KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

October 18, 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 October 18, 2006.

Vice President, Peter Masterson (Chair) opened the meeting at 3:30 P.M. Board Members, Mr. Gallucci, Mrs. Graham, and Mr. Inman 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. Mr. Boyer was absent.

The minutes of the Board meetings of September 20, 2006 were moved for approval by Board Member Graham and seconded by Board Member Gallucci and were unanimously approved.

Guests:

High Service Requests:

Chairman Masterson read aloud for the benefit of the attendees all of the Kent County Water Authority revised standard conditions in lieu of a moratorium from regulations 1.14.1, et seq.

Chairman Masterson also read the memorandum submitted by the General Manager dated October 11, 2006 attached as "**A**" 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.

Old Farm Road–John Buontempo Continued

Mr. Buontempo did not appear and this matter was passed.

Villas on the Green, East Grenwich–Request to Appear

Peter D. Nolan, Esq. and Scott Moorehead appeared before the Board concerning the project at the East Greenwich Golf Course which Mr. Nolan stated will be shortened during the construction.

Mr. Nolan stated that the East Greenwich Town Council approved extension to the Brooks high service line to construct 2,000 ft. of high service line which is approximately 600 feet before Signal Ridge and the Town approved the master plan.

Scott Moorehead, P.E. stated that the build out would take approximately three (3) years and he is aware that they would not be able to obtain pressure from low service. Mr. Moorehead stated that the project would be 49 two bedroom condo units and the shortened golf course will remain irrigated by well water and pond water. He estimated that it would cost approximately $600,000 for the estimated 2,000 feet of pipe. Mr. Moorehead stated that they would comply with Kent County Water Authority modeling and all other Kent County Water Authority rules, regulations and fees.

Board Member Gallucci asked for details of construction which were provided. The Chair made it clear that the pond was for fire service as well as irrigation. Mr. Moorehead stated that there was no Department of Environmental Management issues since there were grandfather rights. Mr. Moorehead stated that irrigation of the golf course will not impact Kent County Water Authority in any way.

The Chair asked about aid in construction concerning Route 2 (Bald Hill). The General Manager stated that the Bald Hill improvement is in planning but there is no provision in the CIP for Signal Ridge and Crompton Road.

The Chair stated these improvements would be of great value to the Kent County Water Authority System and are similar to the Herb Chambers or Quaker Lane projects. The SFM Engineering memorandum is attached as **"B".** Board Member Graham had questions regarding the piping size of 16" and the general construction. The General Manager stated that the Brooks piece is ready to come on line, however, infrastructure must be in place prior to approval. The Chair reiterated that the Town is adamant to have water service in that area and if can obtain 2,000 feet without rate payers being responsible for the infrastructure, it would be beneficial to the system.

The Chair made inquiry of the owner, Gregory Contardo who was present and he stated that Richard Grasso was his partner. Board Member Gallucci mentioned that the Bald Hill agreements with Warwick were completed but the General Manager reminded all that Kent County Water Authority will still need a PUC approval for financing approval which would make 2 to 3 years for the construction a realistic target. He further stated that an abbreviated rate filing could not be used and financing could be dependent on the legislative commission. He estimated $7 million as a price tag depending on the routing. The General Manager stated that the water shortage is based upon maximum day (fire protection of the system) and if Kent County Water Authority could control outdoor water use which is frustrating to police, there would be no shortage. He further stated that is why he continues to write memos to the Board to cease the issuing of approvals.

The Chair questioned the business decision to be made by these applicants that water may not be available when this project is completed. The Chair stated that the

Board would only consider this project extension as proposed in exchange for the benefit of the system.

Board Member Inman suggested that each Board Member should review the materials and consider the proposal at a subsequent meeting.

2271 Middle Road (West of Moosehorn), East Greenwich, Colucci- Request to Appear

Alfred and Linda Colucci appeared and stated that their home site construction was for a single family home since they were downsizing and stated that there is an old septic system on the site and the well has gone dry. Further, because of new ISDS regulations of Department of Environmental Management will make construction impractical and difficult. They have a concern that in Western East Greenwich there are high barrilium counts which is a known carcinogen. They will employ many water saving appliances and if they do not have Kent County Water Authority approval, they will not be able to build. The General Manager agreed there is a high level of barrilium in East Greenwich and Coventry as a natural occurrence.

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

The Chair moved and it was seconded by Board Member Gallucci to allow the connection based upon health and hardship and subject to the conditions in the Rules and Regulations 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 connection based upon health and hardship and subject to the conditions in the Rules and Regulations 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.

21 Sharon Drive, Coventry- Ferrara–Request to Appear

Stacey Ferrara appeared before the Board for connection of water (1/4 acre) which she demonstrated to the Board by using a plat map and stated that there is no room for a well. She said that the property is on Johnson's Pond and it has ISDS approval. She will stipulate to water saving devices and will not have a garbage disposal. The Chair questioned the juxtaposition of the septic to the well. House Designer, Paul St. Amand stated that there is a waterline directly in front of the property. He stated that there is a problem with contamination and that abutting properties ISDS systems are also problematic. The General Manager stated that there is suspended service available and it was put in years ago in case the property was developed.

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

It was moved by Board Member Inman and seconded by Board Member Gallucci to approve water service connection based upon hardship and subject to conditions in the Rules and Regulations 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 connection based upon health and hardship and subject to the conditions in the Rules and Regulations 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.

<u>Hill Top Phase 3–Request to appear continuation</u>

Robert Murray, Esq. and the applicant, Armand Cortelleso appeared before the Board. The General Manager stated that the staff has reviewed the revised submission from Joe Casali Engineers submitted don August 3, 2006. This review was based on the professional engineer's certification that the design complied with the January 2004 Kent County Water Authority regulations. At that time the technical review portion of the infrastructure design was found to be acceptable to the staff with the exception of the connection point to Hilltop Phase III. He stated that certain aspects of the Hilltop Phase

II project remained incomplete concerning adjustment of the depth of cover in all areas of Phase II to provide a minimum of 48 inches to the crown of the pipe and final as-builts drawings.

It was moved by Board Member Graham and seconded by Board Member Gallucci to approve the Hilltop Phase III connection to Hilltop Phase II infrastructure subject to the requirements of the Kent County Water Authority Regulations revised September 2006. The applicant will rectify outstanding issues in Phase II as confirmed in its attorney's letter dated October 12, 2006 commitment letter which is attached hereto as "**C**" and that upon completion of the same, the applicant will provide as-built drawings for Phase II meeting the full requirements of the Kent County Water Authority regulations. Water activation to the Phase III condominium infrastructure can not be considered until all matters in Phase II have been completed and the approval can not be transferred to any other owner or developer and will become null and void should the completion of Phase II not be carried out and a revised design plan submission is required to reflect a single service to each individual condominium unit in Phase III to be consistent with the September 20, 2006 revision of the Kent County Water Authority regulations and it was unanimously,

> VOTED: To approve the Hilltop Phase III connection to Hilltop Phase II infrastructure subject to the requirements of the Kent County Water Authority Regulations revised September 2006. The applicant will rectify outstanding issues in Phase II as confirmed in its attorney's letter dated October 12, 2006 commitment letter which is attached hereto as "**C**" and that upon completion of the same, the applicant will provide as-built drawings for Phase II meeting the full requirements of the Kent County Water Authority regulations. Water activation to the Phase III condominium infrastructure can not be considered until all matters in Phase II have been completed and the approval can not be transferred to any other owner or developer and will become null and void should the completion of Phase II not be carried out and a revised design plan submission is required to reflect a single service to each individual condominium unit in Phase III to be consistent with the September 20, 2006 revision of the Kent County Water Authority regulations.

<u>Request to appear Lisa Salsbury–payroll change continued.</u>

The General Manager stated this was a continuation. Board Member Graham had asked that the General Manager to prepare an analysis which is attached as "**D**" which is self-explanatory. Lisa Salsbury requested to go to the next pay grade but would need a wavier by the Board for the next level because her anniversary (employment) is deficient. Board Member Graham said that she diligently considered the request but the newly implemented payroll system was commenced July 1, 2006 and is a comprehensive, fair and is an excellent payroll system which has performance incentives. Board Member Graham stated that Lisa has not yet taken advantage of those incentives. Ms. Salsbury stated that she likes the payroll program but thought

that because she was so close in time that she would apply for a waiver but she would not want to start all over with a different system.

Board Member Graham congratulated her for being so thoughtful. The General Manager stated she may be eligible next year based upon performance. Board Member Graham stated that the program was designed for that purpose.

Ms. Salsbury appreciated the efforts of the Board and she likes the system and considers herself very lucky to have it. Legal Counsel, after researching the issue, found no precedent for a waiver. Board Member Inman asked questions regarding the salary amounts.

It was moved by Board Member Graham and seconded by Board Member Gallucci to deny the request of Lisa Salsbury for a time wavier as to the payroll system and it was unanimously,

> VOTED: To deny the request of Lisa Salsbury for a time wavier as to the payroll system.

Request to appear Elso Correia–payroll change

Elso Correia appeared before the Board for the purpose of requesting the disposition of employees under old policy vs. new rate as in "D". Elso Correia stated that there is a $2.00 difference with others after his two year probation.

Board Member Graham stated Mr. Correia was told at the date of hiring that a new payroll system was going to be implemented. Board Member Gallucci stated that he received raises in three years and there is a comprehensive benefit package including pension together with the ability to take advantage of the educational and licensing incentives.

Board Member Graham asked and Mr. Correia confirmed that he has not taken any courses. Board Member Graham stated that she has a great deal of confidence in the payroll system. The General Manager stated performance is important and any employee can jump levels and the General Manager has suggested to Mr. Correia that he take more tests to better himself.

The Chair stated it was the sense of the Board that the payroll system is working fine and there is no need to change it.

Request to appear Steve D'Ambrosca–payroll change

The General Manager stated that it was a request to appear to increase his salary. A history of the system is attached as '**D**'. Board Member Graham stated that the payroll system is fair and comprehensive and must be maintained for the benefit of the employees and that Mr. D'Ambrosca knew that the 2 year probation was implemented and given to him. The Chair stated that Mr. D'Ambrosca has received his regular increases since his hiring.

Board Member Gallucci stated he went through the benefit package and advised Mr. D'Ambrosca to grow and take tests to take advantage of the incentives built into the program. Board Member Graham stated that all should take advantage of the incentive program which has courses available to improve the employees for the benefit of the customers.

The General Manager pointed out that Mr. D'Ambrosca has already taken advantage as a grade 4 which has an estimated 6 years minimum which Mr. D'Ambrosca and did in less time which he acknowledged. Board Member Inman stated that deadlines are a fact of life and that he has experienced the same thing in his employment. The Chair thanked him for coming in and it was the sense of the Board that the payroll shall remain in place unchanged.

Point of Personal Privilege and Communications

Chairman Inman had to leave the meeting and asked that the Board consider another evening for meeting since Wednesdays involve a personal commitment. Whereupon, Mr. Inman left the meeting.

Board Member Graham pointed out the Amgen article in the Sunday Journal and requested that the Board read it.

Board Member Graham stated that the employee appreciation day on October 13, 2006 was very helpful for the organization.

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. The Solicitor advised Legal Counsel that a special use permit from the Zoning Board of Review is required and Legal Counsel will prepare the zoning application.

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.

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 by Kent County Water Authority.

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.

Town of Coventry Sewer Easement

Coventry requested from Kent County Water Authority a sewer easement over land owned by Kent County Water Authority and designated as Assessor's Plat 20 Lot 9. Kent County Water Authority acquired the land subject to a restriction that it be used only for water conservation purposes. Given this restriction, Legal Counsel inquired on August 5, 2006 of legal counsel for Department of Environmental Management as to whether or not Kent County Water Authority is permitted to grant an easement. The Water Resources Board approved the grant of easement and the form of easement deed has been forwarded to the Town for review. Therefore, the Town's prior position of condemning the land was obviated by the easement.

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.

Potowomut Agreement

The Agreement with the City of Warwick has been forwarded to the Board for review and the agreement was forwarded to the City of Warwick and Legal Counsel is awaiting word. Legal Counsel spoke with Board Member Gallucci who is following up on this matter.

Kent Hospital/Tollgate/Emergency Interconnection

This will be addressed by Legal Counsel and Kent County Water Authority staff after the Potowomut agreement is finalized by the City of Warwick.

PUC Docket #3671

Legal Counsel summarized report distributed to the Board Members indicating that the PUC will review the matter and National Grid position and will issue a public decision.

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 September, 2006 and closing documents which is attached as "**E**", and after discussion, Board Member Gallucci 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 September, 2006 and closing documents, be approved as presented and be incorporated herein and are made a part hereof as **"E".**

GENERAL MANAGER/CHIEF ENGINEER'S REPORT
OLD BUSINESS:

Supplemental Water Supply for Discussion

The General Manager reminded the Board of his long standing position of no further water approvals.

S-2681 Sub A–39-3-43 Action by Board–Amgen Bill

The report was submitted and Legal Counsel presented a memorandum concerning the issue on September 14, 2006 and discussion ensued.

Board Member Graham spoke about the issue and asked the Board to consider and put on for next month.

New Business

Action to Rescind Payroll System

This matter was discussed infra.

Amended Potowomut Agreement

Board Member Graham moved and it was seconded by Board Member Gallucci to authorize the Vice Chairman to execute the agreement which is substantially the same to the Bald Hill Agreement and it was unanimously,

VOTED: To authorize the Vice Chairman to execute the agreement which is substantially the same as the Bald Hill Agreement.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS :

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

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

VOTED: To adjourn the meeting a 6:35 p.m.

_____
Secretary Pro Tempore

EXHIBIT A

October 18, 2006

OFFICE MEMO

To: **Board**
From: **Timothy Brown**
Subject: **Board Meeting, October 18, 2006**
Date: **October 11, 2006**

Prior to the Board's action on high service requests for the October 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. Irrigation is the crux of the problem and even with our operational improvements, we will still need to control it. 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. The assumption that additional high service supply will be available at specific dates in the future and approval of projects with future similar or assumed completion dates is dangerous. We only have had preliminary studies (ongoing) or discussion of possible alternatives to the high service supply issue at present.

EXHIBIT B

October 18, 2006

SFM ENGINEERING ASSOCIATES
Scott F. Moorehead, P.E., P.L.S.
410 TIOGUE AVENUE
COVENTRY, RHODE ISLAND 02816
Phone: (401) 826-3736
Fax: (401) 826-1711
e-mail: scott.sfmengineer@verizon.net

September 25, 2006

OCT 2006
RECEIVED

Mr. Timothy J. Brown, P.E.
General Manager/Chief Engineer
Kent County Water Authority
1072 Main Street
West Warwick, RI 02893

Re: Proposed Villas on the Green Condominiums
1646 Division Street
East Greenwich, RI

Dear Mr. Brown:

We are in the process of site design and permitting for this project. The project includes the construction of 49 two-bedroom residential condominiums and renovation of the existing golf course clubhouse. The development will need public water for domestic service and fire protection. Irrigation water will be supplied by an existing on site system.

There is a low service gradient main in Division Street at the site. The ground elevation in Division Street along the site frontage varies from 261 to 270. Based on the low service overflow elevation of 334, it appears static pressures would range from 28 psi to 31 psi along Division Street when the tanks are full and would be lower during high demand conditions.

The estimated pressures do not meet the minimum 35 psi required by your Regulations. At our meeting on September 18th, you indicated that service can not be provided to this development from the existing low service main.

We are, therefore, requesting to extend the 16" high service gradient main on Division Street from the Brook's office building to the westerly property line of this development. We are also requesting domestic and fire service for the proposed condominium development. We are not requesting service for the existing clubhouse which will continue to use an existing well. Irrigation water supply will be from the existing golf course irrigation system which is supplied from the onsite pond.

Based on your Regulations, the design estimated average day flow for the 49 condominiums is 19,600 gpd. Based on our experience, we believe the actual average day flow at full buildout will be in the 5,000 to 10,000 gpd range. It is expected that the first units of this development will not be ready for occupancy before winter 2007. Full buildout for the remaining units is expected to take an additional two years.

The proposed main extension will extend the 16" main approximately 2000 feet from its current terminus. The proposed terminus, at our westerly property line, will be only 600 feet from Signal Ridge Way. We believe this extension will provide the Authority with a substantial benefit, as reservicing the Signal Ridge area is one of your capital improvement program goals.

We are requesting to be placed on the agenda for the next Board of Directors meeting to discuss this request. Enclosed herewith are copies of the site plan, a letter from the East Greenwich Fire District and estimated water use calculations. Should you have any questions or require additional information, please feel free to contact us.

Very truly yours,

SFM ENGINEERING ASSOCIATES

Scott F. Moorehead

Scott F. Moorehead, P.E.

SFM/dar

xc: Peter Nolan
Rick Grosso
Greg Contardo

(SM06-46)

SFM ENGINEERING ASSOCIATES
Scott F. Moorehead, P.E., P.L.S.
410 TIOGUE AVENUE
COVENTRY, RHODE ISLAND 02816
Phone: (401) 826-3736
Fax: (401) 826-1711
e-mail: scott.sfmengineer@verizon.net

VILLAS ON THE GREEN CONDOMINIUMS

Projected Water Usage
September 19, 2006

Development

49 two-bedroom residential condominiums

Note: no lawn irrigation proposed

Average Day Flow

Condos: 49 units at 400 gpd = 19,600 gpd (13.6 gpm)

Maximum Day Flow

MDF = 19,600 gpd x 2.5 = 49,000 gpd (34.0 gpm)

OCT 2006
RECEIVED

Peak Hour Flow

PHF = 13.6 gpm x 4.0 = 54.4 gpm

Fire Flow

Required fire flow = 1,000 gpm per E.G.F.D.

SCOTT F. MOOREHEAD
No. 4298
REGISTERED
PROFESSIONAL ENGINEER

(SM06-58)

EXHIBIT C

October 18, 2006

SARAH TAFT-CARTER
JOHN V. McGREEN *
ROBERT D. MURRAY
DAVID H. FERRARA *

JEFFREY S. FLEISCHAKER * †

JAMES L. TAFT, JR.
OF COUNSEL

*also admitted in Massachusetts
†also admitted in Kentucky

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JAMES L. TAFT
(1925-1959)

BERNARD F. McSALLY
(1962-1978)

RECEIVED
OCT 2006

October 12, 2006

Via Facsimile Transmission (823-4810)
And Regular Mail

Timothy J. Brown
General Manager
Kent County Water Authority
1072 Main Street
P.O. Box 192
West Warwick, RI 02893-0192

Dear Mr. Brown:

As you may be aware, I represent Armand Cortellesso the developer of the Hilltop Estates Subdivision Phase II and Phase III in the Town of West Warwick, State of Rhode Island.

On September 20, 2006 I attended the meeting of the Kent County Water Authority ("KCWA") with my client to discuss the status of the acceptance of the water system for Phase II of the Hilltop Estates Subdivision.

Following that meeting, my client further reviewed the issues discussed with the KCWA members at the meeting. Upon additional field inspections, he is satisfied that he can provide the required 48" ground cover in those identified areas for the pipes to be accepted by the KCWA. That work will be completed and a final as built plan will be provided to the Authority.

In consideration of this, we would respectfully request that approval be given to commence work for Phase III of Hilltop Estates. My client is prepared to move forward with construction of water and drainage.

With respect to Phase III, we will commit to not making application to activate the water system until such time as the KCWA is satisfied with the as built plans for Phase II. However, given the timing of the season, my client would like to proceed forward with the Phase III work.

I would appreciate it if this matter could be placed on the agenda for the meeting on October 18, 2006.

If you have any questions, please feel free to contact.

Very truly yours,

TAFT & McSALLY LLP

Robert D. Murray

RDM/jlt

cc: Armand Cortellesso

EXHIBIT D

October 18, 2006

OFFICE MEMO

To: Board Members
From: Tim Brown
Subject: Board Meeting, September 20, 2006
Date: September 19, 2006

Requested payroll changes: Three employees are appearing in front of the board requesting payroll changes from what has already been approved by the board. I am very concerned with this as it will be in violation of the brand new payroll system that was implemented by the board. As everyone is aware, the payroll system was an evolution based on the request of employees previously and the board's desire to structure a payroll system. Any change to the payroll system such as modifications on an individual bases, as is being requested by the employees at this meeting, will cause the payroll system to be ineffective and require it's rescinding at this board meeting. I have included this under new business in case that action is necessary by the board. It would then require the board to either directly modify the payroll system or reconvene the subcommittee to review the payroll system and make all changes necessary as to the effect of the three employee's request. For the record, I am against any changes to the payroll system. The system is fair, equitable and has been applied to all employees as of this date. All employees have the same ability to improve themselves and advance.

I have met individually with all employees, and I can say for the record, outside of these three employees, all have accepted the system, and seem to embrace the reasons for it and the implementation of it. All are well aware of the three year period needed to implement this fully and all are certainly aware of their current payroll grade and salary. Any change to this system would be detrimental to the reasoning and staying power behind this implementation and the benefits of this implementation to all employees. There is always skepticism over a new system like this one, but it takes the uncertainty out of guessing at a salary structure.

The three employees that are coming in front of the board at their request have been treated fairly, equitably and are at the right position of the payroll system. One employee will discuss the cut off of the implementation of the payroll system because of their employment date. I must emphasize to the

board that all raises have always been due July 1st of each year or effective the first payroll period of the fiscal year. If the board wishes to change that, they certainly may do so, however, it may have a tumbling effect that may have to be applied to other employees. There will have to be a cut off date established somewhere and that cut off date could be objected to by others as well. I urge the board to keep the cut off date in the payroll system in place, as proposed, as we have already added thirty days to it by considering the full month of July as part of the cut off date.

EXHIBIT E

October 18, 2006

KENT COUNTY WATER AUTHORITY
CASH RECEIPTS & DISBURSEMENTS
FY 2006 - 2007

	JULY 2006	AUGUST 2006	SEPTEMBER 2006	OCTOBER 2006	NOVEMBER 2006	DECEMBER 2006	JANUARY 2007	FEBRUARY 2007	MARCH 2007	APRIL 2007	MAY 2007	JUNE 2007
BEGINNING MONTH BALANCE	37,828,745	35,079,271	34,873,755									
CASH RECEIPTS:												
Water Collections	1,520,991	1,360,437	1,204,984									
Interest Earned	133,259	61,482	55,144									
Inspection Fees	13,845	600	660									
Contribution in Aid-Construction	-	-	-									
Other	-	-	-									
TOTAL CASH RECEIPTS	39,496,840	36,501,790	36,134,543	-	-	-	-	-	-	-	-	-
CASH DISBURSEMENTS:												
Purchased Water	284,609	418,379	405,974									
Electric Power	56,755	56,495	68,474									
Payroll	138,818	181,915	133,989									
Operations	89,320	113,528	128,147									
Employee Benefits	47,401	45,699	45,761									
Legal	7,087	4,075	5,577									
Materials	12,628	20,583	5,214									
Insurance	2,999	2,999	3,099									
Sales Taxes	22,916	12,463	11,319									
Refunds	317	678	332									
Rate Case	-	-	-									
Conservation	-	-	-									
Pilot	8,344	-	-									
	-											
Capital Expenditures (Other)	569	5,395	2,491									
2004 Infrastructure	17,672	332,027	242,886									
Mishnock Well/Storage/Pump/Trans	-	144,678	-									
Clinton Avenue Pump Station	405,364	256,735	20,134									
E. G. Well Upgrade	-	-	-									
GIS Development Mapping	11,060	-	-									
Blackrock Road - 24"	156,770	1,798	-									
Read Schoolhouse Road	-	-	-									
Read Schoolhouse Road Tank	-	-	-									
Mishnock Well - Pilot	-	-	-									
Greenwich Avenue - Pipe Lining	724	636	1,095									
Veterans Memorial Drive	-	-	-									
System Storage Evaluation	-	12,565	8,276									
[illegible]			807									
U. S. Bank - Debt Service (P. & I.)	3,070,559	-	-									
Water Protection	83,657	17,387	115,158									
TOTAL DISBURSEMENTS	4,417,569	1,628,035	1,198,733	-	-	-	-	-	-	-	-	-
BALANCE END OF MONTH	35,079,271	34,873,755	34,935,810	-	-	-	-	-	-	-	-	-
PRIOR YEAR	36,022,640	35,582,079	36,245,232	37,873,723	38,014,975	38,869,307	38,066,404	38,482,355	38,626,460	39,468,648	38,714,788	37,828,745

	RATE REVENUE FY 06-07	RATE REVENUE FY 05-06
JUL	$ 1,229,148.50	$ 1,220,826.86
AUG	$ 1,225,472.63	$ 1,172,194.14
SEP	$	$ 3,067,439.49
OCT	$	$ 1,494,122.19
NOV	$	$ 1,055,204.53
DEC	$	$ 1,707,316.91
JAN	$	$ 914,205.52
FEB	$	$ 873,442.72
MAR	$	$ 1,597,405.86
APR	$	$ 880,530.38
MAY	$	$ 854,301.37
JUN	$	$ 1,672,382.90

KENT COUNTY WATER AUTHORITY
CASH LOCATION
FISCAL YEAR 06-07

	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007
CASH LOCATION :												
Citizens Bank - Payroll	$ 40,000.00	$ 40,000.00	$ 40,000.00	$	$	$	$	$	$	$	$	$
Fleet Bank - Deposit	203,201.86	90,362.56	139,446.18									
Fleet Bank - Checking	18,132.98	4,425.87	4,185.29									
	261,334.84	134,788.43	183,631.47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
U. S Bank - Project Funds												
Revenue	201,947.75	148,001.15	2,473.56									
Infrastructure Fund	6,908,525.48	6,954,036.55	6,762,873.89									
Operation & Maintenance Fund	0.00	0.00	0.00									
Operation & Maintenance Reserve	1,898,250.00	1,898,250.00	1,898,250.00									
Renewal & Replacement Fund	92,413.45	101,075.96	109,778.44									
Renewal & Replacement Reserve	521,820.03	521,820.03	521,820.03									
General Project - 2001	509.63	511.62	513.65									
Debt Service Fund - 2001	73,970.82	140,486.25	206,106.35									
Debt Service Reserve - 2001	781,125.00	781,125.00	781,125.00									
Cost of Issuance - 2001	39,559.38	39,713.75	39,871.36									
General Project - 2002	20,857,544.88	20,444,551.92	20,456,503.28									
Debt Service Fund - 2002	156,836.04	316,199.20	473,687.72									
Debt Service Reserve - 2002	1,869,356.44	1,869,356.44	1,869,356.44									
Cost of Issuance - 2002	6,000.72	6,024.14	6,048.05									
Debt Service Fund - 2004	125,340.54	233,055.04	338,987.50									
Debt Service Reserve - 2004	1,278,698.34	1,278,698.34	1,278,698.34									
Cost of Issuance - 2004	6,037.78	6,061.34	6,085.40									
Redemption Account - 2004	0.00	0.00	0.00									
	$ 35,079,271.12	$ 34,873,755.16	$ 34,935,810.48	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00

EXHIBIT F

October 18, 2006

As of October 11, 2006

PLANNING DOCUMENT $25,000/YEAR ALLOCATION	
PROJECT	**STATUS**
Water Supply System Management Plan WSSMP	5 year update due 2007
Clean Water Infrastructure Plan	**Approval June 13, 2003. 5 year update due 2008**

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.
East Greenwich Well Treatment Plant – CIP-2	Pilot Program Results Mishnock
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completion & Close-out
Read School House Road Tank CIP - 7B	Title Search
Read School House Road Main CIP 7c, 7d, 8a	On hold till tank site is secured.

IFR FUNDED PROJECTS	
PROJECT	**STATUS**
IFR 2005	Construction On-going.
IFR 2006 A	Reconfiguration & Design Underway Bid Fall 2006
IFR 2006 B	Reconfiguration of Design Bid 2007
IFR 2007	On Hold, Additional Funding Required
PWSB 78" / Johnson Blvd. P.S. Modification	Ames Street & Main Street Rehabilitation Design Proceeding Under 2006 A.
Color Study Mishnock Wells	Pilot Program Report Due
Cleaning & Lining Greenwich Avenue	Design on Replacement Required Winter Design Expected
Hydraulic Tank Evaluation	Technical Memo #2 Review
Quaker P. S. Evaluation/Preliminary Design	Ongoing
PROJECT	**STATUS**