

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

March 16, 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 March 16, 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, Coventry Council President Hyde and other interested parties. Coventry Town Council Members Hyde and Sanetti were present.

The minutes of the Board meeting of February 17, 2005 were moved for approval by Board Member Boyer and seconded by Board Member Graham and the minutes were unanimously approved.

OLD BUSINESS:

High Service Reviews (Outstanding)

The Chairman stated that for convenience of those who are in attendance for the Old Business High Service Reviews (outstanding) will be moved forward on the docket.

The General Manager led a discussion concerning a proposed temporary moratorium and interim high service approval policy. The General Manager had a prepared outline (attached as "A") for the Board. The General Manager stated that he recommended at the February 17, 2005 Board Meeting, that a short term moratorium be in effect until policies and programs can be properly developed.

The Chairman stated that the lack of water has quickly approached a serious safety situation for the system. The General Manager reported to the Board that a moratorium is needed until more supply for maximum day conditions can be obtained. The General Manager reiterated that it has long been the policy of Kent County that it is not a guarantor of water and anyone obtaining water under the current situation, albeit he does not recommend it, must understand that issue.

Board Member Graham asked about the Bald Hill Transmission upgrades and the General Manager replied that technical information has been delivered to the City of

Warwick for analysis in regard to whether recovery periods would represent any difficulty for the City of Warwick. The General Manager spoke of the technical aspects of the future agreement with Warwick and that the culmination of that effort may be sometime in the close future.

The General Manager stated that the existing off-line wells are at least three years away from being in production. The Chairman stated that Board could establish a moratorium on anything not currently in application and possible allocation of the same.

Board Member Boyer stated that any moratorium should entail an impact study in order to be prudent in the decision making and that the Board must continue to reach out to the customers as a reminder that there is a serious problem with supply and regarding conservation methods and anticipated penalties. The Chairman reminded the Board that conservation, although a necessity, has the propensity to reduce revenues. The Chairman stated that the real problem is in the high service areas, in answer to a question from Council President Hyde, which everyone knows is impacting economic development in the High Service Area. The Chairman also stated that the regulatory methods used by the Department of Environmental Management are oppressive and troubling resulting in the existing situation.

The Chairman stated the Carr Pond aquifer has not been tapped and the Rhode Island "out of basin transfer" policy needs to be reviewed. He explained that Providence Water Supply Board is mandated to release 9 million gallons of water to the Pawtuxet River daily and since the municipal treatment plants on the Pawtuxet River are moving to tertiary treatment, the treated water could be pumped up stream into the South Branch of the Pawtuxet River and allow the Reservoir to retain the 9 million daily gallons, which would be a smart and economical way to conserve 9 million gallons daily.

The Chairman stated that Kent County Water Authority has tried to reduce its dependence on Scituate, however, the regulatory agency (DEM) has not been cooperative and everyone knows that the Big River Reservoir needs to be built and soon.

Westwood Estates, John R. Assalone

The Chairman stated that as discussed at the last Board meeting of February 17, 2005, this expansion project is very unique since it has an existing connection and Mr. Assalone has been proactive in a conservation program which has mandated conservation for occupants and the project will be adding apartment units rather than mobile homes and will use less water than as previously approved for the trailer park. Board Member Boyer stated that projections/calculations show that less water will be used as were presented at the Board meeting of February 17, 2005.

Board Member Boyer moved and it was seconded by Board Member Masterson to approve the application of Westwood Estates for the Kent County Water Authority

water connection to the project for 48 apartment units which is based upon the minutes and exhibits of February 17, 2005 in that Westwood Estates has applied for less water than was originally approved subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings and flow calculations must be provided to fully evaluate these projects and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs

and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

And it was unanimously:

VOTED: to approve the application of Westwood Estates for the Kent County Water Authority water connection to the project for 48 apartment units which incorporates the minutes of February 17, 2005 in that Westwood Estates is applying for less water than was previously approved subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings and flow calculations must be provided to fully evaluate these projects and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

Brooks/Rocky Hill Fair Grounds, Malm Construction

Board Member Masterson stated that the applicant has provided exhaustive calculations at the Board meeting of February 17, 2005 as well as the meeting on the Brooks issue but not on the remainder of the project. Engineer Scott Moorehead wanted the Board to know that the engineering and the plans need to be complete for the different services for the potential blended main. The General Manager stated that the main portion of the plans has not been produced for the blended system. Board Member Boyer stated that the Board needs to come up with a policy on phasing and should not pick and choose among projects. The General Manager stated the Board needs to anticipate the needs of the system and he can't give capacity answers because we are in limbo because of the permitting miscarriage of the Department of Environmental Management (wells) and the Board can not take a risk without sufficient information.

Mr. Moorehead stated that the number is 7,500 gallons per day albeit it does not refer to the maximum daily. The General Manager pointed out that the new fire regulations demand fire flow at four hour duration as opposed to previous two hour duration which strikes another capacity issue.

Mr. Moorehead stated that the hotel is ready to proceed in approximately (one) 1 year and the condominium development in eighteen (18) months and he admitted that

it can't go forward up unless water is available and the condominium project can not proceed without high service.

Board Member Masterson stated that Brooks should be approved and the other uses must be reviewed together with the modeling. Board Member Masterson stated it was a business decision as to what to do. Mr. Moorehead stated that this is not what they want but they would take it.

Board Member Gallucci stated it would be better to move a policy as soon as possible since the special meeting of March 9, 2005 did not take place and that case by case approvals may not be in the best interest of the system. He pointed out that three years ago Kent County Water Authority put twenty-four (24) projects on hold for several months and the Department of Environmental Management is responsible for the current problems.

Board Member Masterson stated a special Board meeting to address high service issues would be helpful.

It was moved by Board Member Masterson and seconded by Board Member Boyer to approve the application of Brooks Headquarters to Kent County Water Authority for a water connection based upon all of the data presented and the minutes of the Board meeting of February 17, 2005 in relation to this application of Brooks Headquarters only and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling must be provided to fully evaluate these projects

and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

And it was unanimously,

VOTED: To approve the application of Brooks Headquarters to Kent County Water Authority for a water connection which is based upon all of the data presented and the minutes of the Board meeting of February 17, 2005 in relation to this application of Brooks Headquarters only and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof,

at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling must be provided to fully evaluate these projects and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

Pine Ridge Subdivision, DiPrete Engineering

William Landry, Esq. and Dennis DiPrete, PE appeared regarding the property off Hopkins Hill Road, Coventry for 69 homes phased over five (5) years to help Kent County Water Authority to cope with the supply issue and low flow fixtures and special xero scape landscaping and no outdoor watering.

He stated that the public sanitary sewer is being relocated through the project and will service the adjacent commercial projects with deed restrictions. This project has design approval from Kent County Water Authority and one of the older projects in the application process and that the project will use 10-15 thousand gallons per day on average. The project is in permitting stages and will be on schedule for late in the year for building and waterline be looped back to Clark Road for fire fighting purposes.

The Chairman stated that the gallonages continue to pile up for the system. Board Member Boyer stated that conservation is the unknown here and will help to clean up the river.

Board Member Boyer moved and it was seconded by Board Member Masterson to approve with the application of Pine Ridge Subdivision to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to this application of Pine Ridge Subdivision and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling have been reviewed and approved for the infrastructure installation. The Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

And it was unanimously,

VOTED: To approve with the application of Pine Ridge Subdivision to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to this application of Pine Ridge Subdivision and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County

Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling have been reviewed and approved for the infrastructure installation. The Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets.

7. No landscape (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

Arlington RV, Stephen Moran

The project is located in West Greenwich on Division Road is a long term project and Arlington RV has been a customer for many years. The present location will only require very low water usage and the company agrees to xero scape and recycle the wash water.

Board Member Graham moved and it was seconded by Board Member Boyer to approve the application of Arlington RV to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to this application of Arlington RV and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.
2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.
3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.
4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling must be provided to fully evaluate these projects and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.
5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets and the applicant will recycle the water which it uses for washing its vehicles.

7. Xero-scape landscape shall be employed on the property and no (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

And it was unanimously,

VOTED: to approve the application of Arlington RV to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to this application of Arlington RV and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will

injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. A formal application with the necessary design drawings, flow calculations including computer hydraulic modeling must be provided to fully evaluate these projects and their potential impact on the existing public water supply system. Upon review of formal application, the Kent County Water Authority may void this approval or any portion thereof in its sole interpretation if it appears that expanding service or allowing additional consumers to be served will injuriously withdraw water from the Kent County Water Authority supply wholly or in part from customers already being supplied by the Authority.

5. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

6. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets and the applicant will recycle the water which it uses for washing its vehicles.

7. Xero-scape landscape shall be employed on the property and no (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

Zarella Development, Debra Zarella

The applicant is building a house on Frenchtown Road in East Greenwich (old school house) which consists of 24 x 36 two bedroom for her parents, one of whom is in a wheelchair and the house will be handicapped accessible since he can no longer stay in assisted living and the family does not want him to be in a nursing home. Patricia Walker, PE testified that there is a problem with the wetlands and the lot will not accommodate a well and septic and that the applicant will agree to xero scape and no outdoor irrigation.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve the application of Zarella Development to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to the application of Zarella Development and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.

2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.

3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.

4. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.

5. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets and the applicant will recycle the water which it uses for washing its vehicles.

6. Xero-scape landscape shall be employed on the property and no (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners,

applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

And it was unanimously,

VOTED: to approve the application of Zarella Development to Kent County Water Authority for a water connection which is also based upon all of the data presented and the Board meeting of February 17, 2005 in relation to the application of Zarella Development and subject to the following:

1. The Kent County Water is not a guarantor of water supply for this approval and any construction or third party commitments, contracts or agreements are at the applicant's sole risk if additional water supply is not available as stated infra.
2. The obtaining of additional water supply by Kent County Water Authority is necessary to adequately service the full potential of this project and the Kent County Water Authority may at its discretion void or revoke this approval or any portion thereof, at any time, by virtue of its sole interpretation that the health, welfare or safety of the existing customers may be adversely impacted by continuing to expand water supply to the project.
3. Delays in construction of Kent County Water Authority system supply improvements necessary to adequately service the needs of this project cannot be predicted, thus, the Kent County Water Authority shall as it deems necessary and in its sole discretion void or revoke this conditional approval or any portion of this conditional approval if this expansion of this service results in adverse conditions beyond the current consumption or by allowing additional consumers to be served which will injuriously withdraw water from the Kent County Water supply wholly or in part from those who have already been supplied by the Authority.
4. Approval automatically becomes void by failure of the applicant to start construction within six months of the approval of the permit application or failure to complete construction within twelve (12) months of the construction commencement date or due to failure to comply with any condition imposed by the permits.
5. Only conservation-wise plumbing fixtures are to be installed, including but not limited to low flow shower heads, low flow toilets and aerators on faucets and the applicant will recycle the water which it uses for washing its vehicles.
6. Xero-scape landscape shall be employed on the property and no (outside) irrigation systems may be installed or connected to the public water system.

This approval does not give the applying parties any specific rights or legally binding entitlement to water service and Kent County Water Authority shall be held harmless by the applicant from any issue or lawsuit coincident hereto including costs and attorney fees to this conditional approval. Notwithstanding any other provision of law or regulation, approval of water service hereunder shall not be deemed to prevent the future exercise of the Kent County Water Authority power to protect public health, safety and general welfare as it relates to the public water supply. The owners, applicant, agents and assigns agree to forgo any claims of entitlement or litigation, whatsoever, in conjunction with acceptance of this conditional approval. The owner and applicant must execute the acknowledgement and receipt of these conditions and return the fully executed conditional approval to Kent County Water Authority within ten (10) business days in order to be effective.

Universal Properties Request to Appear

Robert Raposa Vice President of Universal Properties was present during the previously portion of the meeting with regard to High Service issues and he gave the Board an update of 550+ apartments (West Greenwich) and 311 condominium units (Coventry) and Wingate motel has finished the model and stated that significant water needs in the area of 444,011 gallons per day will be needed between now and 2007. He stated that they are in the permitting stage in West Greenwich and in the completion stage with Coventry. The General Manager explained fire flow increase of 4 hours for Walmart and the representative of Walmart was present and will work with the Authority with a nine (9) month build out.

Summit Financial, Joe Bonasara

He gave an overview of the Activity Summary Report which is attached as “**B**” and submitted a report with a shaved 8.44% year to date return which is outstanding and the Asset Allocation which is attached as “**C**” and the Wilshire Provident Market Commentary Fourth Quarter '04 which is attached as “**D**”.

He stated that it is probable that there will be a lower bond return for next year which will be monitored but that the Board should stay the course in allocation and he assumes interest rates will be upward which will be off setting. He stated that the plan is strong and meeting goals.

Rizzo Associates, Request to Appear (CIP-4 Black Rock Road)

Jack Henderson, P.E., and Edward W. Ionata, Senior Vice President both from Rizzo Associates and Steven B. Garofalo, P.E. and Carl Adamo, PE both from Garofalo & Associates, Inc. appeared in relation to the Board action to remove Garofalo from the job site. Mr. Ionata stated that it was not necessary to remove Garafalo & Associates, Inc. and he pledged that it can do a better job and meet all of the concerns of the Kent County Water Authority by using the forces from both companies and he

proposed that Rizzo Associates will have total control of the job and more specifically as follows:

I. Hope Mill Culvert Crossing

Steven Garofalo stated that he admitted to the problems on the job and he is trying to revamp the staffing.

The General Manager stated that the main was to go underneath the bridge but that had to change since there was no bottom to the raceway that lead into the mill and it was approved by agencies in November to go above.

II. Covlin Street Bridge Hangers and Pipe Cradles

The General Manager stated that it is now approved and ready to go for installation of the revised hangers and that a cradle not required.

III. Red line drawings

The Chairman stated that the inspector not keep tabs on the contractor to get them completed.

Steven Garofalo received the correspondence and had additional information needed to take measurements and soon as snow cover is gone, it will be done.

The General Manager stated that Kent County Water Authority will require test pits.

Board Member Boyer concurs and asked for a completion date. Jack Henderson stated the activated lines will be completed soon and all installed prior to reconstruction and he will establish a schedule satisfactory to the Authority.

The General Manager stated that information drawings are crucial for dig safe accuracy and Rizzo Associates and Garofalo & Associates, Inc. admitted to the importance. The Chairman stated that dig safe is a necessity since there are serious safety implications.

Board Member Boyer stated that there is a problem with the staff in that they have not been policing the project and "as built" should have been produced within two to three days of work progress.

The Chairman stated that the Field Engineer has to know what the contract says and be up to date on the specifications and needs to be policing the same. Steve Garofalo stated they have taken the measurements to check the work every 50 feet.

Pay estimate 7, 8, 9: The General Manager stated it needs to be worked on (payment for some was made) and discussion ensued over the payment.

The General Manager was waiting for the resolution of the issues and needs to see an effective completion of the project.

Board Member Boyer stated the new inspector will be approved by the General Manager.

It was moved by Board Member Gallucci and seconded by Board Member Graham to rescind the vote of February 17, 2005 and letter dated February 18, 2005 to remove Garofalo & Associates, Inc. from the CIP-4 Blackrock Road project as long as it continues to cooperate with the Authority and to bring the project into compliance in a timely manner and it was unanimously,

VOTED: To rescind the vote of February 17, 2005 and letter dated February 18, 2005 to remove Garofalo & Associates, Inc. from the CIP-4 Blackrock Road project as long it continues to cooperate with the Authority and to bring the project into compliance in a timely manner.

Legal Matters

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

There has been no recent activity with respect to the Superior Court's granting of Kent County Water Authority Motion to Intervene on September 27, 2004. Legal counsel will continue to monitor.

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

There has been no recent activity with respect to the Superior Court's granting of Kent County Water Authority Motion to Intervene on December 13, 2004. Legal counsel will continue to monitor.

John Rocchio Corporation – (Monies Owed)

District Court is in discovery phase and Superior Court mandatory arbitration phase is now in process with Mark McSally, Esq. appointed by the Court.

Blackrock Road Transmission Main/ C.B.

The matter is in investigation by General Manger/Legal Counsel

Read School House Road (as built)

Coventry Councilman Sanetti/Chairman attempting remedy.

DEM/Wellfield expansion

A meeting February 14, 2005 with Governor staff and DEM, General Manager and Legal Counsel and an answer is anticipated soon. No word has been forthcoming despite Legal Counsel attempts at communication.

Bald Hill Pumping Station Easements

Research regarding the status of easements at the subject site has been conducted and forwarded to Kent County Water Authority for review. The station is located on a parcel of land designated as Lot 31 on AP 241. The City of Warwick along with abutting lots 20, 29 and 33 granted easements to Kent County Water Authority for the purposes of a pumping station. More specifically, abutting lot owners (AP 241, Lots 29 and 20) granted easements to Kent County Water Authority for ingress/egress and water line. Kent County Water Authority shares ingress/egress easement rights with abutting lot owners. There is a storm drain easement front Kent County Water Authority site. A 20' sewer easement affects Lot 29 for the benefit of Lot 20.

Substantial Completion Language

Definition of Substantial Completion has been drafted by Legal Counsel and General Manager and is now being included in.

Kent County Water Authority Building Title

Legal Counsel has completed a 50 year title research for a portion of the subject site. The chain of title requires 50 year research from two prior owners in the chain of title.

Setian Lane Tank/Frenchtown/Allstate Boiler

There was a meeting on March 9, 2005 at Kent County Water Authority with Allstate Boiler and its surety and Kent County Water Authority and its engineers and Legal Counsel in an attempt to settle the matter.

Relocation of Tank Site – Read School House Road

Relocating the site of the tank would be more cost effective. The desired site is owned by the Town of Coventry and designated as open space.

Oaklawn Avenue, Cranston – Citizens Bank Easement

Legal Counsel has contacted Robert Permanente of Citizens Bank and he is following up with its legal department as to the status of the execution of the deed.

Water line extension off Tollgate Road, Warwick

Kent County Water Authority was granted permission to extend the water line between Gilbert and Plantations Streets. This permission is evidenced by 3/10/05 correspondence from the City Engineer, John F. DeLucia.

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 February, 2005 which is attached as “E” and after discussion, Board Member Boyer moved and seconded by Board Member Graham 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 February, 2005 be approved as presented and be incorporated herein and are made a part hereof as “E”.

Point of Personal Privilege and Communications:

The Chairman announced that he was reappointed to the Rhode Island Water Resources Board.

The Chairman stated that there was a March issue Oplflow (AWWA) article which described the vulnerability assessment and ramifications and recommends the Board to read it.

General Manager / Chief Engineer's Report:

Interim Policy High Service Connections

Moratorium High Service Connections:

The General Manager gave his presentation earlier in the meeting.

NEW BUSINESS:

Legislative Affairs:

Cross Connection Control Legislation

The Kent County Water Authority version was put into the General Assembly, S0958 by Senator Alves through the Authority lobbyist.

Current Bills Introduced

It was moved by Board Member Masterson and seconded by Board Member Graham to support H 6123 through the Authority lobbyist and it was unanimously,

VOTED: To support H 6123 through the Authority lobbyist.

It was moved by Board Member Boyer and seconded by Board Member Graham to support H 6122 through the Authority lobbyist and it was unanimously,

VOTED: To support H 6122.

Contract Renewal Petrarca and McGair, Inc.

The General Manager recommended the letter of engagement from Petrarca and McGair, Inc. with no increase of rate for the period of April 1, 2005 to March 31, 2005 which is attached as "F" and it was moved by Board Member Boyer and seconded by Board Member Graham to approve the contract renewal of Petrarca and McGair, Inc. for the period of April 1, 2005 to March 31, 2005 and it was unanimously,

VOTED: To approve the contract renewal of Petrarca and McGair, Inc. for the period of April 1, 2005 to March 31, 2005.

Mishnock Wells R.F. P. Professional Services

Color treatment to develop the piloting study and recommend execute Task Order #3 for these services for a report to do the study for the Department of Health in the amount of \$14,850.00 which is attached as "G" to C & E Engineering and it was moved by Board Member Graham and seconded by Board Member Boyer to approve Task Order #3 for a report to do the study for the Department of Health in the amount of \$14,850.00 and it was unanimously,

VOTED: To approve Task Order #3 for a report to do the study for the Department of Health in the amount of \$14,850.00 which is attached as "G".

WRB Letter, Conservation

It was the consensus of the Board that the General Manager will send the letter as directed by the Board at the previous Board meeting of February 17, 2005 as in form as attached as "H".

Setian Lane Pump Station (Bond/Contract Default)

The General Manager and Legal Counsel met with the Authority engineers as was covered in legal report but that additional costs for the engineers is to be included as damages and the warranties and substantial amount of monies are owed to suppliers and subcontractors are among the issues to be resolved or to declare Allstate Boiler in default.

Extension of Paving Contract

Rhode Island Truck & Equipment agreed to extend its contract for 2005-2006 fiscal year at current prices.

It was moved by Board Member Masterson and seconded by Board Member Boyer to approve the extension of Paving Contract which is attached as "I" and it was unanimously,

VOTED: To approve the extension of Paving Contract which is attached as "I".

Coventry Easement

The Authority purchased the Monroe Drive property with a grant from the State of Rhode Island Water Resources Board for water protection. The Town of Coventry desires a sewer easement over the property and the Authority has not received documentation of the project.

It was the consensus of the Board that upon receipt of certified documents, the Authority will review the same.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS :

Read School House Road

Pare Engineering recommended the proposed Read School House Road tank should be relocated due to geotechnical and design issues with the site as stated in Pare Engineering report dated March 11, 2005 which is attached as "J". The Board did not take any action on the matter.

All other Capital Projects and Infrastructure Projects are addressed in an exhibit attached as "K" 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 Masterson and it was unanimously,

VOTED: To adjourn the meeting at 7:43 P.M.

Secretary Pro Tempore

EXHIBIT A

March 16, 2005

BOARD MEETING

March 16, 2005

1. Report to Board February 17, 2005, recommended short-term moratorium until programs can be developed.
2. Since that time we have:
 - Prepared RFP for Bald Hill Preliminary Engineering Study and transmission main to Cowesett.
 - Met with Warwick Water on needs both emergency interconnection and Bald Hill connection.
 - Developed two policies for Board review: Temporary Moratorium, Interim High Service Approval. Each is distinct and stand alone.
3. Temporary Moratorium is needed to provide time to secure additional supply and a time table for the additional supply implementation.
4. The Interim High Service Approval Policy is for interim use if available supply as determined by the Board and substantiated by modeling. This would be utilized between the end of the temporary moratorium and new or additional supply implementation.
5. We are in the process of developing a policy for outside water use and curtailment of sprinklers. This could be either done via a moratorium or a permanent implementation by the Board to restrict the water use during our maximum day periods. This is the issue causing all of our problems in the high service gradient. That should be completed sometime prior to the next Board meeting for the Board's review and approval. This must be coupled with education, newsletter, press releases and possibly a letter to the customers describing this policy and/or moratorium for outside sprinkling.

6. If the Board does decide to grant contingent approval for any of the high service requests in front of them at this meeting questions must be raised and must be addressed by the Board and/or legal counsel.

- Kent County is not a guarantor of water supply for any approval.
- We should be held harmless from approval of water supply in case the supply is deficient for the needs of any approval.
- Hold harmless clause needs to be provided in any review letter.
- It would be advisable to consider an impact analysis if supply is being provided prior to its actual granting as to what affect this will have on the system. This impact study would be invaluable and could provide additional protection to the Authority in case supply is deficient.

EXHIBIT B

March 16, 2005

KENT COUNTY WATER AUTHORITY

Activity Summary Report

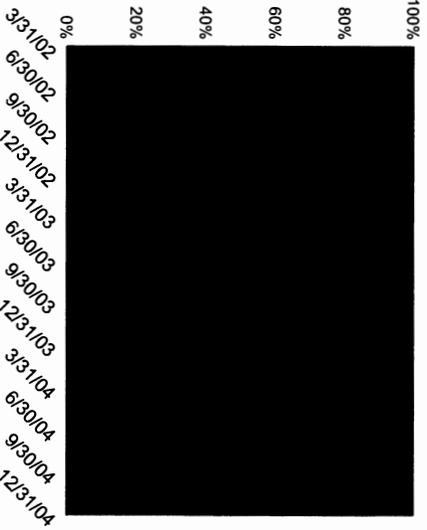
December 31, 2004

	Current Month	10/04 - 12/04	7/04 - 9/04	4/04 - 6/04	1/04 - 3/04	Current Year-to-Date	Since 3/1/96
Beginning Market Value	\$3,090,157	\$3,012,278	\$2,831,995	\$2,880,981	\$2,856,822	\$2,856,822	\$663,217
Contributions	\$0	\$0	\$213,273	\$0	\$0	\$213,273	\$2,776,966
Distributions	(\$14,277)	(\$42,831)	(\$42,831)	(\$42,831)	(\$42,831)	(\$171,325)	(\$1,377,094)
Gains/Losses	\$66,640	\$173,073	\$9,841	(\$6,154)	\$66,990	\$243,750	\$1,079,431
Ending Market Value	\$3,142,519	\$3,142,519	\$3,012,278	\$2,831,995	\$2,880,981	\$3,142,519	\$3,142,519
Portfolio Return *	2.17%	5.81%	0.32%	-0.20%	2.36%	8.44%	6.49%

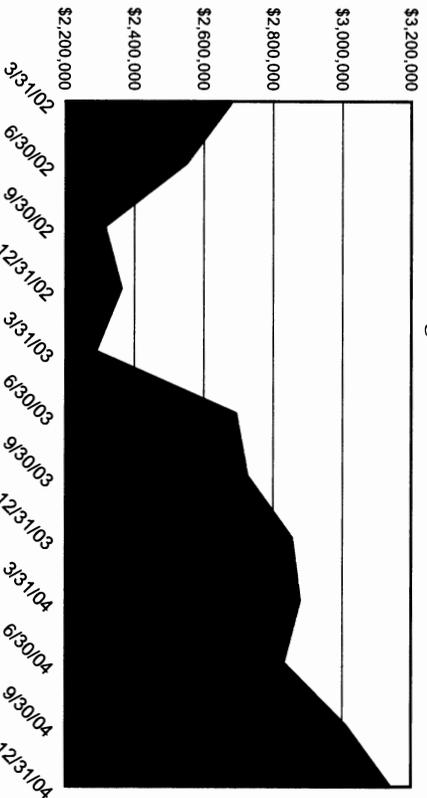
Period End Asset Allocation

Bond	33.89%	33.89%	36.46%	34.63%	33.71%
Cash	13.17%	13.17%	13.90%	14.15%	15.24%
Domestic Equity	42.01%	42.01%	39.75%	40.81%	40.65%
International Equity	10.93%	10.93%	9.89%	10.41%	10.40%

Portfolio Allocation Over Time



Ending Market Values Over Time



* Returns are net of fees and annualized for periods greater than one year. Returns are calculated on a time weighted basis.

GR# 004214201001

KENT COUNTY WATER AUTHORITY

Performance Summary Report

Period Ending December 31, 2004

		Since										
		Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	03/01/1996	1994	1995	1996
Portfolio Level Return												
	Total Portfolio	2.17	5.81	8.44	8.44	6.16	3.54		6.49			
Asset Class Level Return												
	Bond	0.93	1.00	4.02	4.02	5.98	7.29					
	Cash	0.39	1.14	4.55	4.55	5.22	5.49		5.55			
	Domestic Equity	3.29	9.57	10.65	10.65	3.85	-0.98					
	International Equity	4.02	14.07	19.79	19.79	13.74	4.60					
Fund Level Return												
	All Pro Diversified Bond Fund	0.93	1.00	4.02	4.02	5.98	7.29					
	Fixed Income Fund	0.39	1.14	4.55	4.55	5.22	5.49		5.57			
	All Pro Diversified Equity Fund	3.34	9.60	10.09	10.09	3.76	-2.25					
	All Pro Value Equity Fund	3.16	9.60	14.76	14.76	7.97	5.12					
	All Pro Equity Growth Fund	3.39	9.48	5.40	5.40	-2.20	-8.75					
	International Value Fund	4.02	14.07	19.79	19.79	13.74	4.60					
Net Portfolio Level Return												
	Total Portfolio	17.85	-6.39	-1.06	0.52	9.52	11.63	14.77				

* Returns are net of fees and annualized for periods greater than one year. Returns are calculated on a time weighted basis.

GR# 004214201001

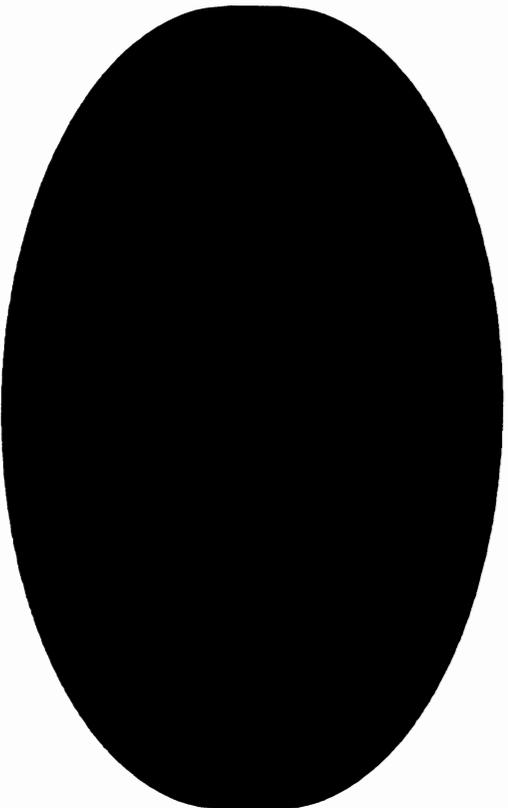
KENT COUNTY WATER AUTHORITY
Portfolio Allocation
Period Ending December 31, 2004

<u>Category</u>	<u>Market Value</u>	<u>% of Portfolio</u>
Bond		
All Pro Diversified Bond Fund	\$1,064,845	33.89
	\$1,064,845	33.89
Cash		
Fixed Income Fund	\$413,825	13.17
	\$413,825	13.17
Domestic Equity		
All Pro Diversified Equity Fund	\$1,320,248	42.01
All Pro Value Equity Fund	\$495,225	15.76
All Pro Value Equity Fund	\$495,229	15.76
All Pro Equity Growth Fund	\$329,793	10.49
International Equity		
International Value Fund	\$343,601	10.93
	\$343,601	10.93
Total Portfolio	\$3,142,519	100.00

KENT COUNTY WATER AUTHORITY

Asset Allocation Analysis Graph

December 31, 2004



- Bond
- Cash
- Domestic Equity
- International Equity

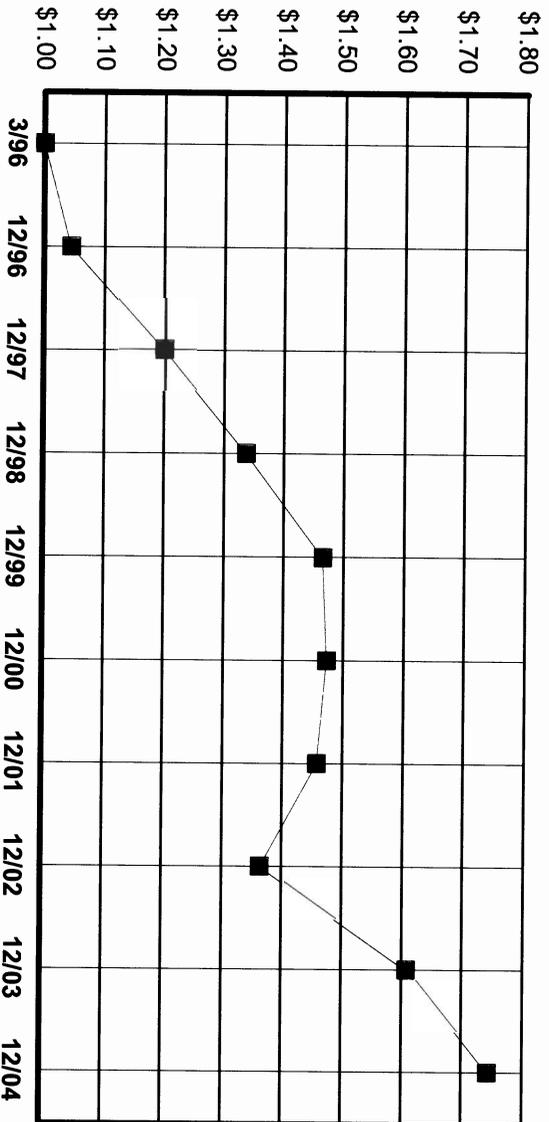
	<u>Market Value</u>	<u>Allocation %</u>
Bond	\$1,064,845	33.89%
Cash	\$413,825	13.17%
Domestic Equity	\$1,320,248	42.01%
International Equity	\$343,601	10.93%
Total Portfolio	\$3,142,519	100.00%

KENT COUNTY WATER AUTHORITY

Growth of a Dollar

December 31, 2004

Total Portfolio (Since Inception)



* Return r reflects the cumulative net result of investing one dollar at the inception date. Return is calculated on a time weighted basis and does not reflect the effects of cash flows in or out of the account.

KENT COUNTY WATER AUTHORITY

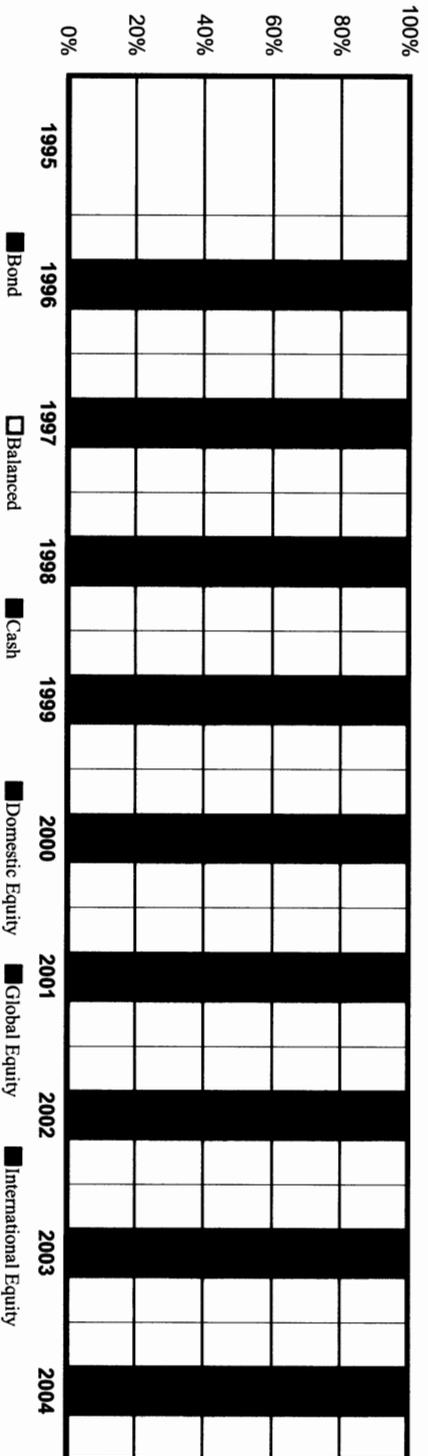
History of Asset Growth Analysis Graphs

December 31, 2004

Ending Market Values Over Time



Portfolio Allocation Over Time



* Portfolio allocations for prior years reflect the allocation as of December 31st. The current year allocation reflects the allocation as of the date of this report.

EXHIBIT C

March 16, 2005

Kent County Water Authority
 Asset Allocation
 December 31, 2004

Equity Allocation – 50%

	Value	Blend	Growth
Large Cap 35%	Sanford C Bernstein – 7.1% Mellon Associates – 13.8%		INTECH – 8.39% Geewax, Terker & Co – 6.7%
International 10%	Boston Company – 10.93%		
Mid Cap	Included in Large Cap Allocation		Included in Large Cap Allocation
Small Cap 5%	Reams Asset Management – 1.18% Sterling Capital – 1.6%		Husic Capital Management – 1.18% Lee Munder Capital Group – 2.1%

Fixed Income Allocation - 50%

	Short Duration	Intermediate Duration	Long Duration
High 47%	Nationwide Fixed Income 13.17%	BlackRock Financial Management – 16.95% Western Asset Management – 16.95%	N/A
Medium			N/A
Low 0%			N/A

EXHIBIT D

March 16, 2005



Nationwide Provident
Market Commentary
Fourth Quarter 2004

Economic Overview

The fourth quarter of 2004 saw a spurt of optimism following President Bush's reelection. The uncertainty that had hovered prior to the election dissipated. Investors also viewed President Bush's victory as a win for stocks, given that the administration's policies are perceived as providing a more hospitable environment for equities. Corporate profits were stronger than expected, and oil prices declined toward \$40 a barrel following their spike in the third quarter. Over the fourth quarter, equity markets performed strongly, while fixed income securities delivered subdued gains.

In the United States, GDP grew at an annualized rate of 4.0%. Oil prices eased from their highs in the third quarter. On the employment front, the economy continued to add jobs during the quarter: 415,000 jobs were added in October and November combined. The confluence of these factors, in addition to better-than-expected corporate results, spurred investors' confidence. At the same time, investors are concerned about the long-term effects of the U.S.'s trade and budget deficits. Those concerns, in fact, were a major reason that the U.S. dollar continued its decline during the quarter. The Fed made two ¼-point hikes, bringing the Fed funds rate to 2.25%, up from 1.00% at the beginning of the year. The Fed reiterated its commitment to a gradual rise in rates.

Sluggish growth continues to hamper the Euro region as third quarter GDP came in at a weaker than expected 1.8%. While softer oil prices helped, rising unemployment and the strengthening euro continue to hinder economic growth. The euro appreciated approximately 9% against the U.S. dollar, and the British pound gained almost 6% against the U.S. currency. The euro also gained almost 3% against the pound. While Germany's unemployment rate has improved, it stood at 9.9% at the end of November. Lackluster consumer spending in Euroland's largest economy continues to be a problem as the high unemployment remains an issue. It is believed that the European Central Bank will continue to remain accommodative as the strengthening euro has served to suppress inflation. The Bank of England's quarterly inflation survey suggested inflationary pressures in the U.K. were muted, and the minutes of the Monetary Policy Committee's December meeting revealed that a rate cut had been discussed. This led many to believe that U.K. rates had peaked as various surveys indicated that the housing market had cooled.

Below is a table of recent key U.S. indicators:¹

<i>Indicator</i>	<i>Rate</i>	<i>Indicator</i>	<i>Rate</i>
Gross Domestic Product	+4.0%	Consumer Price Index	+3.5%
Unemployment Rate	5.4%	Producer Price Index	+4.1%

¹ GDP: Seasonally-adjusted annual rate (3Q04), source: Bureau of Economic Analysis
Unemployment Rate: unemployed as percentage of civilian workforce as of 12/31/04 seasonally adjusted; source: Bureau of Labor Statistics
CPI: Trailing 1-year rate through 11/30/04, source: Bureau of Labor Statistics
PPI: Trailing 1-year rate through 12/31/04, source: Bureau of Labor Statistics

Equity Overview

Domestic equity markets excelled during the fourth quarter, with the S&P 500 rising 9.2% and the Nasdaq composite gaining 14.7%. Much of the strong gains occurred in the last two months of the quarter. Uncertainty prevailed in October, owing to the looming Presidential election. President Bush's reelection, however, removed that uncertainty and helped propel stock markets forward. Investors were generally sanguine that a Bush administration would prove friendlier to stocks. Strong corporate profits and renewed merger activity added to the hospitable backdrop.

Small-cap stocks assumed the market leadership after trailing their large-cap brethren in the third quarter. Growth-oriented stocks surpassed their value peers in the small-cap arena, but value triumphed in the large-cap space. Gains were for the most part strong and widespread. Technology stocks were notable gainers, as they enjoyed a significant up-tick after wading through the first three quarters of the year. On the other hand, the quarter saw its fair share of negative stories. In particular, turmoil surrounded the pharmaceutical companies, as questions arose about the efficacy of certain drugs.

International equities were standout performers during the fourth quarter. The MSCI EAFE Index rose 15.3%. The weakening U.S. dollar proved to be a major theme, as international stocks enjoyed elevated gains when translated back into U.S. dollars. The strong performance was dispersed across regions. Asia benefited from positive economic news. European companies, especially in the small- to mid-cap space, managed to squeeze out solid earnings. And Latin America prospered, as economic growth proved strong while inflation remained benign. Overall, only a handful of markets suffered declines.

Fixed Income Overview

Fixed income markets followed a very strong third quarter with more muted gains during the fourth quarter. The Federal Reserve continued to increase the short-term interest rate, such that it ended the year at 2.25% (up from 1% at the beginning of the year). Despite the increases, the broad fixed income market - represented by the Lehman Brothers Aggregate Bond Index - managed to gain 1% over the quarter. Mortgages and corporate securities outperformed Treasuries as investors sought yield. High-yield bonds were especially strong, owing to the combination of stronger-than-expected corporate profits and investors' search for higher-yielding issues.

Performance Overview

During the fourth quarter, the Wilshire 5000 Index rose 10.3% as all equity investing styles posted positive absolute performance for the quarter. Small growth outperformed small value, and large value moved ahead of large growth.

The broad international equity market, represented by the MSCI EAFE Index, outperformed domestic equities, posting a return of 15.3%. Returns were strong across the board, in no small part because major foreign currencies rose strongly against the U.S. dollar. The MSCI Emerging Markets Index was up 17.2% for the quarter, as developing markets in Asia and Latin America benefited from relative stability and a generally healthy economic backdrop.

The broad fixed income market, as measured by the Lehman Brothers Aggregate Bond Index, posted a gain of 0.95% for the quarter. All major portions of the fixed income market were positive for the quarter.

The following table summarizes the performance of representative indices for the periods ended 12/31/04:

Index	Quarter (%)	One Year (%)	Three Years (%)	Five Years (%)
EQUITY				
<i>Domestic</i>				
Wilshire 5000	10.31	12.60	5.46	-1.43
S&P 500	9.23	10.88	3.58	-2.29
Wilshire Large Growth	8.32	6.66	0.21	-9.66
Wilshire Large Value	10.19	15.70	8.06	3.21
Wilshire Small Growth	15.06	16.21	5.99	-5.11
Wilshire Small Value	13.00	20.60	16.72	16.60
<i>International</i>				
MSCI EAFE	15.32	20.24	11.88	-1.13
Europe	15.92	20.89	10.97	0.06
Pacific Basin	13.96	18.97	14.32	-3.71
MSCI Emerging Markets	17.24	25.47	22.42	4.33
FIXED INCOME				
Lehman Aggregate	0.95	4.34	6.20	7.71
Lehman Governments	0.49	3.48	5.70	7.47
Lehman Credit	1.27	5.25	7.79	8.62
Lehman Mortgages	1.26	4.70	5.47	7.13

Index Definitions

Wilshire 5000 – An index including all publicly-traded stocks on U.S. stock exchanges.

S&P 500 – Calculated by Standard & Poor's, this index represents the performance and characteristics of 500 large-capitalization companies traded in the United States.

Wilshire Large Growth – A subset of the Wilshire 5000, this index is comprised of the growth stock portion of the 5000's largest 750 stocks.

Wilshire Large Value – A subset of the Wilshire 5000, this index is comprised of the value stock portion of the 5000's largest 750 stocks.

Wilshire Small Growth – A subset of the Wilshire 5000, this index is comprised of the growth portion of the 5000's 751st through 2,500th largest stocks.

Wilshire Small Value – A subset of the Wilshire 5000, this index is comprised of the value portion of the 5000's 751st through 2,500th largest stocks.

MSCI EAFE – Calculated by Morgan Stanley Capital International, this index represents the performance of developed markets in Europe, Australasia and the Far East, in U.S. dollar terms.

MSCI Europe – A subset of the MSCI EAFE Index; includes all developed markets in Europe.

MSCI Pacific Basin – A subset of the MSCI EAFE Index; includes all developed markets in the Pacific Rim.

MSCI Emerging Markets – This index includes all of the countries classified as emerging markets in the MSCI universe.

Lehman Aggregate – Calculated by Lehman Brothers, this index represents a broad measure of bond market performance.

Lehman Government – A subset of the Lehman Aggregate, this index represents the performance and characteristics of the government securities contained in the Aggregate.

Lehman Credit – A subset of the Lehman Aggregate, this index represents the performance and characteristics of U.S. corporate and specified foreign securities contained in the Aggregate Index.

Lehman Mortgage – A subset of the Lehman Aggregate, this index represents the performance and characteristics of the mortgage-related securities contained in the Aggregate Index.

EXHIBIT E

March 16, 2005

KENT COUNTY WATER AUTHORITY
CASH LOCATION
FISCAL YEAR 04-05

CASH LOCATION:	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	JAN 2005	FEB 2005	MAR 2005	APR 2005	MAY 2005	JUN 2005
Citizens Bank - Payroll	\$ 40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00				
Fleet Bank - Deposit	80,551.73	80,696.80	70,261.77	62,467.96	211,810.88	70,986.15	48,859.18	272,070.06				
Fleet Bank - Checking	(17,764.20)	6,272.92	8,097.31	11,325.15	23,441.57	496.82	27,955.99	5,714.01				
	102,787.53	126,970.72	118,319.08	113,795.11	275,252.25	111,482.97	116,815.17	317,784.07				
U. S Bank - Project Funds												
Revenue	102,250.15	11,869.97	36,062.40	38,952.12	168,586.39	467,303.48	223,907.15	76,767.29				
Infrastructure Fund	2,256,036.61	2,268,209.85	2,389,804.35	2,674,809.13	2,659,450.30	3,268,733.10	3,298,246.46	3,883,852.58				
Operation & Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Renewal & Replacement Reserve	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00				
Renewal & Replacement Fund	118,687.18	127,984.54	125,564.49	135,999.87	81,023.91	89,483.42	97,916.74	106,368.52				
General Project - 2001	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03				
Debt Service Fund - 2001	6,209,409.73	4,857,169.98	4,232,956.69	4,236,752.90	2,773,305.86	2,776,936.52	2,723,309.93	2,259,716.52				
Debt Service Reserve - 2001	296,788.01	367,235.08	437,613.26	508,077.54	578,667.54	649,366.35	485,313.44	551,005.45				
Cost of Issuance - 2001	807,683.58	807,683.58	807,683.58	807,683.58	807,683.58	807,683.58	807,683.58	807,683.58				
General Project - 2002	37,604.52	37,626.16	37,652.67	37,682.74	37,718.56	37,757.82	37,803.64	37,852.95				
Debt Service Fund - 2002	22,925,966.79	22,939,162.62	22,955,327.36	22,973,657.10	22,995,496.55	23,019,430.71	23,045,076.12	23,045,107.38				
Debt Service Reserve - 2002	1,151,521.26	1,217,059.99	1,318,856.41	1,420,842.27	1,571,939.95	1,748,353.56	1,979,133.75	2,296,881.63				
Cost of Issuance - 2002	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01				
Debt Service Fund - 2004	5,704.20	5,707.48	5,711.50	5,716.06	5,721.49	5,727.45	5,734.40	5,741.88				
Debt Service Reserve - 2004	21,197.92	50,382.87	79,561.09	108,765.59	138,006.55	174,853.56	417,422.80	552,053.81				
Cost of Issuance - 2004	1,279,133.75	1,279,133.75	1,275,608.12	1,280,172.60	1,296,881.63	1,296,881.63	1,279,133.75	1,279,133.75				
Redemption Account - 2004	5,734.73	5,742.72	5,746.77	5,751.36	5,756.83	5,762.82	5,769.81	5,777.34				
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
	\$ 39,522,032.00	\$ 38,314,669.35	\$ 38,070,077.81	\$ 38,590,286.01	\$ 37,659,123.43	\$ 37,828,292.16	\$ 37,098,540.49	\$ 37,342,481.48	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

EXHIBIT F

March 16, 2005



797 BALD HILL ROAD
WARWICK, RI 02886

401-821-1330
FAX 401-823-0970
E-MAIL: jjm@petrarcamcgair.com
www.petrarcamcgair.com

LETTER OF ENGAGEMENT

PETRARCA and McGAIR, INC. with attorneys licensed to practice in the State of Rhode Island and practicing law as a corporation under the name and designation of PETRARCA and McGAIR, INC. do herewith enter into this Letter of Engagement with Kent County Water Authority, a public benefit corporation for the rendering of legal services.

PETRARCA and McGAIR, INC. will render legal services to KENT COUNTY WATER AUTHORITY at the hourly rate of charge of \$140.00 per hour for all work by firm attorneys, plus costs and expenses as may be incurred in connection with said legal services so rendered. Costs and expenses referenced above include travel, lodging, mileage, hotel/motel occupancy, long-distance telephone and telegraph charges, reproduction of documents, filing fees and witness fees.

The legal services to be rendered by PETRARCA and McGAIR, INC. will be those normally rendered by corporate general counsel in the everyday operations of KENT COUNTY WATER AUTHORITY. Court and agency related matters including hearings, trials and depositions are chargeable at: \$300.00 minimum fee per appearance, \$600.00 per 1/2 day, \$900.00 3/4 day and \$1,200.00 for full day.

This Letter of Engagement is specifically exclusive of bonding services.

All charges for legal services of PETRARCA and McGAIR, INC. and costs expended, will be billed monthly to KENT COUNTY WATER AUTHORITY by PETRARCA and McGAIR, INC. Payment is anticipated to be made within 30 days after billing.

PETRARCA and McGAIR, INC. does herewith certify that the compensation for legal services and costs set forth above is below the rate charged by PETRARCA and McGAIR, INC. to its preferred private clients.

PETRARCA and McGAIR, INC. does not service, at this date, any other public utility clients.

This Letter of Engagement covers the period of April 1, 2005 to March 31, 2006.

PETRARCA AND McGAIR, INC.

By:



Joseph J. McGair, President

Letter of Engagement is
accepted and approved:

KENT COUNTY WATER AUTHORITY
By:

Francis J. Perry, Chairman
Dated: _____

EXHIBIT G

March 16, 2005

**TASK ORDER NO. 3
BETWEEN
KENT COUNTY WATER AUTHORITY
AND ENGINEER FOR SERVICES**

**MISHNOCK WELL COLOR TREATMENT TECHNOLOGY EVALUATION
C&E Project No. J0356.01**

This is Task Order No. 3 attached and made part of the agreement between Kent County Water Authority (OWNER), and C&E Engineering Partners, Inc. (ENGINEER) dated January 21, 2004 for Well Field Color Removal Treatment Technology Evaluation. This Task Order describes the Scope of Services, Period of Service and Method and Basis of Compensation associated with the performance of additional scope items associated with the development of a pilot test program for recommended technology(s).

1.0 SCOPE OF SERVICES

Basic Services

- 1 Meet with various vendors for the treatment technologies recommended in the Mishnock Wellfield Water Treatment Technology Evaluation dated October 18, 2004, prepared by C&E Engineering Partners, Inc. The purpose of these meetings would be to gather sufficient information to develop pilot test programs for the onsite evaluation of these technologies and to ensure that the pilot test programs, once complete, will result in the necessary data/information that will allow the technology manufactures to provide the necessary assurances for system performance in a full scale application.
- 2 Review existing well stations in the Mishnock Well Field and determine the suitability and requirements to utilize the existing facilities for the purpose of conducting a sidestream pilot test for the two recommended treatment technologies for TOC, iron and manganese reduction. This will include identifying available space requirements, temporary utility requirements (i.e. electric power, wastewater disposal) etc.
- 3 Meet with Authority staff to discuss the execution of the pilot test program to address key issues associated with implementation including; pilot test duration, concurrent testing of different technologies, mode of construction of pilot test facilities, operations and monitoring during the test procedures, well operation during the pilot test, etc.
- 4 A descriptive plan of the proposed pilot study will be prepared which will detail the specifics with regards to sidestream pilot testing of the technologies for TOC and iron and manganese removal.

The side stream pilot study portion of the plan will detail and contain specifics as to the description and protocols for implementing the pilot study. This will include but not be limited to identifying the following in the plan.

- A detailed plan for modifications to the well pump station for obtaining a side-stream of the raw water flow from one of the existing wells in the Mishnock well field (estimated 10 to 15 gpm), housing of the pilot test equipment, disposal of the treated water sidestream and process wastewater and installation of monitoring and sampling collection equipment for data collection during the pilot test.
- Identify the specifics with regard to control and monitoring of the pilot study. This will include well flow rate, starting and stopping of pilot test sidestream flow to simulate a normal well starting and stopping.
- Identify sampling and monitoring requirements to evaluate the effectiveness of the pilot study. This will include detailing the location, sample parameters, collection frequency and physical testing of raw and treated water during the pilot test to judge the effectiveness of the treatment technologies being evaluated.
- Identify a frequency and notification procedure to the RIDOH with periodic updates and information in regards to the pilot study.
- Identify final reporting requirements and format of results to RIDOH along with a section on conclusions and recommendations and the criteria that will be utilized to rate the preferred treatment technology.

Note, it is assumed that during the pilot test the well utilized at the Mishnock Well Field will be run to waste and not allowed to enter into the KCWA water distribution system. The RIDOH will likely require assurances that proper safeguards in the form of monitoring, testing and control be maintained throughout the pilot program to ensure that the public health is being protected.

- 5 It is intended that this plan will detail the specifics as to the method to replicate the chemical treatment utilized at other well stations (i.e. corrosion control and disinfection) at this well pilot facility to ensure that the use of these compounds do not interfere with the treatment capabilities of the technologies to be piloted. The collection of supporting data (i.e. water quality test results, operational parameters, etc.) will also be fully detailed to demonstrate the effectiveness of the equipment to be tested. The final plan will contain all of the elements that are necessary to implement the sidestream pilot study.
- 6 This plan, detailing the specifics of the pilot study, will be submitted to the KCWA for concurrence and following incorporation of substantive comments will be submitted to the RIDOH for approval and implementation.

- 7 As part of the Pilot Test Plan Development, a cost estimate will be prepared which will provide an estimate as to the cost of implementing the aforementioned sidestream pilot study.

It should be noted that in preparation of the plan and in development of the cost estimate consideration will be given to whether KCWA personnel will be capable of the installation of the pilot test equipment or whether outside contractors will be necessary to perform the work associated with completing the necessary well station modifications. In either case, the scope of work in this Task Order is strictly limited to developing the pilot test program. Any work associated with the assisting KCWA with the execution of the approved pilot test program or the development of plans and specifications for use in soliciting quotes from outside contractors to complete this work shall be the subject of a separate Task Order.

- 8 Upon completion of the pilot study plan, four draft copies shall be made available for KCWA review. Upon incorporation of KCWA staff comments six copies will be provided for KCWA's use, two of which will be submitted to the RIDOH for review and approval.
- 9 C&E will address any comments from RIDOH and modify the plan accordingly such that final approval from RIDOH is achieved.

Outside Services

There are no outside services envisioned for this phase of the pilot study.

2.0 PERIOD OF SERVICE

The time period for performance of the services as set forth in the above Scope of Services for of the Project shall be approximately 60 days from receipt of a written authorization to proceed. Additional services may materially add to the time required to complete the work of the Project. C&E Engineering Partners, Inc. will be entitled to an equitable adjustment in the Period of Service as a result of services added.

BASIS OF COMPENSATION

Basic Services

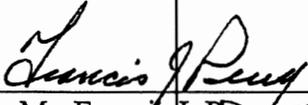
KCWA shall pay C&E Engineering Partners, Inc. for Basic Services rendered as described above a Not To Exceed Fee for completion of the tasks as described herein **Fourteen Thousand Eight Hundred Fifty Dollars (\$14,850.00)** which includes Basic Services and Reimbursable Expenses (i.e. mileage, copy, etc.).

4.0 ACCEPTANCE

Acceptance of the terms of this Task Order is acknowledged by the following authorized signatures of the parties to this Agreement.

OWNER

Kent County Water Authority

BY: 
Mr. Francis J. Perry
Chairman

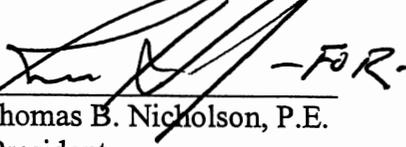
Address for Giving Notices

Kent County Water Authority
1072 Main Street
P. O. Box 192
West Warwick, Rhode Island 02893

Date: 3/16/05

ENGINEER

C&E Engineering Partners, Inc.

BY:  -FOR-
Thomas B. Nicholson, P.E.
President

Address for Giving Notices

C&E Engineering Partners, Inc.
342 Park Avenue
Woonsocket, RI 02895

Date: _____

EXHIBIT H

March 16, 2005



Kent County Water Authority

February 28, 2005

Mr. Daniel Varin, Chairman
Rhode Island Water Resources Board
100 North Main Street, 5th Floor
Providence, RI 02906

Dear Mr. Varin:

The Kent County Water Authority has been having significant discussions among the Board members on the subject of water conservation over the last year.

Demands on the Authority during the peak summer months have caused our average daily usage to more than double during peak periods. As I am sure the Board is aware, these demands put a severe strain on our ability to supply our customers, particularly as we experience significant request for expansion of our service area. The area experiencing the largest pressure for growth is the industrial corridor along Route 95, in the Towns of East Greenwich, West Warwick, Coventry and West Greenwich.

In order to control the demand during the peak periods, KCWA has instituted a permanent conservation policy of odd/even outdoor usage. Again, as you are aware, this type of restriction is common among many of the water suppliers in Rhode Island, particularly those in the southern part of the state and the east bay area.

However, our Board has constantly been faced with the complaints from our customers that many adjoining areas do not have such a ban, and are not requiring their customers to practice conservation. This makes it even more difficult for us to get our message of water conservation to our customers, and causes enforcement problems.

Therefore, at our February meeting, the Board unanimously decided to ask the Water Resources Board to step into the situation, and in recognition of the fact that water is a limited resource on a statewide basis, to take action to create a state wide policy on outdoor water use and conservation to be followed by all water suppliers in the state. It is our belief that the Water Resources Board has the authority to do this, and that it is the only agency with the necessary influence to be heard on this issue.

The Kent County Water Authority Board is more than willing to meet with you at any time with to further this proposal.

Yours truly,
Kent County Water Authority

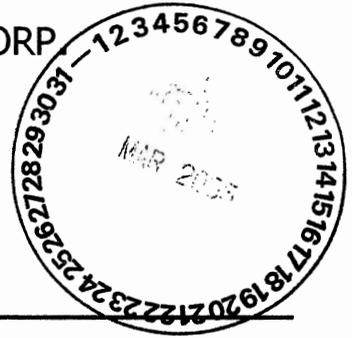
Francis J. Perry, P.E.
Chairman

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

EXHIBIT I

March 16, 2005

RHODE ISLAND TRUCK & EQUIPMENT CORP
1331 Main Street
West Warwick, RI 02893
401-828-0101



March 8, 2005

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

Dear Mr. Brown:

Rhode Island Truck & Equipment would like to extend our contract for annual bituminous concrete and portland cement repair services for sidewalks and roadways for the 2005-2006 fiscal year at our current contract prices.

We look forward to continuing our services to Kent County Water and upcoming projects in the future.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey S. Joaquin". The signature is written in black ink and is positioned above the printed name.

Jeffrey S. Joaquin



Kent County Water Authority

June 21, 2004

Mr. Jeffrey Joaquin
R. I. Truck & Equipment Corp.
1272 Main Street
West Warwick, RI 02893

RE: 2004 Kent County Water Authority
Bituminous Concrete Portland Cement
Repair Services

Dear Mr. Joaquin:

R. I. Truck & Equipment Corp. has been selected by the Board to perform the work requirements of the May 27, 2004 bid. All work will be authorized by separate purchase order in accordance with the Kent County Water Authority procurement procedures and bid documents. We will be contacting you in the next few weeks with a listing of repairs. Our point of contact for coordinating this type of work is Robert Austin.

We look forward to working with you and your company representatives on the upcoming work. Please feel free to call should you have any questions regarding this matter.

Very truly yours,
Kent County Water Authority

A handwritten signature in black ink, appearing to read "John Duchesneau", is written over the typed name and title.

John Duchesneau
Director of Technical Services

JD/clb

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

EXHIBIT J

March 16, 2005



COPY SENT TO	
BOARD MEMBERS	3/14/05
CHAIRMAN	
LEGAL COUNSEL	



March 11, 2005

Mr. Timothy J. Brown, PE
General Manager/Chief Engineer
Kent County Water Authority
1072 Main Street
West Warwick, Rhode Island 02893

**Re: Read Schoolhouse Road - 2 Million Gallon Water Storage Tank
Coventry, Rhode Island
PARE Project No. 04179.00**

Dear Mr. Brown:

As discussed in detail at today's coordination meeting regarding the above referenced project, the design development and associated site evaluation of the Read Schoolhouse Road 2 million gallon water storage tank has yielded significant geotechnical and foundation design issues relative to both the tank and site construction. Geotechnical investigations have determined that the water table is approximately five feet in depth across the proposed site. In that the proposed tank is considered a buried service tank and is mostly underground, the depth of the water table will compound the complexity of both the design and construction of this tank.

Currently, some of the factors resulting from the water table include major site dewatering issues to facilitate construction; a revised foundation design to counteract uplift of the structure; design of drainage facilities for future tank maintenance; and site design issues. These issues will have significant impact on the overall cost to construct the proposed water storage facility. In comparison, the cost to build this tank at the proposed site could potentially increase overall construction costs by four times the amount to build a tank of this size and style of construction, at a site with more suitable and manageable site conditions.

Based on this information, Pare Engineering Corporation (PARE) strongly recommends that the Kent County Water Authority (KCWA) consider pursuing alternate locations for the construction of the proposed tank facility. A possible location could be the area south of and adjacent to the proposed site, which was proposed as the staging area for construction within the overall temporary easement area designated for this lot of land. The topography of the adjacent area seems to indicate that the proposed tank could be constructed as an aboveground facility, or a partially buried structure. It is anticipated that both these design scenarios may incorporate a more typical tank foundation and floor design, or a modified structural slab depth, both of which could potentially reduce water table concerns. It should be noted that this adjacent site, or any other alternate site, would require additional survey, subsurface investigations, and geotechnical evaluation to fully evaluate its suitability for construction. Per your instruction at the conclusion of this morning's coordination meeting, PARE will not proceed any further

n Jk



Mr. Timothy J. Brown, P.E.

(2)

March 11, 2005

with design until further directed by the KCWA. We look forward to further discussions regarding the Read Schoolhouse Road 2 million gallon water storage facility.

Very truly yours,

George G. Palmisciano, P.E.
Senior Vice President

GGP/abv

Cc: Kevin Fitta, P.E., KCWA
Robert A. Anderson, Jr., P.E., PARE
Brendan F. Ennis, P.E., PARE

L:\04179.00 Read School House Tank\Corresp\TimBrown-031105.doc

EXHIBIT K

March 16, 2005

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
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

PROJECT	STATUS
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. Next customer letter April.
Blackrock Road Transmission Main - CIP-4	Concern on Construction Services. (C.O. #3 Discussion)
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Bid Opening April 12, 2005
Mishnock 4 Well Installation	On hold. RFP 4 & 5 plus control facility / T.P.

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2003	Construction complete except Pulaski Street Paving.
IFR 2004	Design ongoing. Contract to be Divided/add additions to Gilbert Street.
Geographic Information System Base Map	Completed.
Geographic Information System Second Phase	Mapping ongoing/winter shutdown
Tiogue Tank Modified Service Area	Station set. Hook-up on-going
Knotty Oak Road. Old CIP 5	Construction completed.
Setian Lane new pumping station and Frenchtown vault rehabilitation.	Recommend legal action. Liquidated Damages decision whether to assess and when.
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	No additional task orders.
Color Study Mishnock Wells	On hold. Board authorization needed to proceed.
Cleaning & Lining Greenwich Avenue	Request for Proposal
PROJECT	STATUS
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.