authority Board meeting and created quite a stir. Board Member Masterson stated that despite his last performance that Mr. Cambio is welcome at any time and the Authority is a professional Board and welcomes everyone at the Board meetings.

## Legal Matters

### Welgen Tank (Amgen/Immunex) Mechanics Lien (Coughlin)

With respect to the September 27, 2004 grant of the Motion of Kent County Water Authority to Intervene, Legal Counsel filed a reply to the action on December 2, 2004. No recent activity.

### Welgen Tank (Amgen/Immunex) Mechanics Lien II (D & N Insulation Company)

A subsequent mechanics lien was filed against the land owner by another contractor (D & N Insulation Company) in the amount of \$164,000.00. Therefore, Kent County Water Authority filed a Motion to Intervene which was granted by the Kent County Superior Court and which was filed on December 13, 2004.

### E. J. Prescott lawsuit

On October 12, 2004 the Court denied Prescott's Motion for Summary Judgment and allowed Kent County Water Authority to move for summary judgment which the Court granted. The transcript has been reviewed and the order drafted and the other side has reviewed our proposed order, however, as anticipated E.J. Prescott legal team had picayune objections and ultimately the Judge decided the form of order and the same was entered on January 10, 2005 and subject to appeal will be final.

On January 10, 2005, Judge Thompson decided to use the form of judgment and did order that they remove the word "implicit" from the reference to the finding that the 96 hour rule was a valid exercise of the Department of Administration regulatory Authority.

### Dig Safe Violation/John Rocchio Corporation

On June 15, 2004, a hearing was held by the Division of Public Utilities and Carriers Hearing Officer, David Gentile, regarding the Tiogue Avenue/Williams Street breach by John Rocchio Corporation. The Authority presented witnesses and legal authorities and Mr. Rocchio did not. A decision was received in the favor of the Authority wherein the Hearing Officer found that the Authority witnesses, Alan Angiolilli, Robert Austin and Richard Burns to be credible and their testimony unrefuted. The Hearing Officer further found that John Rocchio Construction Corp. failed to exercise reasonable care after the Authority made the markings in a timely and suitable manner. The John Rocchio Construction Corp. was fined in the amount of \$500.00. No appeal has been noticed.

### John Rocchio Corporation – Monies Owed

Both Superior and District Court matters are in suit and the answer of the Defendant was received. A motion to assign was scheduled and granted in the

Superior Court on July 26, 2004. Interrogatories were sent to Rocchio on July 6, 2004 and were due on August 15, 2004. No response had been received and a Rule 37 (meet and confer) letter was sent on August 18, 2004. Motions were filed in both cases to compel Rocchio to answer the interrogatories.

On September 13, 2004, the Kent County Superior Court granted the Plaintiff's motion to compel the Defendant to provide answers to the discovery on or before October 13, 2004. On September 16, 2004, the Third Division District Court granted Plaintiff's motion to compel Defendant to answer discovery on or before October 16, 2004. The Attorney for the Defendant, Mr. Salvadore had contacted Legal Counsel and asked for an extension to November 8, 2004, which Legal Counsel granted. Mr. Salvadore asked for a subsequent extension until November 19, 2004 and that was granted with the proviso that if this discovery was not forwarded on that date, a motion to default would be promptly filed thereafter.

Motions for default were filed in both cases and conditional defaults were granted in the Kent County Superior Court on December 13, 2004 and Third Division District Court on December 14, 2004. Defendant had until January 12, 2005 to answer discovery or judgment will enter upon further application to the Court.

The Defendant did comply with the court order and answered discovery on January 12, 2005 which are now being reviewed as to the sufficiency thereof.

#### Blackrock Road Transmission Main/ C.B.

The contract specifies that the matter may be litigated at the option of the contractor either during or after the completion of the project. The General Manager and Legal Counsel have conferred and discussed the ramifications and the issues presented concerning the "borrow" materials and other issues. The General Manager and Legal Counsel are continuing to monitor.

#### Read School House Road

The easements have been recorded. The as-built drawings have still not been received. It is the opinion of John Duchesneau that the surveyor/engineer for the Town provide this and that the Town would now have to engage a surveyor to prepare as-built drawings and it is unlikely that the Town will do so. Councilman Sanetti will attempt to solve the situation.

#### Elite Construction Company

A letter was sent out to Elite Construction Company, Inc. on December 13, 2004 for miscellaneous billing owed in the amount of \$2,226.38. As of this date, no monies have been received.

## **Director of Finance Report:**

Mr. Williams explained and submitted the financial report and comparative balance sheets, statements of revenues, expenditures, and cash receipts, disbursements through December, 2004 which is attached as "A" and after discussion, Board Member Boyer moved and seconded by Board Member Gallucci 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 and it was unanimously,

VOTED: That the financial report, comparative balance sheet statement of revenues, expenditure, cash receipts and disbursements through December, 2004 be approved as presented and be incorporated herein and are made a part hereof as "A".

## **General Manager / Chief Engineer's Report:**

### **OLD BUSINESS**

#### **High Service Review**

There were no reviews for the Board at this meeting. 220 Moosehorn Drive, East Greenwich is continued to the board meeting next month due to illness of the developer.

#### **KCWA Facility New Fire Code**

The State Fire Marshall has not arrived for his inspection and the General Manager will call communicate with the State Fire Marshall office again.

### **NEW BUSINESS:**

Legislative Affairs: The Board has expressed a desire to meet with local and state elected officials for an informational session which would assist them in dealing with questions that they might have or those of their constituents. The General Manager will meet with Legal Counsel.

#### **Cross Connection Control Legislation**

The General Manager stated that House and Senate bills should be in soon and the Board had consensus that the statewide cross connection bill would be of significance to the entire State. The bill ('04) should be revised by Legal Counsel. Board Member Masterson and Board Member Graham moved that the cross connection legislation be filed with the local delegation for passage through the Kent County Water Authority lobbyist and it was unanimously,

VOTED: That the cross connection legislation be filed with the local delegation for passage through the Kent County Water Authority lobbyist.

### Engagement of Lobbyist

The General Manager recommended the continuation of Tillinghast, Licht LLP at an hourly rate of \$150.00 per hour for 2005 legislative session pursuant Letter dated January 12, 2005.

It was moved by Board Member Boyer and seconded by Board Member Masterson to engage Tillinghast, Licht LLP as lobbyist in the amount of \$150.00 per hour for the 2005 legislative session pursuant to letter of January 12, 2005 which is attached as "B" and it was unanimously,

VOTED: To engage Tillinghast, Licht LLP as lobbyist in the amount of \$150.00 per hour for the 2005 legislative session pursuant to letter of January 12, 2005 which is attached as "B".

### 220/440 Moosehorn Road, East Greenwich

This matter has been continued to the February Board meeting.

### Coventry Fast Track Sewer Project-Lost water billing

The Chairman has been meeting with the Town regarding this issue and the issue is the Town of Coventry money source for this billing. The General Manager explained the situation to the Board which is more fully addressed in the General Manager memorandum dated January 18, 2005 and is attached hereto as "C". The matter needs closure. Board Member Masterson stated that the construction site was a mess and it was a sloppy way to do business by the contractor. Board Member Boyer stated that the General Manager and staff did their due diligence but the engineering firm of Weston and Sampson did not do the right thing. The Chairman will be meeting next week with the Town in an attempt to resolve this matter.

### New hire - meter reader

The General Manager had interviewed eight people in the first round for the position of meter reader and three for the second round. There were many good applicants for the meter reader position and the General Manager recommended Eric Tift for the position of meter reader with standard stipulations of two years probation, successful drug testing and adherence to the established entry level salary. Board Member Boyer moved and it was seconded by the entire Board to hire Eric Tift as meter reader subject to two years probation, successful drug testing and adherence to the established entry level salary and it was unanimously,

VOTED: To hire Eric Tift as meter reader subject to two years probation, successful drug testing and adherence to the established entry level salary.

### Annual report to city and town councils

The annual reports to the City and Town Councils have been sent.

### Emergency Response Plan employee field copy

The three meetings for employees will start next week and copies of the Plan will go to the Board members which are extremely confidential because of security issues.

### 30 month Water Supply System Management Plan submittal

The plan has been sent out and will be submitted by the end of the month to the Water Resources Board for approval.

### Warwick Wholesale Supply Contract

This will need to be discussed with our counterparts in Warwick to insure future cooperation, customer concern and safety of both water systems.

### State Law No Smoking

The Authority does not allow smoking on the premises now and it will comply with the new law by the posting of signs prior to March 1, 2005.

### Survey KCWA Property

The intent of the survey of the Authority headquarters real property would be referenced for security issues and more especially for plans for an automatic gate for the premises and with an eye to modernization. This will be included in the next budget year.

### High Service Model Review Alternate Sources

The General Manager stated the discussion would center around Task Order No. 5(a) and Task Order No. 5(b) to insure multiple permanent interconnections between the Authority and the City of Warwick for emergency purposes.

Task Order No. 5(a) is the most viable and is 36" line Tollgate Road through Centerville Road to the Kent County Water Authority 12" line. The General Manager stated that it is in the preliminary stage, however, implementation would be a necessary addition to the Bald Hill interconnection. The Chairman stated that the Authority could be in line for 50% funding by the Water Resources Board including design.

Task Order No. 5(b) – The workings of the Bald Hill interconnection was explained by the General Manager in great detail using a chart drawn by him. He

explained that the implementation would assist both the low service and high service. It would require installation of a 16" pipe to Cowesett Road which could ultimately tie into a connection pipe to the East Greenwich area. It would encompass approximately 4,000 feet which is less than originally projected. The General Manager also gave a detailed overview of the state of the system with general discussion with all Board Members participated.

The General Manager generally pointed out that implementation would be an asset to both systems, however, the details need to be thought through. Board Member Gallucci stated that odd/even summer restriction is not the norm in Warwick, albeit it is for Kent County Water Authority and there are a myriad of issues which are not insurmountable and that this should be thought of as a regional issue for the entire Kent County. The General Manager said this could be on line sooner than the Mishnock wellfields and could be more promising. The Chairman stated that he is very impressed with the forward thinking of the General Manager in seeking alternate solutions to the water sources issue especially after the shabby treatment by the Department of Environmental Management wellfield expansion.

#### White Appraisal Letter

The Letter was read into the record by the Chairman and is attached as "D".

#### IRS Audit Review (Direction requested)

Michael A. Grande, CPA was employed as a tax consultant to review the IRS audit findings and a comment summary was performed and is attached hereto as "E". The Chairman deemed that the recommendations of Mr. Grande be accepted and it was seconded by Board Member Graham and it was unanimously,

VOTED: To accept the recommendations of Michael A. Grande, CPA which are attached hereto as "E".

#### Water Conservation Action Plan

It was moved by Board Member Graham and seconded by Board Member Masterson to add the Water Conservation Action Plan issue to the Agenda for discussion only and it was unanimously,

VOTED: To add the Water Conservation Action Plan issue to the Agenda for discussion only.

Board Member Masterson and the General Manager told the Board that the University of Rhode Island is doing work with the Town of North Kingstown in the "Healthy Landscapes" program which employs drought resistant planting, organics, downspouts, rail barrels etc. and could provide input to the Kent County Water Authority

action plan with an eye to future grants. The Authority will utilize the advice to preserve our most important natural resource, water.

**CAPITAL PROJECTS:**  
**INFRASTRUCTURE PROJECTS :**

Oaklawn Meter Pit

The easement deed expanding the easement area has been executed by the owner and forwarded to Citizens Bank for execution. Upon receipt of the deed from Citizens Bank, recording will be accomplished and the project will be completed.

All other Capital Projects and Infrastructure Projects are addressed in an exhibit attached as "F" as prepared and described to the Board by the General Manager with general discussion following.

Board Member Graham made a Motion to adjourn, seconded by Board Member Boyer and it was unanimously,

VOTED: To adjourn the meeting at 6:25 P.M.

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Secretary Pro Tempore

# **EXHIBIT A**

January 19, 2005





# **EXHIBIT B**

January 19, 2005

# TILLINGHAST LICHT LLP

*Attorneys At Law*

TEN WEYBOSSET STREET  
PROVIDENCE, RI 02903-2818  
401.456.1200 FAX 401.456.1210  
www.tlslaw.com



January 12, 2005

Timothy Brown  
Kent County Water Authority  
P.O. Box 192  
West Warwick, RI 02893

Dear Mr. Brown:

Pursuant to our recent conversation, Tillinghast Licht LLP would be pleased to provide legislative representation for Kent County Water Authority during the 2005 legislative session. As per last year, we will charge on an hourly basis at the rate of \$150 per hour and will provide monitoring of legislation and lobby services at your request during the session.

Looking forward to hearing from you.

Sincerely,

Gayle J. Wolf  
Government Relations

GJW/jad

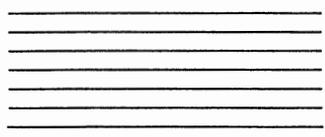
@PFDesktop\.: :ODMA/MHODMA/TLSDMS.TLSLAW.COM;image;404787;1

COPY SENT TO	
BOB J. MEMBERS	1/13/05
CHAIRMAN	
LEGAL COUNSEL	

"B"

# **EXHIBIT C**

January 19, 2005



# OFFICE MEMO

**To:** Board  
**From:** Tim Brown  
**Subject:** Coventry Fast Track Sewer Interceptor Project – Lost Water  
**Date:** January 18, 2005

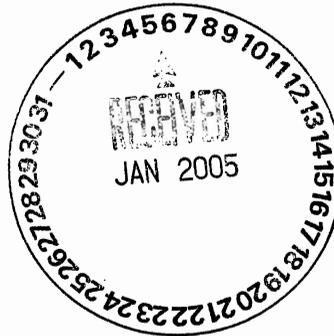
After a year, we are still no further in resolving the issue as to the lost water in the Kent County Water Authority System due to the bleeders that were on the above grade water line last winter. We have tried for over a year to come to some resolution on this issue and I don't believe we are any closer than we were last February. I have attached the most recent correspondence from Weston & Sampson dated December 23, 2004 in response to our letter. I have also included their letter of October 8, 2004 with their estimated or assumed calculations, our unsent letter of February 26, 2004, which included what we calculated then, attached with the billing, and then a letter of February 2, 2004 concerning this incident. The memo dated January 13, 2005 is a synopsis of this whole incident with just important issues to refresh the board's memory. I now must bring this forward to the board for action as to what the billing should be for the lost water to the Kent County Water Authority System, and then prepare to discuss it with the board at the meeting of January 19, 2004.

31 C a

Coventry, Rhode Island  
WSE Project 204265.A

December 23, 2004

Mr. Timothy J. Brown, P.E.  
Kent County Water Authority  
P.O. Box 192  
West Warwick RI 02893-0192



Re: Coventry Fast Track Sewer Interceptor Project  
Water Loss at Temporary Water Line Bleeders

Dear Mr. Brown:

We wish to respond to your recent letter requests for additional information on the water loss from bleeding the temporary water lines used last winter on the Coventry sewer project.

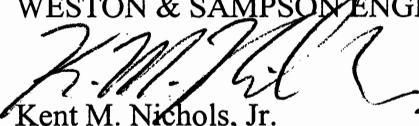
As you are aware, calculating water flow through a series of interconnected pipes and fittings under varying water system pressures is not a precise exercise. This exercise is further complicated when the lines have been affected by freezing conditions to one degree or another. Any calculations to that effect would therefore produce a number of questionable accuracy. Our water loss estimates for the above situation were therefore based predominantly on direct observation of the field conditions and direct estimates by our field staff. The estimates previously sent to your office were based a range of conditions which are reflected in the attached summary sheet prepared by our field engineer.

While it is possible that the flows included in our estimate are less than precise, we have yet to see any detailed information presented to suggest that they are unreasonably different than those actually occurring in the field. We agree that a significant amount of water was used in 'flowing' the lines to prevent freezing. As you know, this was not our preferred method for protecting the lines from freezing. We disagree with your assertion that the photos you have provided show "a much heavier rate of flow".

Please contact the Town of Coventry if you would like to arrange a meeting to discuss and resolve this matter.

Very truly yours,

WESTON & SAMPSON ENGINEERS, INC.

  
Kent M. Nichols, Jr.  
Team Leader

cc: Sheila Patnode, Coventry DPW

## Estimated Flow Rates

$Q_{12} = 12 \text{ gpm} = \text{Flow in } \frac{3}{4}'' \text{ valve and hose, no obstruction}$

$Q_{10} = 10 \text{ gpm} = \text{Partially closed valve, no ice}$

$Q_5 = 5 \text{ gpm} = \text{Partially frozen } 6'' \text{ pipe} + \frac{3}{4}'' \text{ hose} + \frac{3}{4}'' \text{ valve.}$

$Q_1 = 1 \text{ gpm} = \text{Mostly frozen } \frac{3}{4}'' \text{ valve, hose, pipe}$

$Q_0 = 0 \text{ gpm} = \text{Closed valve, frozen valve, hose or main}$

**Coventry, Rhode Island  
WSE Project No. 204265**

October 8, 2004

Mr. Timothy Brown, General Manager  
Kent County Water Authority  
1072 Main Street  
West Warwick, Rhode Island 02893



**Re: Coventry Fast Track Sewer Interceptor Project – Contract 03-01  
Water Loss Calculations (Temporary Water Line) - Winter 2003 & 2004**

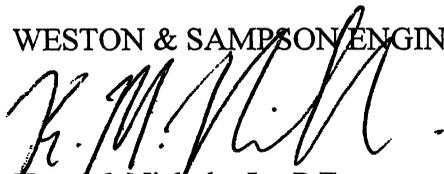
Dear Mr. Brown:

At your request, we are enclosing calculations of the water loss incurred through the use of bleeder valves on the above ground temporary water lines during the winter of 2003/2004.

Should you have any questions concerning this issue, please do not hesitate to contact Sheila Patnode at the Town of Coventry, or me at 1-800-726-7766 x2408.

Very truly yours,

WESTON & SAMPSON ENGINEERS, INC.



Kent M. Nichols, Jr., P.E.  
Team Leader

Enclosures

cc: Sheila Patnode, Director - Coventry PWD  
Jamie Coolen, WSE Resident Representative  
John Duchesneau, KCWA

G:\Municipal Wastewater\CoventryRI204265\Correspondence\KCWAWaterLoss100804.doc

**Estimate of Water Discharged  
Temporary Water Main  
Coventry, RI**

4/8/2004 10:05 AM

Date	Day	Low Temp F	High Temp. F	Bleeder Valves Open	Flow Rate/ Bleeder, gpm	Daily Flow GPD	Notes
12/1/2003	Monday	47	51	All Closed	0	0	On Water Meter, Bisco P Test, Bragger chlorinate
12/2/2003	Tuesday	32	30	All Closed	0	0	On Water Meter, More P Test and Bragger Cl
12/3/2003	Wednesday	16	28	All Closed	0	0	On Water Meter, P Test and thaw frozen hoses
12/4/2003	Thursday	20	40	All Closed	0	0	On Water Meter, P Test, Thaw and clear bleeders
12/5/2003	Friday	27	29	All Closed	0	0	On Water Meter, work on freeze protection
12/6/2003	Saturday			All Closed	0	0	On Water Meter
12/7/2003	Sunday			All Closed	0	0	On Water Meter, Icing of valves observed
12/8/2003	Monday	24	34	All Closed	0	0	On Water Meter, thawing work
12/9/2003	Tuesday	15	37	4	0	0	On Water Meter
12/10/2003	Wednesday	37	41	4	0	0	On Water Meter
12/11/2003	Thursday	46	49	4	0	0	On Water Meter
12/12/2003	Friday	33	35	4	0	0	On Water Meter
12/13/2003	Saturday	20	25	4	0	0	On Water Meter
12/14/2003	Sunday			4	0	0	On Water Meter
12/15/2003	Monday	27	35	4	0	0	On Water Meter
12/16/2003	Tuesday	28	35	4	0	0	On Water Meter
12/17/2003	Wednesday	28	45	4	0	0	Rocchio removed Water Meter
12/18/2003	Thursday	30	34	4	0	0	Fire flow test, no insulation on pipe
12/19/2003	Friday	32	42	4	0	0	Pipe on late afternoon
12/20/2003	Saturday	30	35	4	5	28800	Leaking joint location 4, add hay bales
12/21/2003	Sunday	21	32	4	5	28800	Open less than 12 hours/day
12/22/2003	Monday	35	35	4	5	28800	Open less than 12 hours/day
12/23/2003	Tuesday	40	55	4	10	57600	Open less than 12 hours/day
12/24/2003	Wednesday	42	58	4	10	57600	Open less than 12 hours/day
12/25/2003	Thursday			4	10	57600	Open less than 12 hours/day
12/26/2003	Friday	32	40	4	10	57600	Open less than 12 hours/day
12/27/2003	Saturday			4	10	57600	Open less than 12 hours/day
12/28/2003	Sunday			4	10	57600	Open less than 12 hours/day
12/29/2003	Monday	38	55	4	10	57600	Open less than 12 hours/day

**Estimate of Water Discharged  
Temporary Water Main  
Coventry, RI**

Date	Day	Low Temp F	High Temp. F	Bleeder Valves Open	Flow Rate/ Bleeder, gpm	Daily Flow GPD	Notes
12/30/2003	Tuesday	46	55	4	10	57600	Open less than 12 hours/day
12/31/2003	Wednesday	42	46	4	10	57600	Open less than 12 hours/day
1/1/2004	Thursday			4	10	57600	Open less than 12 hours/day
1/2/2004	Friday	30	36	4	10	57600	Open less than 12 hours/day
1/3/2004	Saturday	38	45	4	10	57600	Open less than 12 hours/day
1/4/2004	Sunday			4	10	57600	Open less than 12 hours/day
1/5/2004	Monday	34	38	4	5	28800	Open less than 12 hours/day
1/6/2004	Tuesday	29	40	4	5	28800	Open less than 12 hours/day
1/7/2004	Wednesday	17	24	4	5	28800	Memo-Take action prevent freezing
1/8/2004	Thursday	14	24	8	5	57600	Added 38 hay bales and Insul.Blanket
1/9/2004	Friday	7	11	6	5	43200	
1/10/2004	Saturday	0	10	5	1	7200	
1/11/2004	Sunday			5	1	7200	
1/12/2004	Monday	26	34	3	5	21600	
1/13/2004	Tuesday	26	38	3	5	21600	1-6" pipe frozen and apart
1/14/2004	Wednesday	0	14	3	1	4320	No Work Cold
1/15/2004	Thursday	2	3	3	1	4320	No Work Cold
1/16/2004	Friday	-4	-1	3	1	4320	No Work Cold
1/17/2004	Saturday			3	1	4320	
1/18/2004	Sunday			3	1	4320	
1/19/2004	Monday	17	28	5	10	72000	Install 9th bleeder
1/20/2004	Tuesday	13	27	9	5	64800	
1/21/2004	Wednesday	13	26	8	5	57600	
1/22/2004	Thursday	24	37	7	5	50400	
1/23/2004	Friday	13	20	4	5	28800	
1/24/2004	Saturday			4	5	28800	
1/25/2004	Sunday			4	5	28800	
1/26/2004	Monday	8	20	4	1	5760	No Work Cold
1/27/2004	Tuesday	17	26	7	5	50400	KCWA views Location 4, bleeders running
1/28/2004	Wednesday	21	27	6	5	43200	No Work Snow

# Estimate of Water Discharged Temporary Water Main Coventry, RI

Date	Day	Low Temp F	High Temp. F	Bleeder Valves Open	Flow Rate/ Bleeder, gpm	Daily Flow GPD	Notes
1/29/2004	Thursday	21	26	5	5	36000	
1/30/2004	Friday	14	22	4	5	28800	
1/31/2004	Saturday			4	5	28800	
2/1/2004	Sunday			4	5	28800	
2/2/2004	Monday	13	36	4	1	5760	
2/3/2004	Tuesday	27	34	5	1	7200	
2/4/2004	Wednesday	33	43	6	5	43200	
2/5/2004	Thursday	26	37	6	5	43200	
2/6/2004	Friday	30	33	6	5	43200	
2/7/2004	Saturday			6	5	43200	
2/8/2004	Sunday			5	5	36000	
2/9/2004	Monday	25	42	5	5	36000	
2/10/2004	Tuesday	35	54	5	5	36000	
2/11/2004	Wednesday	30	42	5	5	36000	
2/12/2004	Thursday	20	33	5	5	36000	Bisco closed water to temp.main

Total Flow= 2020320 Gallons



*4620  
Letter NOT SENT*

February 26, 2004

Mr. Francis Frobels, Town Manager  
Town of Coventry  
Coventry Town Hall  
1670 Flat River Road  
Coventry Rhode, Island 02816-8911

RE: Un-metered Water Consumption  
Washington Street By-Pass

Dear Mr. Frobels:

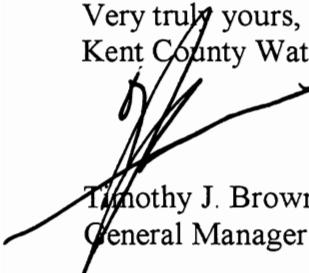
On January 27, 2004, Kent County Water Authority representatives met upon request of Weston & Sampson representative Mr. Paul MacNevin on Washington Street to discuss a situation related to the relocation of a water main to facilitate the new sewer installation. During that meeting, Kent County Water Authority representatives noted eight (8) fully opened and operational un-metered and unprotected 3/4-inch service bleed lines connected to the Washington Street temporary by-pass water main. At that time, we asked Mr. MacNevin how Weston & Sampson and the Town of Coventry were maintaining an accurate account of the water being used through the bleeders as they were to have been metered and backflow protected. Mr. MacNevin stated that he would have to address that issue later. On February 2, 2004, we followed up on our onsite discovery regarding the un-metered and unprotected bleed lines in a formal letter requesting that Weston & Sampson provide flow calculations for the water discharged through each of the bleeders. Kent County Water Authority could then prepare a bill for the un-metered water use. A copy of that correspondence has been attached for your review of this matter. To date, Weston & Sampson has not provided this information.

At the February 18, 2004 Board meeting, the Authority directed a billing be prepared due to Weston & Sampson's lack of action now that the temporary main is no longer active. We must recover the cost associated with the un-metered water use resultant from these service bleed connections. Because we have not received any information from Weston & Sampson or the town regarding the estimated consumption, we prepared the lost water calculations. Eight bleed connections were assumed to be operating during a 55-day period when the temporary main was in service between December 19, 2003 and February 13, 2004, 3/4 size corporations and 35-feet of pipe connected to the corporation.

The enclosed bill reflects water consumption costs and all applicable charges as required by the Public Utilities Commission rate structure for the Kent County Water Authority. The Kent

County Water Authority is billing the town directly as previously indicated for this project. Payment is due within 30 days of the billing date. We appreciate your assistance in directing this bill to the proper town entity for payment.

Very truly yours,  
Kent County Water Authority

  
Timothy J. Brown, P.E.  
General Manager Chief Engineer

*Held*

TB/clb

cc: Board Members  
Joseph McGair, Esq.

Enclosure



Kent County Water Authority

## INVOICE

February 26, 2004

TOWN OF COVENTRY  
COVENTRY TOWN HALL  
1670 FLAT RIVER ROAD  
COVENTRY, RHODE ISLAND 02816

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LOCATION: WASHINGTON STREET SEWER PROJECT  
TEMPORARY BY-PASS, BLEED LINES

GALLON PER DAY PER LINE	48,960
X 8 BLEED LINES	391,680
X55 DAYS IN SERVICE ( TOTAL GALLONS FOR PERIOD OF OPERATION)	21,542,400
USED FOR BILLING (GALLONS)	21,000,000

VOLUME CHARGE	2,800,000 CUBIC FEET X \$2.851/100 CU. FT.	\$ 79,828.00
WATER PROTECTION	2,800,000 CUBIC FEET X \$0.219/100 CU. FT.	\$ 6,132.00
	AMOUNT DUE	<u>\$ 85,960.00</u>

PO Box 192  
West Warwick, RI 02893-0192  
401-821-9300



Kent County Water Authority

February 2, 2004

Paul MacNevin  
Weston & Sampson Engineers  
2348 Post Road / Suite 8  
Warwick, Rhode Island 02886-2271

RE: Un-metered Water Consumption  
Washington Street By-Pass

Dear Mr. MacNevin:

On January 27, 2004 we met with you on Washington Street in the vicinity of the Shell Station to discuss the potential relocation of a section of water main to facilitate sewer installation. During that meeting, Rick Burns and John Duchesneau noted several active and un-metered bleed lines flowing water from the water main by-pass piping installed by John Rocchio Corporation under the cognizance of Weston & Sampson and the Town of Coventry. The Kent County Water Authority has never authorized the activation of these bleed lines and must conclude that they have been active since the by-pass was put online.

When you were asked how the contractor or town was maintaining accurate account of the water being used through the bleeders, you stated that you would have to address that later. From our observations, none of the eight bleed connections are fitted with backflow devices or meters. Two lines were run into a swamp, two were run into a drain, and four others are possibly running into drain catch basins, but we were unable to determine the actual termination point because leaks in the line or overflowing catch basins had allowed the formation of a glaciated mass extending more than 200-feet by 8-inches thick along Washington Street. These four unprotected and un-metered lines, at the south end of the temporary water main connection, ran under the glaciated mass.

Tremendous amounts of water have been flowing for an undetermined amount of time from the eight bleeders. The Kent County Water Authority request you provide flow calculations for orifices 3/4 to 1-inch in diameter at the pressure existing in the main. These calculations should include a multiplier for the number of days since the temporary water by-pass was first energized. From this calculation, a bill will be prepared for immediate payment. We also require that the contracting party immediately install backflow prevention to protect the system in case of a main break.

PO Box 192  
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As you are aware, February 1, 2004, a main break was experienced in the vicinity of Mapledale and Washington Street. Major water transmission mains had to be shut down. When this occurs, the potential to back siphon water through these bleeder lines is great, especially as the underground water main continues to drain at the point of the break causing a vacuum on other parts of the system. The current unprotected condition of the bleed lines is cause for alarm with respect to the protection of public health and safety. Immediate action must be taken to install the backflow preventers and provide flow calculations we need to process the water consumption bill.

Please feel free to call should you have any questions regarding this matter.

Very truly yours,  
Kent County Water Authority



Timothy J. Brown, P.E.  
General Manager Chief Engineer

TB/clb

cc: Board Members  
Joseph J. McGair, Esq.

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# OFFICE MEMO

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**To:** File  
**Subject:** Coventry Fast Track Sewer Project Water Bypass Bleeder Calculation  
**Date:** January 13, 2005

The following summarizes events pertaining to bleeder line operation for the above referenced project.

January 27, 2004 in company of Weston & Sampson representative Paul MacNevin noted eight ¾ to 1 inch bleed valves in the full open position flowing water at a high rate from the bypass water line on Washington Street.

February 2, 2004 Kent County Water Authority follow-up letter to Paul MacNevin regarding accurate account of water flowing from the bleeders. Letter indicates Kent County Water Authority did not authorize activation of the bleeders and requested calculations of the water use for billing purposes to date.

February 11, 2004 memo referenced frozen and split temporary main along Washington Street. Water spraying from failed sections of main, bleed line valves in full open position. Also, noted ice logs from where pipes were replaced.

February 12, 2004 Board member Peter Masterson visited site and observed failed bypass main along with bleed lines all flowing in the full open position.

February 13, 2004 bypass main taken out of service.

July 13, 2004 letter to Coventry regarding outstanding billing referenced no response to date from Weston & Sampson on bleed line calculations requested in February.

October 12, 2004 received an estimate of water calculated by Weston & Sampson regarding the bleed lines on Washington Street.

October 13, 2004 Kent County Water Authority letter to Weston & Sampson questioning basis of calculations because flows observed onsite and documented in pictures were not reflected in calculations nor were the full open bleed valve operation.

November 22, 2004 Kent County Water Authority letter to Weston & Sampson requesting information from the October 13, 2004 letter.

December 8, 2004 Kent County Water Authority letter to Weston & Sampson requesting information from both the November 22, 2004 and October 13, 2004 letters. Letter reflects the need for information from Weston & Sampson for the preparation of a bill for the Town of Coventry and the need for supporting information.

# **EXHIBIT D**

January 19, 2005

# WHITE APPRAISAL CO., INC.

RESIDENTIAL - COMMERCIAL - INDUSTRIAL

1000 GREENWICH AVENUE  
WARWICK, RHODE ISLAND 02886

BUS. (401)738-9500  
FAX (401)738-5494

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January 7, 2005

Mr. Frank Perry  
Chairman  
Kent County Water Authority  
P.O. Box 192  
West Warwick, RI 02893

Dear Frank,

Please excuse my tardiness in not writing to you sooner. I want to thank you and the Board for considering my appeal for water service on the new house for my wife's uncle. The house is under construction, and all is well. If I can assist the Board in any way, please let me know.

Regards,

  
S. Keith White, Jr.

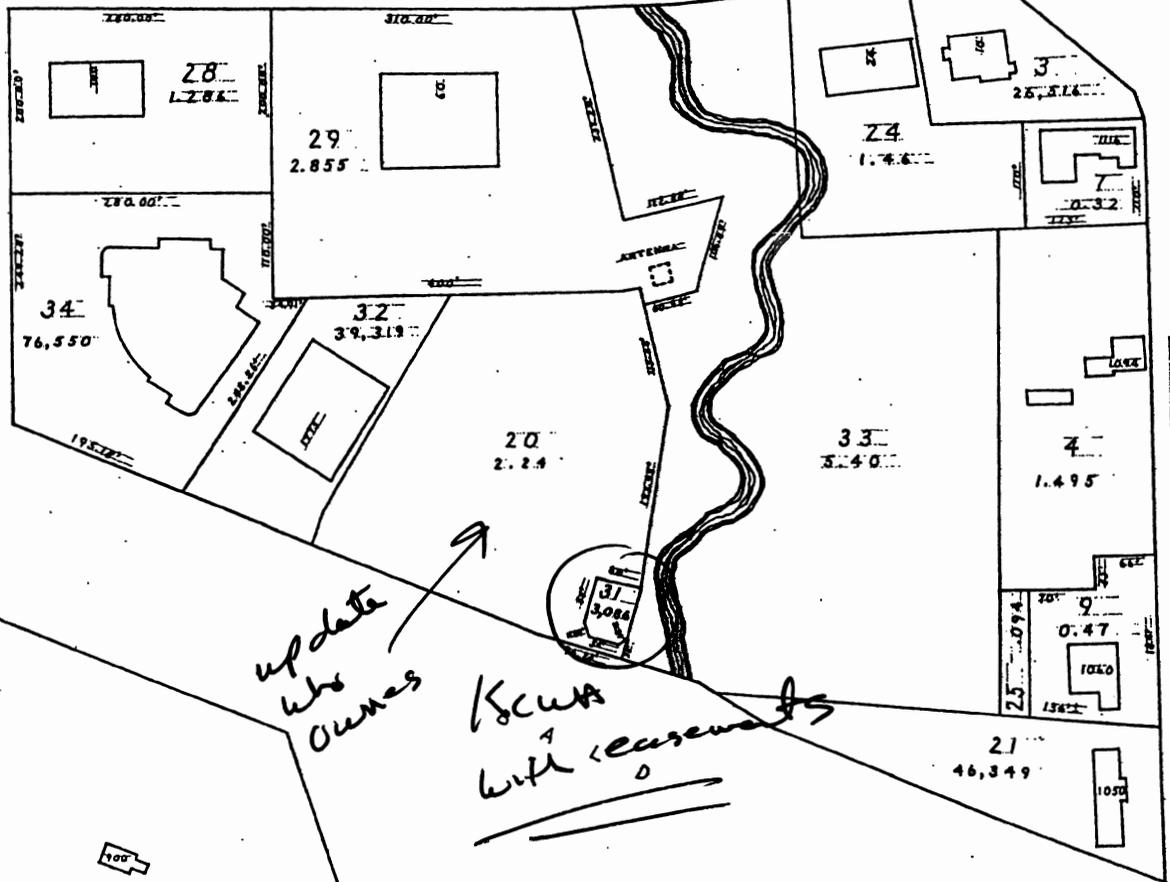
"D"

TOWN OF WEST WARWICK

ER TANE

CITY OF WARWICK

QUAKER LANE RELOCATION  
REAR 20' 2 7/8"



update who owns

KCWA with easements



Warwick AP 241  
Lot 31

KCWA

34.375

PL

PL

HILL

ENTERVILLE

10 0.35

78.20'

1720'

# **EXHIBIT E**

January 19, 2005

# GRANDE



**Michael A. Grande**

Master of Science in Taxation

Tax & Accounting Solutions, Personalized Service

797 Bald Hill Road  
Warwick, Rhode Island 02886  
Tel: 401.821.3100 • Fax: 401.823.1050  
E-mail: michael@grandecpa.com

COPY SENT TO	
BOARD MEMBERS	1/18/05
CHAIRMAN	
LEGAL COUNSEL	



January 14, 2005

Timothy J. Brown  
General Manager/Chief Engineer  
Kent County Water Authority  
P.O. Box 192  
West Warwick, RI 02893-0192

Dear Tim,

I have written this letter as a follow up to our telephone conference on Thursday, January 13, 2005. We discussed the recent Internal Revenue Service Audit findings. You may need to act quickly on some items for the tax year 2004. Employee W-2's need to be distributed to employees no later than January 31, 2005 and 1099's may need to be prepared. I have summarized my comments as follows:

1. **1099 Issues**

The IRS requires that any business that makes payments to an unincorporated entity prepare a 1099 at the end of the year to reflect payments to that entity. Before the first payment is made, I recommend that you have a completed Federal Form W-9 on file. Unless the name of the entity includes INC. in its name, I suggest you have them complete the W-9 before you make a payment to them. I have enclosed a blank copy of the W-9 for your convenience.

2. **Excess Life Insurance to Employees**

Employer provided life insurance coverage in excess of \$50,000 is considered a taxable benefit the value of which must be included in the year end W-2 of the employee. This is a relatively simple calculation, but must be made before the W-2's are finalized and distributed to the employees. I have attached a sample calculation for your convenience.

3. **Commuting Rule**

The IRS was correct in assessing this amount as provided under IRC Regulation Section 1.61-21(f). As we discussed it will be helpful for you to maintain an accurate record of the usage and include the amount in the employee's W-2 at the end of the year. I recommend that you include the amount in the employee's W-2 at the end of the year rather than have the employee reimburse the Company.



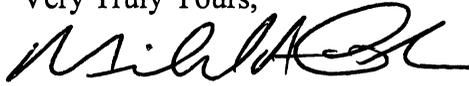
11 E 4

Timothy J. Brown  
Kent County Water Authority (continued)

In the former case, the employee is only paying tax on the amount included rather than paying the entire amount. You may need to take action immediately to the extent you have not included the amount of taxable benefit in the employee's W-2 for the 2004 tax year.

If I may be of further assistance, please do not hesitate to call me at your earliest convenience.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Michael A. Grande". The signature is fluid and cursive, with a large initial "M" and "G".

Michael A. Grande, CPA, MST



**719. Salary Payments to Employee's Survivor.** The IRS and the Tax Court have generally taken the position that salary payments made to the surviving spouse of a deceased employee are taxable income, while several U.S. Courts of Appeal have viewed the payments as tax-free gifts.<sup>44</sup>

**720. Compensation Other Than in Cash.** When services are paid for in property, the fair market value at the time of receipt must be included in gross income (Reg. § 1.61-2(d)).<sup>45</sup> A note received in payment for services, and not merely as security for such payment, comes within this rule and its fair market value must be included in income. A portion of each payment received under the note is excludable from income as a recovery of capital.<sup>46</sup>

**721. Group-Term and Split-Dollar Life Insurance.** An employee must include in income the cost (based on the IRS uniform premium cost tables, reproduced below) of more than \$50,000 of group-term life insurance provided by the employer (Code Sec. 79; Reg. § 1.79-1—Reg. § 1.79-3).<sup>47</sup> An employee's age is determined as of the last day of the employee's tax year.

**Example 1:** X Corp. pays the premiums on a \$70,000 group-term insurance policy on the life of its president, Dan Fox, with Fox's wife as beneficiary. Fox is 51 years old at the end of 2004. The IRS-established uniform cost for \$1,000 of group-term coverage for twelve months is \$2.76 ( $\$0.23 \times 12$ ) (Reg. § 1.79-3(d)(2)).<sup>48</sup> The cost of the policy includible in Fox's gross income is computed as follows:

Total insurance coverage	\$70,000.00
"Tax-free" insurance	50,000.00
Insurance coverage subject to tax	<u>\$20,000.00</u>
Taxable cost of policy includible in Fox's gross income ( $\$2.76 \times 20$ )	<u>\$55.20</u>

The \$50,000 limit relates to the group-term life insurance coverage which the employee receives during any part of the tax year.

**Example 2:** An employee's group-term life insurance noncontributory coverage for the first six months of the tax year is \$50,000 and for the remainder of the tax year is \$95,000. The cost of \$45,000 of such insurance for the second six months of the tax year is includible in her gross income.

Any amount paid by the employee toward the purchase of group-term life insurance coverage on the employee's life during the tax year reduces the amount includible in gross income. If a discriminatory group-term insurance plan exists, the cost of the life insurance paid by the employer for the tax year is includible in the gross income of key employees and certain former key employees (Code Sec. 79(d)).<sup>49</sup>

**Table 1—For Post-June 30, 1999 Coverage**  
Cost Per \$1,000 of Protection for One-Month Period

Age	Cost
Under 25	5 cents
25 through 29	6 cents
30 through 34	8 cents
35 through 39	9 cents
40 through 44	10 cents
45 through 49	15 cents
50 through 54	23 cents
55 through 59	43 cents
60 through 64	66 cents
65 through 69	\$1.27
70 and above	\$2.06

Footnote references are to paragraphs of the 2005 Standard Federal Tax Reports.

<sup>44</sup> ¶ 5507.030

<sup>45</sup> ¶ 5506, ¶ 5508

<sup>46</sup> ¶ 5508.026

<sup>47</sup> ¶ 6360, ¶ 6362, ¶ 6364,  
¶ 6367

<sup>48</sup> ¶ 6364

<sup>49</sup> ¶ 6360

# **EXHIBIT F**

January 19, 2005

**PLANNING DOCUMENT \$25,000/YEAR ALLOCATION**

<b>PROJECT</b>	<b>STATUS</b>
Water Supply System Management Plan WSSMP	Approved & completed 5 year update due 2007
Clean Water Infrastructure Plan	Approval June 13, 2003. 5 year update due 2008
Vulnerability Assessment Bio-Terrorism Bill	Submitted December 19, 2003
Revised Emergency Response Plan	By June 19, 2004
Simplified EFP Topic Sheets/Employee distribution	December 2004

**UPDATED CIP PROJECTS BOND FUNDING**

<b>PROJECT</b>	<b>STATUS</b>
Mishnock Well Field (new wells) CIP - 1A	Project closed out.
Mishnock Transmission Mains CIP - 1B	Project closed out.
Mishnock Treatment Plant CIP - 1C	Project closed out.
R-CIP 19 Tiogue Avenue Main	Project closed out.
East Greenwich Well Treatment Plant - CIP-2	Temporary Sequestering Online. Questionnaire January 2005
Blackrock Road Transmission Main - CIP-4	Construction on-going. Concern on Construction Services.
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Bid to be set January.
Mishnock 4 Well Installation	On hold. RFP 4 & 5 plus control facility / T.P.

**IFR FUNDED PROJECTS**

<b>PROJECT</b>	<b>STATUS</b>
IFR 2003	Construction complete except Pulaski Street Paving.
IFR 2004	Design ongoing. Contract to be Divided.
Geographic Information System Base Map	Completed.
Geographic Information System Second Phase	Mapping ongoing.
Tiogue Tank Modified Service Area	Station set. Hook-up on-going.
Knotty Oak Road. Old CIP 5	Construction completed. Liquidated Damages
Setian Lane new pumping station and Frenchtown vault rehabilitation.	Recommend legal action.
Setian Lane Tank painting	Completed.
Oaklawn Meter Replacement IFR	On-line, Construction Close Out
PWSB 78" / Johnson Blvd. P.S. Modification	Project to be delayed due to Setian Lane P.S.
Rehabilitation Mishnock #3	Redevelopment completed.
Revised Hydraulic Model	Task Order 5A & 5B
Color Study Mishnock Wells	On Hand
<b>PROJECT</b>	<b>STATUS</b>
Web site preparation	Up and running.
Strategic Plan	Sub-committee to develop plan.
Newsletter	Preparation for next issue.
CCR 2003	Mailed.
Colvintown Road	Pipe installed - Services to be installed. Spring 2005.