

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

July 19, 2006

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 July 19, 2006.

Chairman Perry opened the meeting at 3:30 P.M. Chairman Perry, Board Members, Mr. Gallucci, Mrs. Graham, Mr. Masterson and Mr. Boyer were present together with the General Manager Timothy J. Brown, Technical Service Director John Duchesneau, System Engineer, Kevin J. Fitta, Arthur Williams, Finance Director, Legal Counsel, Joseph J. McGair, and other interested parties.

The minutes of the Board meetings of June 21, 2006 were moved for approval by Board Member Boyer and seconded by Board Member Graham and were unanimously approved.

Guests:

High Service Requests:

The Chairman read aloud for the benefit of the attendees all of the revised standard conditions in lieu of a moratorium attached as "A".

The Chairman also read the memorandum submitted by the General Manager dated July 18, 2006 attached as "B" which states that the General Manager is the Department of Health licensed operator of the Kent County Water Authority system and that he can not countenance any further water approvals while the water deficit continues in order to avoid a catastrophic incident .

420 East Greenwich Avenue, Matthew Gilchrest (continuation)

The General Manager had previously conversed with the applicant who related that her plumber had told her that her problem was not with the water. Board Member Graham, also, had spoken to the applicant and had recommended that she shall appear at this meeting. The Applicant did not appear. Board Member Boyer stated that if the problem is that serious the applicants should have appeared and hired professionals. Board Member Boyer will have a site view.

368 Hopkins Hill Road, Hawkins

Charles S. Hawkins appeared and presented a letter from Robert Curran, LPS dated July 3, 2006 together with a design to correct his septic system. He stated that

the problem is that his septic system can not fit on the property if he does not have public water for his existing home. Board Member Boyer stated that the emergency health considerations require that the Hawkins family be allowed to tie-in to Kent County Water Authority.

The Chairman asked if the applicant heard and understood the revised standard conditions in lieu of a moratorium and was given a copy and stated that they would abide by the same.

It was moved by Board Member Boyer and seconded by Board Member Graham to allow tie-in subject to the revised stand conditions in lieu of a moratorium as follows:

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

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

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

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

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

6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping technique and/or proper planting bed (high water holding capacity) soil preparations shall be employed throughout the project.

And it was unanimously,

VOTED: To allow the applicant to tie-in subject to the revised standard conditions in lieu of a moratorium as follows:

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

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

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

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

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

6. If irrigation systems are installed, they must be supplied by a private well. Xeriscape landscaping technique and/or proper planting bed (high water holding capacity) soil preparations shall be employed throughout the project.

Hidden Ridge (5, 35, 45) East Greenwich (Irrigation Proposal)

Peter D. Nolan, Esq. representing Developer Levesque stated that he thought that numbers 40 and 55 Hidden Lane and 5 Secret Lane were the same for the prior three (3) applications last month but subsequently learned from Kent County Water Authority that it was not. He stated he would request that all subsequent applications under the similar data be approved by the staff. The General Manager stated that the Board could not vote on that since it was not posted according to the Open Meetings Law Mandate. The General Manager referred to his Exhibit B and that he felt that approval of these irrigation systems is very bad precedent. The Chairman stated he had significant concerns and that there would be no guarantee that a moratorium may be instituted which would nullify the use of these irrigation systems. Mr. Nolan

concluded but stated that in his opinion this project is different since these were approved in 2003 albeit he is aware that the Board has a different view. Mr. Nolan understood that the applicant may go to this expense for nothing if there is a moratorium. Board Member Masterson stated based on 2003 approvals and in keeping with last months 40 and 55 Hidden Lane and 5 Secret Lane.

Board Member Boyer and Board Member Graham stated that the applicant meets the requirements and Board Member Masterson moved and it was seconded by Board Member Boyer to approve supply to service the irrigation systems to 40 and 55 Hidden Lane and 5 Secret Lane subject to a moratorium and additional stipulations as follows:

This approval is stipulated that the developer must provide the additional cut sheet information regarding soil moisture sensors and the connection configuration to the sprinkler system controller.

This submission must also show the moisture sensor installation location on each zone and a narrative of the system operation once fully configured. All information must be presented to the Kent County Water Authority for review and approval prior to authorizing the activation of each system. This conditional approval pertains only to the addresses listed above. No other lots are authorized for irrigation systems. Proposed irrigation systems for the remaining lots in this subdivision must be applied for on an individual basis as required in the original approval for development. The Board of Directors must review and approve any additional supply to service proposed irrigation systems at the remaining sites.

And it was unanimously,

VOTED: To approve supply to service the irrigation systems to 40 and 55 Hidden Lane and 5 Secret Lane subject to a moratorium and additional stipulation as follows:

This approval is stipulated that the developer must provide the additional cut sheet information regarding soil moisture sensors and the connection configuration to the sprinkler system controller.

This submission must also show the moisture sensor installation location on each zone and a narrative of the system operation once fully configured. All information must be presented to the Kent County Water Authority for review and approval prior to authorizing the activation of each system. This conditional approval pertains only to the addresses listed above. No other lots are authorized for irrigation systems. Proposed irrigation systems for the remaining lots in this subdivision must be applied for on an individual basis as required in the original approval for development. The Board of Directors must review and approve any

additional supply to service proposed irrigation systems at the remaining sites.

Hill Top Phase 3 – request to appear continuation

The Applicant did not appear and the matter was not addressed.

Town of East Greenwich Resolution on Signal Ridge Re-Service

In attendance were the East Greenwich Town Manager, William Sequino and Town Council President, Michael Issacs who asked the Board to commit to the Signal Ridge re-service. The Chairman stated that there are no funds in the CIP account for Signal Ridge albeit he understands it is a good project. The General Manager stated that this project is #10A CIP and funding can only be derived from a subsequent rate filing request for a bond issue. The Chairman stated that there are a significant amount of good projects which have funding and must be completed. The General Manager stated that he will be reviewing the bond priorities and Board Member Masterson queried the General Manager regarding the same. The General Manager spoke about the short comings of water lines in Signal Ridge which has been compounded by different sized piping. The General Manager stated that he ultimately preferred to come from Route 2. Board Member Boyer asked about financial participation from area developers and the General Manager stated there has been no rush by developers to volunteer participation. Board Member Masterson stated that there are pressure issues which should be reviewed. The General Manager further stated that Kent County Water Authority does not have the water now since it is exceeding its capacity and that is why he has recommended moratorium for several months. Board Member Graham asked if booster pumps would solve the current problem and the General Manager stated that in all probability that there are boosters currently in place. The General Manager stated that he could not recommend a rate filing at this time. Board Member Masterson inquired about fire protection and the General Manger stated that the former fire chief had previously approved the uses in place, however, he is no longer connected with the fire department. The Chairman stated that Kent County Water Authority must look at all projects and review the priorities. Board Member Graham has concerns about the pressure. The Chairman pointed out that this problem preceded this Board and was approved by the local Fire Authority. Board Member Boyer wanted to know about a potential project being re-prioritized on the list. The General Manager stated it was possible but it would require the rate filing with PUC. Board Member Gallucci asked about the projects which have not been implemented and what the affect would be on the other projects. The General Manager stated that there were not many of those, but that the 1A, 1B, 1C projects were on hold because of the Department of Environmental Management permit issue. Board Member Masterson queried the Town Manager regarding any grants available. Council President Michael Issacs stated that the State of Rhode Island constantly promotes putting money in for economic Development but not for this type. The General Manager stated that the Route 2 project range is \$2 million or conversely, \$5 million from Crompton. The Chairman stated that Kent County Water Authority does not have the right to have impact fees capability and that could

only change by PUC. The General Manager stated that additional water sources are the Kent County Water Authority top priority. The Chairman thanked the Council President and the Town Manager for coming.

Legal Matters

Relocation of Tank Site – Read School House Road

Legal Counsel, the Chairman, and the General Manager met with the Acting Town Manager, Richard Sullivan, Solicitor, Patrick Sullivan and the Director of Public Works, Sheila Barrett and the Parks and Recreation Director. The land swap was agreed to for location of the tank. Legal Counsel performed a current owner rundown with respect to the land owned by the Town of Coventry and is pursuing whether or not the Town received an owner's policy of title insurance. Legal Counsel will review the Planning Department records to ascertain whether or not there are any restrictions on the land given that it is designated as open space with respect to the proposed use of the site. The Solicitor advised Legal Counsel that he will ascertain whether or not a special use permit from the Zoning Board of Review is required and Legal Counsel will follow up with the Solicitor as to this issue.

Facility Access – Amgen

Easement rights of Kent County Water Authority are impeded due to Amgen's security protocol. Legal Counsel has researched the easement rights of Kent County Water Authority and this issue will be reviewed by the Board.

NE Gas/DPUC/Greenwich Avenue/Warwick

Kent County Water Authority and Legal Counsel are awaiting final, executed copies of the documents from New England Gas and a stipulated release from DPUC. Legal Counsel sent a follow up letter to the other attorney on July 17, 2006.

Wakefield Street, West Warwick Tank Site

The General Manager stated that the appraisal of the site has been obtained by Kent County Water Authority and that the Town of West Warwick owns most of the land and this matter will be reviewed further.

Department of Health follow up private systems

Legal Counsel sent a general matrix to Kent County Water Authority the week of June 13, 2006 and the staff of Kent County Water Authority and Legal Counsel will work on the matrix together and will then present it to the Department of Health. The General Manager stated that they will write comprehensive regulations rather than just an outline and that the General Manager and Kevin Fitta will be meeting to review this matter and then will meet with Legal Counsel.

Centre of New England (First case)

Kent County Water Authority Board Members signed their releases on September 23, 2005 and September 26, 2005 and we have not received the original release from the Plaintiff and the Board direction is this is to be pursued.

National Grid Easement

Legal Counsel will contact National Grid to obtain a recorded copy of the easement.

Morgan Court, Coventry Easement

Kent County Water Authority discovered that an older line is located near the foundation of a dwelling, however, the owner will not permit the excavation of his driveway in order to relocate the line. Legal Counsel did not discover a historical easement of record for this line given the age of the line. Legal Counsel was advised by the Town that part of Morgan Court is owned by the property owners and the other portion is owned by the Town. Kent County Water Authority will further review this service matter.

Public Works Future Contract Language

Contract language was worked on with regard to arbitration and substantial completion and will be inserted in all contacts.

Coventry Water Shed site trespass

Criminal trespass charges were filed on June 21, 2004 regarding the unfortunate accident at the watershed site and the inter-local trust was notified immediately.

Demetrakas/Billing dispute

Billing dispute was heard by the Hearing Officer at DPUC and Kent County Water Authority is awaiting a decision from the hearing officer.

Potowomut Agreement

The Agreement with the City of Warwick has been forwarded to the Board for review and the agreement will be forwarded to the City of Warwick.

Kent Hospital/Tollgate/Emergency Interconnection

This will be addressed by Legal Counsel and Kent County Water Authority staff.

Director of Finance Report:

Arthur Williams, Finance Director, explained and submitted the financial report and comparative balance sheets, statements of revenues, expenditures, and cash receipts, disbursements through June, 2006 and closing documents which is attached as “C”, and after discussion, Board Member Boyer moved and seconded by Board Member Gallucci to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes and it was unanimously,

VOTED: That the financial report, comparative balance sheet statement of revenues, expenditure, cash receipts and disbursements through June, 2006 and closing documents, be approved as presented and be incorporated herein and are made a part hereof as “C”.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT OLD BUSINESS:

Supplemental Water Supply for Discussion

The General Manager stated that the design of Wakefield Hill is in the works and will be part of the CIP which will necessitate a study. The highest priority is supply.

PWSB Possible 3rd Aqueduct Connection, Permanent Interconnection

The General Manager stated that he is in the process of obtaining a meeting with the Providence Water Supply Board regarding the third connection and to investigate funding via the Water Resources Board.

Discussion Private Systems Operations & Ownership, D.O.H.

This matter was discussed in legal infra.

AMGEN Security Access to KCWA Property

This matter was discussed in legal infra.

Landscape Irrigation Discussion and Direction

The General Manager re-issued the landscape irrigation memo of June 5, 2006 as dated July 18, 2006 as “D” which is self-explanatory. He stated that if the weather becomes hotter and is rainless, a moratorium could be imposed and it would be a direct result of outdoor irrigation. The General Manager stated that there are still customers who do not even have a ground sensors as well as a rain sensors. The Chairman posed that in the future service fees may be instituted as are in place by the Kingston

Water Company. The General Manager stated that universal regulation and enforcement is necessary to stop customers from wasting water. The General Manager stated the real answer is to stop the installation of underground landscape irrigation. The Chairman stated that lawn limitations should be imposed by the municipality with zoning and planning regulations.

New Business

Bid Approval

Paving and Sidewalk

The General Manager stated that two proposals were received. International Paving Corp. submitted a bid of \$188,180.00 and Oak Hill Farms, LLC submitted a bid of \$412,780.00. The General Manager recommended the lowest bidder. It was moved by Board Member Masterson and seconded by Board Member Boyer that the repair services for sidewalks and roadways proposal be awarded to International Paving Corp. in the amount of \$188,180.00 as attached as “E” and it was unanimously,

VOTED: That the repair services for sidewalks and roadways proposal is awarded to International Paving Corp. in the amount of \$188,180.00 as attached as “E”.

Regulation Modification Review

That Chairman stated that the Board will review the same. The General Manager gave an overview of the proposed modifications.

Water Meter Obsolescence – Approval of Replacement

The General Manager stated that this has been discussed at previous Board meetings and that the E-Coder/R9001 is unfortunately the only one which can be used with our system and can not be used with any other product. The cost is approximately \$150.00 and can be bought in lots of 100. It was moved by Board Member Graham and seconded by Board Member Boyer to purchase the product, namely Neptune E-Coder/R900i in lots of 100 and it was unanimously;

VOTED: To purchase the product, namely Neptune E-Coder/R900i in lots of 100.

Payroll System Approval

Employee Handbook Revision Approval

Board Member Graham moved and Board Member Gallucci seconded the motion to move into executive session for the discussion of personnel issues pursuant to R.I.G.L. 42-46-4 and 42-46-5(a)(2) and it was unanimously,

VOTED: To enter into executive session for discussion of personnel issues pursuant to R.I.G.L. 42-46-4 and 42-46-5(a)(2).

Board Member Graham moved and Board Member Masterson seconded to exit executive session and to keep the executive session minutes closed and that the minutes shall remain under seal pursuant to R.I.G.L. 42-46-4 and 42-46-5 and it was unanimously,

VOTED: To exit executive session and to keep the executive session minutes closed and that the minutes shall remain under seal pursuant to R.I.G.L. 42-46-4 and 42-46-5.

S-2681 Sub A-39-3-43 Action by the Board

The General Manager asked the Board to have Legal Counsel review the statute as the law affects Kent County Water Authority ability to implement its water policies.

The Board generally discussed the prerogative. The General Manager believed that the law is not proper and that the water may not be there and Amgen has been notified of the same. The General Manager was very adamant that the statute be reviewed by Legal Counsel.

The Chairman agreed that research on this issue should be done to apprise the Board what the legal citations might show since this is such an unusual action by the legislature. It was the sense of the Board that Legal Counsel research this issue.
Warwick Wholesale Agreement Potowomut, Action Required

The General Manager stated that this Agreement appended as “**F**” needs to be put in place with the City of Warwick because it is security for both entities.

Board Member Gallucci moved and Board Member Graham seconded that the draft is approved for transmission to the City of Warwick and the Chairman shall have the authority to execute an agreement in substantially the same form and it was unanimously,

VOTED: That the draft is approved for transmission to the City of Warwick and the Chairman shall have the authority to execute an agreement appended as “**F**” in substantially the same form.

CAPITAL PROJECTS:

INFRASTRUCTURE PROJECTS :

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

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

VOTED: To adjourn the meeting at 7:50 p.m.

Secretary Pro Tempore

EXHIBIT A

July 19, 2006

Revised Conditions

- The Kent County Water Authority (KCWA) is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third party commitments made by a applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
- A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA, the KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers of KCWA.
- Ventures, commitments or agreements are at the applicant's sole risk if supply or existing infrastructure is found to be insufficient to support service. The applicant may afford the Authority with system improvements to facilitate adequate service.
- The applicant shall file a formal application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the project, will be the responsibility of the applicant/customer and not the KCWA.
- Only conservation-wise plumbing fixtures are to be installed including but not limited to low flow shower heads, low flow toilets and low flow aerators on faucets.
- If irrigation systems are installed, they must be supplied by a private well. Xeroscape landscaping technique and/or proper planting bed (high water holding capacity) soil preparation shall be employed throughout the project.

EXHIBIT B

July 19, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Board Meeting, July 19, 2006
Date: July 18, 2006

Prior to the Board's action on high service requests for the July Board meeting, I must for the record state my objection again for any additional approvals being granted; in particular, for irrigation. It does not seem proper to allow high service irrigation when we are scrutinizing each project that requests water from the high service. This added demand which is somewhat uncontrollable to the high service gradient will certainly exacerbate a serious situation that exists. Any added demand will cause additional supply problems in the high service gradient. As before, any catastrophic incident requiring water during the maximum day demand period when the system may not be able to supply will place liability upon the Authority for whatever ramifications occur due to the catastrophe. The calculated maximum day demand has already been exceeded. C & E Partners, Incorporated have clearly indicated this to the Board, the calculations have been reviewed and checked by the engineers and the existing conditions have indicated that calculations of modeling provided by the engineers is accurate. I must, again, urge the Board to implement a moratorium on all future high service requests as the Kent County Water Authority cannot serve new customers until a source of supply is operational or at least a definitive plan with full financing is established to deal with the shortage. We are now hitting our demand season and because of the excessive rainfall, it has been controlled. We are policing outdoor water use as need be in order to have compliance with the odd/even watering policy. Again, if critical tank levels are reached and supply cannot be provided, steps will be immediately taken to reduce a serious situation and demand within the system. I consider this a very serious issue and ask for the Board's concurrence on my recommendation.

EXHIBIT C

July 19, 2006

KENT COUNTY WATER AUTHORITY
CASH LOCATION
FISCAL YEAR 05-06

CASH LOCATION:	JUL 2005	AUG 2005	SEP 2005	OCT 2005	NOV 2005	DEC 2005	JAN 2006	FEB 2006	MAR 2006	APR 2006	MAY 2006	JUN 2006
Chetara 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	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Fleet Bank - Deposit	101,397.17	29,053.89	95,978.80	264,357.17	45,786.58	154,671.66	54,599.62	134,867.87	21,357.09	72,633.39	85,822.02	21,077.81
Fleet Bank - Checking	5,698.75	14,800.56	50.71	16,589.28	1,398.69	143.65	18,439.74	2,655.99	24,907.92	26,327.16	30,137.50	205.88
	147,095.92	83,854.45	136,029.51	320,946.45	87,185.27	194,815.31	113,039.56	177,233.80	86,265.01	138,960.55	155,959.52	61,283.69
U. S Bank - Project Funds												
Revenue	97,432.72	12,577.68	217,589.74	885,941.23	145,525.46	69,844.87	139,628.41	267,782.80	193,898.45	549,592.89	32,052.71	68,536.85
Infrastructure Fund	3,739,023.45	3,477,300.03	3,485,942.91	3,916,789.08	4,971,631.90	5,383,008.39	5,750,349.85	5,706,989.23	6,169,535.14	6,190,084.67	6,880,678.64	6,883,740.31
Operation & Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Retention & 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	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00
Renewal & Replacement Fund	143,503.66	157,146.92	160,824.68	169,232.20	178,283.59	187,089.22	183,282.29	194,183.85	156,294.96	165,273.13	74,966.18	83,808.04
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	521,820.03	521,820.03	521,820.03	521,820.03
General Project - 2001	1,829,719.29	1,438,243.50	1,442,381.69	1,381,969.12	1,041,567.55	1,044,899.88	1,357,467.34	149,628.45	323,595.18	504.42	505.97	507.81
Debt Service Fund - 2001	65,313.44	131,053.87	196,529.69	262,163.39	338,001.05	394,049.44	257,366.16	323,108.46	386,689.39	456,108.46	522,776.31	589,758.88
Debt Service Reserve - 2001	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00
Cost of Issuance - 2001	38,181.83	38,268.87	38,357.34	38,449.55	38,550.75	38,657.71	38,773.61	38,893.09	39,009.59	39,141.70	39,275.11	39,417.74
General Project - 2002	23,333,898.63	23,385,257.18	23,441,154.73	23,497,505.14	23,559,555.86	23,624,717.74	23,694,544.46	23,768,561.06	23,850,636.53	23,941,377.89	24,042,885.78	24,147,752.55
Debt Service Fund - 2002	172,228.98	329,809.24	487,071.36	644,712.84	802,847.64	961,490.75	1,121,448.87	1,289,502.07	1,468,561.06	1,658,612.28	1,859,663.48	2,072,715.89
Debt Service Reserve - 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	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01
Cost of Issuance - 2002	5,791.76	5,804.51	5,818.38	5,832.17	5,846.11	5,860.14	5,874.32	5,888.64	5,903.15	5,917.71	5,932.35	5,947.05
Debt Service Fund - 2004	140,726.48	218,031.54	323,788.89	429,724.13	536,010.11	642,627.19	749,581.57	856,817.79	964,528.33	1,072,713.95	1,181,375.89	1,290,518.87
Debt Service Reserve - 2004	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75
Cost of Issuance - 2004	5,840.36	5,854.32	5,868.39	5,882.46	5,896.53	5,910.60	5,924.67	5,938.74	5,952.81	5,966.88	5,980.95	5,995.02
Redemption Account - 2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	\$ 36,022,640.48	\$ 35,582,078.96	\$ 36,245,232.03	\$ 37,873,723.50	\$ 38,014,972.35	\$ 38,869,307.21	\$ 38,066,404.22	\$ 38,482,355.48	\$ 38,626,460.53	\$ 39,468,648.40	\$ 38,714,787.95	\$ 37,828,744.91

EXHIBIT D

July 19, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Landscape Irrigation
Date: June 5, 2006 Reissued July 18, 2006

Attached you will find a memo that I had John prepare concerning landscape irrigation and the concerns with this. It is very important that we address this issue now. My concern is that ultimately if we are required to institute a moratorium on summer usage, people who have installed sprinkler systems and who have spent considerable sums of money doing so will not be able to utilize them. In turn, they will blame Kent County Water Authority for the fact that the sprinklers may not be utilized. It also is of great concern as to how to fairly and equitably implement our regulations to the customers concerning this issue. This issue should be considered when we review our regulations again this month and we request the Board's direction. Because of the length of the June meeting, we may wish to have a Special Board Meeting on the regulations, this issue and any other issues that are pertinent to the regulations. I would certainly be happy to discuss this issue with any Board member in the interim as to any potential remedies.

OFFICE MEMO

To: Timothy Brown
From: John Duchesneau
Subject: Landscape Irrigation System
Date: June 5, 2006

In November 2005, Glen Dixon discovered that some landscape irrigation systems had been installed in the Middle Woods Subdivision. Some of these landscape irrigation systems were found to be connected to the public water system in conflict with the approval given to the Middle Woods Subdivision. After this finding we contacted the Town of East Greenwich building office to inquire why they had provided permits for these installations. They indicated they were not aware of the irrigation system restriction in the subdivision approval from KCWA. As a result of this finding, we provided the Town of East Greenwich with a list of streets supplied by the high service so that they could ensure that certificates of occupancy and/or plumbing permits were not provided for irrigation system installations in these areas.

Since that time, we have been inundated with calls regarding requests for connection to the public water system for landscape irrigation systems. Most recently, we were also visited by Patrick Luther, Plumbing Investigator for the State of Rhode Island regarding irrigation systems that had been installed in East Greenwich without a plumbing permit application. Mr. Luther's concern was mainly the illegal installations, but he also wanted to find out more about the street listing and supply issue related to the installations in East Greenwich. He wanted to know what we were doing to be consistent with the irrigation decision making process in the other cities and towns we service. Many of the irrigators have expressed that they do not understand why one part of our system is restricted and the other is not, because they are of the understanding it is an overall supply issue not distribution to one part of our system.

Currently Board of Director approval is required for domestic water supply from the high service. Any approval of this nature requires that no outside irrigation systems be connected to the public water. The language of the stipulated approval is per the court determined language on this. So far only new applications have been affected by this approval process. In general

landscape irrigation system installation has been occurring throughout our system without application to the KCWA per the requirements of section 2.7 of our regulations.

This poses a situation regarding what to do about existing customers on the high service and/or all customers that want to install irrigation systems. Irrigation systems in general have a large impact on the availability to all service gradients. The original model used real-time billing data to create the demand scenario(s) for the system wide model. One gradient feeds another. Continued irrigation system installation in any gradient will have an adverse impact on the overall supply issue.

Our Regulations, Section 2.7 irrigation systems, requires that lawn or landscape irrigation system installations be approved by the Kent County Water Authority prior to installation. We do not currently have an actual application for this type of request. I have been informing irrigators with the most recent requests to provide a letter of request along with catalog cut sheets for the irrigation components to be used. If they are on high service, they receive a letter stating that they need to come before Board as the specific approval body.

The overall difficulty with this evolving problem is whether or not there is any differential between existing customers and new customers regarding high service. Any change in service or occupancy impacts demand. Also, should all irrigation systems, low and high service, be applied for per our regulations to ensure compliance with the minimum equipment requirements in our regulations? All cities and towns would require official notification and KCWA would need a formal application process. There is also the problem of the impact of the irrigation systems installed on the low service have on high service as the low service feeds the high service. The more irrigation water or total taken on the low service would undoubtedly have an impact on the ability to supply in the high service. This was clearly outlined and reviewed in our hydraulic analysis by C&E Engineers. Another issue is how to ensure each irrigation demand is accounted for and documented in our customer database. During previous outside water use moratoriums we have had a very difficult time identifying who has irrigation systems and which are supplied from wells. Many systems are already installed, and we do not have any background information on them.

We need some direction on these issues and how to handle high service requests for irrigation.

I think these issues, especially service for irrigation in the high service as it pertains to new and existing customers, needs to be reviewed by the Board so that we can properly respond to requests for this type of water service.

Most recently, I have received calls from the President of the Rhode Island Irrigation Association and he would like a list of streets in which high service supply would be an issue for irrigation. Again, this would be a very difficult situation to manage because Coventry, West Warwick, East Greenwich and West Greenwich all have supply from both 334 and 500 foot gradients. New subdivisions are going in all the time. At the time of application to our office, the street names are normally not finalized.

EXHIBIT E

July 19, 2006



OFFICE MEMO

To: File
From: John Duchesneau
Subject: Annual Bituminous Concrete and Portland Cement Repair Services Bid
Date: July 18, 2006

On July 18, 2006 two bids were received. International Paving Corporation in the amount of \$188,180.00. The second bid was from Oak Hill Far, LLC in the amount of \$412,780.00. After review of the bids, I recommend award to the lowest bidder, International Paving Corporation. International has been performing paving repair work for the past two years and there have not been any noted deficiencies in the work performed to date.

KENT COUNTY WATER AUTHORITY
REQUEST FOR BID
ANNUAL BITUMINOUS CONCRETE AND PORTLAND CEMENT REPAIR SERVICES FOR
SIDEWALKS AND ROADWAYS
PRE-BID CONFERENCE – JULY 18, 2006

The Bid Opening for the Annual Bituminous Concrete and Portland Cement Repair Services for Sidewalks and Roadways was held at 10:00 a.m., July 18, 2006 per the requirements of the Bid Invitation advertised in the Providence Journal on Monday, July 3, 2006.

At 10:00 a.m. receipt of bids was closed and the Bid Opening began by John Duchesneau briefly describing what the Bid entailed followed by the opening of the submitted Bids listed below:

1. **International Paving Corp.**, 1331 Main Street, West Warwick, RI 02893
Darlene E. Joaquin, P. 401.826.4488, F. 401.828.0144

Total Base Bid Price Items 1-14 = \$188,180.00

Bid Bond Included

2. **Oak Hill Farm, LLC**, 15 Carl Street, Johnston, RI 02919
Julie Monte, P. 401.886.0615, C. 401.640.4566, F. 401.885.2041

Total Base Bid Price Items 1-14 = \$412,780.00

Bid Bond Included

The Bid Opening closed at 10:10 a.m.

EXHIBIT F

July 19, 2006

AGREEMENT

This Agreement is made by and between the City of Warwick, a municipal corporation organized and existing under the laws of the State of Rhode Island, with its principal office located at 3275 Post Road, Warwick, Rhode Island, hereinafter identified as the City, and the Kent County Water Authority, a water district incorporated and existing under the General Laws of the State of Rhode Island (R.I.G.L. 39-16-1, et seq.) and is regulated by the Rhode Island Public Utilities Commission, with its principal office located at 1072 Main Street, West Warwick, Rhode Island hereinafter identified as KCWA.

WHEREAS, KCWA previously installed a water main near the intersection of Post Road and Old Forge Road, Rhode Island (the "Potowomut Connection") to supply water to the City water system.

WHEREAS, the City currently draws water from said main and supply water connection for purposes of use by customers of the City.

WHEREAS, the City, in consideration of water service, is willing to share expenses with the KCWA concerning the Potowomut Connection, and associated transmission and supply equipment,

WHEREAS, KCWA is willing to agree to permit the City to have said water service, but only on the terms and conditions continued in this Agreement.

NOW, THEREFORE, the City and KCWA, upon the premises stated above and for valuable consideration as stated herein, agree as follows:

1. City acknowledges that title to said Potowomut Connection at Post Road and Old Forge Roads remains vested solely in KCWA and that the entire care, custody and control of said transmission and equipment, including all valves and other items controlling the flow of water

but excluding the Warwick Water System infrastructure and improvements from same to the City, is and shall remain solely in the KCWA at all times.

2. Subject to the other terms and conditions of this Agreement, including but not limited to Sections 3. and 4. hereof, the KCWA agrees to permit water service to the City to meet with the demands of Warwick's customers.

3. The parties agree that the primary obligation and responsibility of the KCWA at all times is to maintain a sufficient supply of water, with adequate pressure and flow rates, within the KCWA water system to provide for the fire protection requirements of the City and to satisfy all other water needs of the Water customers of the KCWA, all as determined by the KCWA in its exclusive discretion bearing in mind that City serves Warwick residents and businesses through the Potowomut connection.

4. At times, there may be an emergency such as the Providence Water Supply Board can not supply an adequate amount of water or a breach or maintenance in the KCWA infrastructure causes serious interruption of supply or, the suspension or reduction of the supply of water to City from the Potowomut connection located at Post and Forge Road to the City pursuant to this Agreement.

5. The parties agree that in any period where there are water supply deficits that each entity shall endeavor to assist the other in a cooperative manner to prevent interruption of water supply to any of their customers and to have the Potowomut Connection fully operational as soon as practical.

6. That in the event that there must be a water interruption to the City, KCWA agrees to provide advance notice to City or without advance notice to City, whenever necessary to respond to a threat of immediate harm to persons or property and, or, KCWA customers and KCWA will

endeavor to notify City of the KCWA decision and actions as soon as may be possible under the circumstances and that under any circumstance, the parties will cooperate to assist each other to promptly return the connection to full capacity.

7. City will pay its share of all costs of operation, maintenance and repair with respect to said transmission main, Booster Station, East Greenwich Well valves and all other apparatus and equipment associated therewith. City will pay to KCWA its share of such operations, maintenance and repair expenses based on the percentage of water from said Potowomut Connection used by City. City has installed a meter at its own expense for the purpose of measuring the amount of such water used by Warwick, which meter shall be read jointly by the parties at regular intervals.

8. City agrees to pay to KCWA the same rate for water it uses as KCWA pays to the Providence Water Supply Board for said water. The KCWA shall bill City for the cost of water used by City, and fair share of all operational, maintenance and repair costs as aforesaid on a monthly basis pursuant to the Agreement, or at such other regular intervals as may be agreed upon by the parties from time to time

9. The KCWA shall maintain complete records detailing the basis for all water usage rates, operational costs, maintenance and repairs associated with the Transmission Main Booster station, East Greenwich Well and all apparatus and equipment associated therewith. All billings from the KCWA to City concerning operations, maintenance, repairs and water rates shall be evidenced by and based upon such records, copies of which shall be supplied to City at the time of billing and upon request at any time by City.

10. The parties agree that they will review this Agreement at each and every ten (10) year interval in order to address changing conditions.

11. The individuals executing this Agreement represent that they have been duly authorized to do so and that this Agreement has been specifically approved by the respective authorized governing bodies of the City and KCWA.

12. This Agreement has been executed in contemplation of statutory law in the State of Rhode Island including the Charter and Ordinances of the City of Warwick, and the enabling legislation of the KCWA current as of the date of this Agreement. In the event of any inconsistency between any term or provision of this Agreement and such laws and ordinances, such laws and ordinances shall prevail, but the remainder of this Agreement, to the extent not inconsistent with such laws and ordinances, shall remain in full force and effect.

13. Any modification or amendment to this Agreement shall not be effective unless it shall be in writing, and signed by duly authorized representatives of the parties hereto.

14. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and seals affixed by their respective proper officers, thereunto duly authorized this _____ day of _____, 2006.

CITY OF WARWICK

By _____

KENT COUNTY WATER AUTHORITY

By _____

EXHIBIT G

July 19, 2006

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	Pilot Program Mishnock Proceeding
Blackrock Road Transmission Main – CIP-4	Completed
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Construction On-going Pumps Operational
Read School House Road Tank CIP - 7B	Legal Review of Land Swap Board Approval
Read School House Road Main CIP 7c, 7d, 8a	On hold till tank site is secured.

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2003	Construction completed.
IFR 2005	Construction On-going.
IFR 2006 A	Reconfiguration & Design Underway
IFR 2006 B	Reconfiguration of Design
IFR 2007	On Hold Due to Funding
Geographic Information System Base Map	Completed.
Geographic Information System Second Phase	Completed.
Knotty Oak Road. Old CIP 5	Construction completed.
Tiogue Tank Modified Service Area	Project closed out.
Setian Lane new pumping station and Frenchtown vault rehabilitation.	Completed.
Setian Lane Tank painting	Completed.
Oaklawn Meter Replacement IFR	Completed.
PWSB 78" / Johnson Blvd. P.S. Modification	Ames Street & Main Street Rehabilitation Design Proceeding Under 2006 A.
Rehabilitation Mishnock #3	Redevelopment completed.
Revised Hydraulic Model	
Color Study Mishnock Wells	Pilot Program Operational. Review Removal Report
Cleaning & Lining Greenwich Avenue	Out to Bid
Spring Lake Well Redevelopment	Completed.
PROJECT	STATUS
Web site preparation	Up and running.
Strategic Plan	For Approval
CCR 2003	Mailed.
Colvintown Road	Completed.