

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

December 14, 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 December 14, 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 due to illness.

The minutes of the Board meetings of November 16, 2006 were moved for approval by Board Member Graham and seconded by Board Member Gallucci and were unanimously approved.

Guests:

High Service Requests:

Chair 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.

Chair Masterson also read the memorandum submitted by the General Manager dated December 13, 2006 attached as "A" which stated that the General Manager is the Department of Health licensed operator of the Kent County Water Authority system and that he can not countenance further high service gradient water approvals while the water deficit continues in order to avoid a catastrophic incident.

Villas on the Green, East Greenwich – Continued

The General Manager received a letter from R & R Associates (Developer) and Attorney Nolan and it will be reviewed at the January Board Meeting.

74 Tiffany Road, Coventry – Robert Mellor – Continued

Mr. Mellor reviewed locus photographs while describing the site and plans. He stated that a meter pit could be installed out of the way for safety issues. Technical Services Director, John R. Duchesneau, agreed that it appeared feasible. The General Manager stated that the extension requested is in conflict with his memo of even date regarding allowing further users in the high service gradient. Board Member Graham

asked for more information as to necessity. Mr. Mellor stated that the wetlands issue is the driver since there are no sewers in this area. Board Member Gallucci asked about build-out for the house and was told that it would be next fall. Mr. Mellor said he has physical limitations and is desirous for a single level house instead of the colonial in which he now lives in.

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

Board Member Graham stated that there is a hardship here and moved and it was seconded by Board Member Gallucci to grant the application based upon the 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 preparation shall be employed throughout the project.

And it was unanimously,

VOTED: To grant the application based upon the hardship and subject to the conditions in the Rules and Regulations as follows:

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30 Deer Run Drive, West Greenwich – Charles Hirsch

The applicant, Charles Hirsch, stated he has lived in the location for five (5) years and is currently on a well and in the summer loses water for approximately ten (10) times for periods up to thirty (30) hours and needs this water for health and safety reasons and he does not and will not have outside sprinklers.

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

Board Member Graham stated that there is a hardship here and moved and it was seconded by Board Member Gallucci to grant the application based upon the hardship and subject to the conditions in the Rules and Regulations as follows:

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45 Deer Run Drive, West Greenwich – Francis Belanger

The applicant stated he is on a well and has safety and health concerns in that there are unsafe levels of radon which is a known carcinogen and he has two young children. He stated that he will not use an irrigation system. The Chair was very concerned about this health issue. Board Member Graham stated that the health and safety issue is definitely a hardship.

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

Board Member Graham stated that there is a health issue and hardship here and moved and it was seconded by Board Member Gallucci to grant the application based

upon health issues and hardship and subject to the conditions in the Rules and Regulations as follows:

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The Woods at Fox Ridge, East Greenwich – SFM Engineering

Mr. Scott Moorehead, PE and Peter Nolan, Esq. represent the developer and spoke about the plan to connect an eight inch line between subdivisions and there is a need for fire protection water but that personal use would be from individual wells. The Chair asked about a loop system and the General Manager stated that that the proposal is a better system for fire protection. Mr. Moorehead reiterated that they are not looking for domestic service and will stipulate in writing to that effect and will stipulate that no Kent County Water Authority water would be used for outside irrigation. The Chair agreed that the looping system is helpful for safety and future use of Kent County Water Authority system wide.

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

The Chair stated that there is a health issue and hardship here and moved and it was seconded by Board Member Graham to grant the application based upon health issues and hardship and subject to the conditions in the Rules and Regulations as follows:

1. Kent County Water Authority water service shall be limited to fire protection only and all domestic water supply for the two (2) subdivisions shall be via private well.

2. There will be no physical connection between the curb stop and each building or residence.

3. No public domestic water service will be requested by the property owner, their heirs, and/or assigns nor will it be granted by Kent County Water Authority, unless and until such time as in the sole opinion of the Kent County Water Authority there is adequate supply for domestic service.

4. At no time may Kent County Water Authority water be used for irrigation purposes. Any irrigation systems installed must be supplied by a private well. Xeriscape landscaping techniques and/or proper planting bed (high water holding capacity) soil preparation shall be employed through the project.

5. The applicant shall file a formal application to the Kent County Water Authority with the necessary design drawings, flow calculations, including computerized hydraulic modeling to fully evaluate the project and the potential future impacts on the existing public water system. Any applicant/customer understands that any undetected error in any calculation or drawing or any increase or change in demand proposed, which materially affects the ability to supply water to the project now and in the future, will be the responsibility of the applicant/customer and not the Kent County Water Authority.

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Cedar Hill Farm, East Greenwich – SFM Engineering

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the future, will be the responsibility of the applicant/customer and not the Kent County Water Authority.

Shipwreck Falls Lodge – DiPrete Engineering

Leonard Bradley, PE, DiPrete Engineering and Michael Dumont, land owner, appeared before the Board. Mr. Bradley presented handouts and gave an overview of the project. The project which will be opened in 365 days and this resort style hotel will have 347 rooms together with a water amusement park and will be located on J.P. Murphy Highway. The project is now closer to reality after sessions with the local permitting agencies. The applicant represented that West Warwick master plan and special use permit have been approved.

The applicant represented that a hydraulic model was performed through C & E Engineering and results were favorable and adequate. It was stated by the Developer that the project will require a level of commitment from Kent County Water Authority that water is available for financial commitments to be made.

Mr. Bradley, the applicant, stated that he understands the lack of water in the high service gradient and realizes that infrastructure improvements require large sums of money and that he can not alone shoulder all of the infrastructural improvements. Wolfgang Bauer, Town Manager of West Warwick was present and spoke to the necessity of the project for the Town since the Casino in all likelihood is gone. Mr. Bradley stated he knows that there is no water now but hoped they could expect water in time for the scheduled opening in 2009.

Chair Masterson was interested to know what improvements that they might fund. The Chair stated that the Bald Hill tank and transmission improvements will take several million. Mr. Bauer stated that larger ventures are being cultivated and that it is his position that the water was committed from the beginning to the Town to which proposition, the Board has taken exception at every opportunity and that he knows that new and extensive infrastructure is necessary and he would look to the EDC for money to develop the same. Mr. Bauer stated he would like to join with Kent County Water Authority seeking EDC financial backing and will inquire of PUC about the possibility of an impact fee for Kent County Water Authority to absorb the cost.

Board Member Gallucci suggested that the developer should have exploratory meetings with all of the area developers to contribute to aid-in construction to develop infrastructure in relation to their common issues.

The Chair asked the General Manger about the current infrastructure on J. P. Murphy Highway and the General Manager reiterated that Bald Hill improvements would

not be compatible with the current infrastructure. The General Manager stated that in all probability that CIP/PUC involvement would be necessary.

In answer to Board Member Graham, the General Manager reminded the Board that funding is always discretionary with PUC and explained that impact fees to the developers would be a possible alternative, but, may be a more preferable method for the future as opposed to bonding. The Chair stated that he was very interested in Mr. Bauer's approach with the EDC and would hope he would follow up with it. The Chair stated that using the Authority for Economic Development is and has been a burden on rate payers and agrees that EDC should be a large player in this vein and that the Authority will be as helpful in this area as possible.

The Chair stated he sympathizes with the Developer, but reiterated that Kent County Water Authority is not a guarantor of water. Legal Counsel suggested that their attorney contact him for discussion regarding language issues and would be amenable for a meeting.

New London Avenue

It was moved by Board Member Inman and seconded by Board Member Graham to add New London Avenue for discussion since it was not on the Agenda by oversight and it was unanimously,

VOTED: To add New London Avenue to the Agenda.

Kevin Morin, P.E. and Nicole Reilly, P.E. from DiPrete Engineering appeared. They stated that the project has 30 acres with 70 low/moderate income units and is commencing the permitting process including re-zoning. They are considering a domestic well system, but will need Kent County Water Authority infrastructure for fire protection. The Chair stated that they should work with Kent County Water Authority staff concerning permitting issues.

Guest – Customer, Mrs. Karen Correia – 168 Knotty Oak Road, Coventry, RI, who received a notice from Kent County Water Authority to be in compliance regarding a curb stop issue, albeit she was not on the Agenda.

Board Member Inman moved and it was seconded by Board Member Graham to add for discussion only and it was unanimously,

VOTED: To add Guest, Karen Correia to the Agenda.

Ms. Correia stated that she received a notice from Kent County Water Authority that a no curb-stop was located in front of her house and that houses were possibly controlled by one curb-stop which was probably placed in the late 1940's. The General Manager stated that the problem is that the Kent County Water Authority can not shut off just one house in an emergency or billing issue and would have to shut off all of the

houses. The General Manager reminded the Board that it was private property and Kent County Water Authority can not legally go on private property. Board Member Inman stated that he was sympathetic with her plight and inquired about rectification costs.

Board Member Graham commented that it was unfortunate that there was no knowledge as to who was responsible for this situation. The General Manager stated that the problem is compounded by the fact that it is a State road and must be done by a contractor who has the proper machinery for “trench only” installation. Board Member Inman stated that in any event that there would have to be an upgrade because of the possible inequity involved. The General Manager stated this issue should be placed on the Agenda for a future meeting.

The Chair thanked Ms. Coreia for coming to the meeting and her quick response to this problem.

Legal Matters

Relocation of Tank Site – Read School House Road

The land swap was agreed to by the Town of Coventry for location of the tank. Title research for the new site has been completed. The Solicitor advised Legal Counsel that a special use permit from the Zoning Board of Review is required as the structure is defined as a water tower. Kent County Water Authority will obtain engineering for the site and Legal Counsel is in the process of preparing the application and supporting documentation.

Facility Access – Amgen

Easement rights of Kent County Water Authority are impeded due to Amgen's security protocol. The General Manager forwarded correspondence to the Berglund, P.E. setting forth easement rights and to contact to discuss the matter and there has been no reply and the General Manager stated that there is a conflict and there will be a need to discuss further.

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.

Potowomut Agreement

The Agreement with the City of Warwick has been completed and fully executed.

Kent Hospital/Tollgate/Emergency Interconnection

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

PUC Docket #3671

Legal Counsel summarized report distributed to the Board Members indicating that the PUC will review the matter and National Grid. A public hearing was held on November 27, 2006 at the PUC and the PUC invited further comments on summer moratorium.

The PUC has received response from the following: Kent County Water Authority, National Grid and Providence Water Supply Board.

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 November, 2006 and closing documents which is attached as "B", and after discussion, Board Member Graham 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 November, 2006 and closing documents, be approved as presented and be incorporated herein and are made a part hereof as “B”.

Point of Personal Privilege and Communications

The Chair spoke with former Chairman, Frank Perry who has an injury and surgery is in the offing and all wish him well.

Board Member Graham wished seasons greetings and happy new year to all.

Board Member Graham stated that the amount of letters that are generated don't always produce results and would suggest that meetings might produce better results.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT OLD BUSINESS:

Supplemental Water Supply for Discussion

The General Manager led a general discussion concerning water supply issues within the system; in particular, new supplies. He told of options including a third connection to the Providence aqueduct, addition wells, reduction in customer's usage and/or any means of developing addition resources or new sources for water supply. The General Manager stated that we will concentrate on a third connection under our Capital Improvement Program revision which is awaiting completion of the hydraulic tank evaluation for preparation which will necessitate looking at the feasibility and the cost of seeking the connection, its location, the amount of flow (five million gallons average day as allocated by Providence Water Supply) and of course how it can be distributed within the Kent County Water Authority system whether it is high service, low service or a combination of pressure gradients. He continued that it revolves around the additional supply from Clinton Avenue based on its completion of the new booster pumps, both high service and low service. He stated that high service still not operational due to Read School House Road Tank not being constructed and of course all three high service booster stations that are not operational: Johnson's Boulevard, Setian Lane and the West Warwick Industrial Park Stations. He stated that the Authority has also looked at major users and their affect during the summer period and the General Manger has already spoken with Amgen concerning a revision, a rethinking of their demand numbers now that heir production is fully operational and he has not as of yet heard from them, but this will have a major impact on the high service gradient along with the Clinton Avenue Booster Station, and may put us in a position to re-access the high service gradient deficiency.

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

Senate Bill 2681 Subpart 39-3-43 is for action by the Board. It is the recommendation of the General Manager that the Board consider this very seriously and look at the ramifications and the need for protection of our customers due to the liability imposed by this bill.

New Business

Cross Connection Control Program (Phased Program Approval)

The General Manager stated that the Cross Connection Control Program is in front of the Board for approval. It is built into the Kent County Water Authority Regulations, but has been developed into a Phased Cross Connections Control program at this point. The Kent County Water Authority has also learned that the Department of Health is going to reintroduce the legislation for action by the legislature this year concerning Cross Connection Control. He stated that the Authority should await action by the legislature on that for further development of our Cross Connection Control Program beyond the phased approach that Kent County Water Authority has provided to the Board for action and approval.

Re-issue letter (March 15, 2006) to WRB “Statewide Policy on Outdoor Water Use”

The General Manager stated that he has not officially heard from the Water Resources Board concerning the letter of March 16, 2005 requesting a statewide policy on outdoor water use conservation, etc. In the interim, the General Manager sent a second letter out and has not had a response. The General Manager stated that he believes that the Authority should re-issue this letter under the Vice Chairman’s signature forwarding it to the Water Resources Board requesting immediate action upon the request of Kent County Water Authority. The General Manager recommended to copy legislative officials within Kent County Water Authority District as well as the Governor.

Quonset Development Letter 12/4/06

The letter is self-explanatory and should be out of great concern for the Authority and is attached as “C”. The Water Resources Board seems to be overstepping their grounds not only on this issue, but on other issues that the General Manager has heard of and he stated that action will be needed and certainly a plan to review these issues during Kent County Water Authority water supply plan preparation. The General Manager will report to the Board after the supplier meeting as to any action plan proposed.

CAPITAL PROJECTS:

East Greenwich Well Treatment

The General Manager stated that East Greenwich well treatment will begin as soon as the piloting program is approved by the Board. This may be affected by the Quonset Point letter previously discussed under new business. At this point, the General Manager does not have all the facts. However, he is concerned of the potential ramifications including the decrease in production of the well field; in particular, Kent County. The General Manager reminded the Board that this is a serious matter and the Board must consider this prior to moving forward with needed treatment facilities in East Greenwich.

CIP 7a Clinton Avenue Pumping Station

The General Manager stated that punch list items and substantial completion are awaited to fully complete this station. It is operational and is working remarkably well.

CIP 7b Read School House Road Tank

The General Manager stated that land status is moving along and requires use to submit to the Town of Coventry for a special use permit from the Zoning Board and any further delay in this project will not allow us to complete this by the fall of 2007. It is imperative that Kent County Water Authority receive this special use permit from the Zoning Board so that Kent County Water Authority can begin the process of design and water line installation in the spring of 2007.

Projects CIP 7cd, 8a Read School House Road

The General Manager stated that water main is on hold and is pending of course the previous item just discussed and the Authority will modify this item as needed. He stated that once the Authority has ownership of the land, it can move forward with plans for the high service reactivation of the Read School House gradient on 500 feet.

INFRASTRUCTURE PROJECTS :

The General Manager discussed the following:

IRF 2005

Construction is winding down for the winter and will start up again in the spring. Some of the work has to be postponed until the spring because of the freezing weather. Kent County Water Authority also plans on adding to this contract the re-service of the Tiogue area. Therefore, the General Manager does not believe any delays on this contract will have any appreciable affect on the completion of this program with the add-on items that the Board had previously discussed.

IFR 2006A, B and 2007 are moving along very well with the 2006A project scheduled for bidding in the midwinter of 2007. It does require completion of some add-

on items which we discussed at the last meeting and approved but the General Manger is pleased with its progress to date.

Color Study Mishnock Wells Piloting

Awaiting the final piloting study which will have some preliminary design analysis and costing. As soon as that is received it will be forwarded to the Board and action will be necessary by the Board for approval. A special Board meeting may be necessary for this item.

Main Street

Main Street rehabilitation involves the Providence Water supply 78" valve which was built into the 2006A project and will be bid. Kent County Water Authority is still in discussions with Providence Water regarding their programs being on the same timeline schedule which is late November/early winter of 2007 for completion and operation of the temporary bypass. All of this work must be done prior to the activation of the high service gradient from Clinton Avenue to Read School House Road Tank as there is no bypass available for that at this point.

Hydraulic Tank Evaluation

The Hydraulic Tank evaluation is moving along, but it is slightly stalled based on the need for the Amgen revision of their water projections as this has a major affect upon the hydraulic evaluation. Kent County Water Authority will make an assumption as to the decrease in supply from On-Semiconductor and what the proposed facility may be since that has ceased operation at this point and has been sold to another developer. Kent County Water Authority will assume a higher than normal commercial type value which should be sufficient for the needs to complete this hydraulic evaluation.

Quaker Lane Pumping Station Evaluation Preliminary Design:

This is underway and the goal of this is, of course, to try to contain all of the work within the existing facility even if the second story needs to be added. Kent County Water Authority is looking on variable frequency drives as an option to assist in decreasing the number of pumps, but still providing redundancy to that facility for our needs. The General Manager still believes that Kent County Water Authority may need to acquire additional land and ask the Board's direction at this Board meeting to have Legal Counsel contact the land owner and try to acquire additional land around that facility in case it is necessary.

Greenwich Avenue Replacement Design

This is underway and are awaiting the surveyor's results and of course the engineer's preliminary layout for Board review and approval. Again, this is scheduled for a mid-winter bid with a spring start construction.

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

VOTED: To adjourn the meeting at 5:40 p.m.

Secretary Pro Tempore

EXHIBIT A

December 14, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Board Meeting, December 14, 2006
Date: December 13, 2006

Prior to the Board's action on high service requests for the November Board meeting, I must for the record state my objection again for any additional water service 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 in 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 during the summer demand 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 and they could be very serious. 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 urge the Board to consider this 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

December 14, 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	RATE REVENUE FY 06-07	RATE REVENUE FY 05-06
BEGINNING MONTH BALANCE														
37,828,745	35,079,271	34,873,755	34,935,810	36,415,831									JUL \$ 1,229,148.50	\$ 1,220,826.86
CASH RECEIPTS:														
Water Collections	1,020,552	1,850,437	1,704,984	2,549,086	1,723,935								AUG \$ 1,225,472.63	\$ 1,172,194.14
Interest Earnings	153,235	51,482	55,144	54,260	492,441								SEP \$ 2,630,984.60	\$ 3,067,439.49
Imposition Fees	13,845	660	660	17,130	2,700								OCT \$ 1,235,628.04	\$ 1,494,122.19
Contributions In Aid/Construction	-	-	-	-	-								NOV \$ 1,055,204.53	\$ 1,055,204.53
Other	-	-	-	-	-								DEC \$ 1,707,316.91	\$ 1,707,316.91
TOTAL CASH RECEIPTS	39,496,840	36,501,790	36,134,543	37,556,286	38,634,907								JAN \$ 914,205.52	\$ 914,205.52
CASH DISBURSEMENTS:														
Purchased Water	284,609	418,379	405,974	313,835	255,009								FEB \$ 873,442.72	\$ 1,597,405.86
Electric Power	56,755	56,495	68,474	23,850	56,654								MAR \$ 1,597,405.86	\$ 880,590.58
Pyrolyt	138,818	181,915	133,989	133,443	172,386								APR \$ 880,590.58	\$ 854,301.37
Operations	89,330	113,528	128,147	110,217	114,196								MAY \$	\$ 1,672,382.90
Employee Benefits	47,401	45,699	45,761	45,149	45,489								JUN \$	
Legal	7,087	4,075	5,577	5,829	5,194									
Materials	12,638	20,583	5,214	8,629	11,900									
Insurance	2,999	3,099	3,099	133,303	3,499									
Sales Taxes	22,916	12,463	11,319	32,603	11,958									
Refunds	317	678	332	58	1,478									
Rate Charge	-	-	-	580	-									
Controversies	-	-	-	-	-									
Titles	8,314	-	-	-	-									
Capital Expenditures (Other)														
2004 Infrastructure	569	5,395	2,491	14,244	11,344									
Milbrook Well Storage/Pump/Tran	17,672	332,027	242,886	229,611	173,474									
Clinton Avenue Pump Station	-	144,678	-	36,229	31,680									
E. G. Wolf Upgrade	405,364	286,735	20,134	11,497	121,103									
GIS Development Mapping	-	-	-	-	-									
Blackrock Road - 24"	11,060	-	-	-	-									
Keel Schoonhouse Road	156,770	1,798	-	-	-									
Keel Schoonhouse Road Tank	-	-	-	430	-									
Milbrook Well - Pilot	-	-	-	-	-									
Greenwich Avenue - Pipe Lining	724	636	1,095	-	-									
Veterans Memorial Drive	-	-	-	-	-									
System Storage Evaluation	-	12,553	6,276	2,880	2,240									
Fuel Storage Tank Replacement	-	-	507	-	11,576									
2006A Infrastructure	-	-	-	800	-									
Quaker Lane Pump Station	-	-	-	-	6,209									
U.S. Bank - Debt Service (P. & I.)														
3,070,559	17,387	-	115,158	37,268	151,202									
Water Protection	83,657	-	-	-	-									
TOTAL DISBURSEMENTS														
4,417,569	1,628,035	1,198,733	1,150,455	1,186,601										
BALANCE END OF MONTH														
35,079,271	34,873,755	34,935,810	36,415,831	37,448,306										
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		

EXHIBIT C

December *14*, 2006

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Letter Dated December 4, 2006, Quonset Development Corporation
Date: December 6, 2006

The attached letter from Quonset Development Corporation has brought to light an issue with the Water Resources Board concerning the Hunt River. I am not sure of all the details of why they were found in noncompliance, but certainly we will establish a meeting to discuss with all parties. It does bring up the point, however, of what I think may be overreaching by the Water Resources Board concerning the Hunt River and the affect of control of the environmentalists on the Water Resource Board Management. Until I have more information on this issue, I am providing this to the Board for information only, but I am concerned that this will affect our Water Supply Management Plan which is under development now for submission next year. If the goal of the Water Resources Board is to cut consumption or production from our well fields that will be extremely difficult to do. They have singled out Kent County Water Authority that we have alternate sources of water so I suspect all this is going to revolve around Kent County and elimination of draw from the Hunt River in the future. I will keep the Board informed after the meeting that we establish with all parties.



December 4, 2006

Tim Brown
General Manager
Kent County Water Authority
1072 Main Street
West Warwick, RI 02893

Dear Mr. Brown:

The Rhode Island Water Resources Board has recently reviewed the Quonset Development Corporation "Water Supply System Management Plan 5 Year Update", and the plan was found to be in non-compliance. This finding of non-compliance by the RIWRB was for the most part due to issues relating to assessing aquifer capacity, safe yield during summer months, along with coordination and management of withdrawal by the suppliers. As a condition of plan approval, the RIWRB has indicated the need for a coordinated effort from the three water suppliers, Kent County Water Authority, North Kingstown Water Department, and Quonset Development Corporation, to assess these issues, develop implementation strategies, and set goals. The RIWRB has provided QDC a one year extension to address these issues, and resubmit our WSSMP.

In addition RIWRB is also recommending the three water suppliers along with the RIWRB develop, and implement an interim water management plan for the Hunt Aquifer by early spring 2007. To this end we are requesting your assistance by meeting within the next two weeks to start a discussion on these issues.

If you would, please review your schedule and call me so we may plan to meet December 14 or 15, 2006, to discuss these issues. Thank you for your cooperation.

Sincerely,

Vasilios Harritos

cc: Steve King QDC

cc: Sue Licardi TONK

COPY SENT TO	
BOARD MEMBERS	12/6/06
CHAIRMAN	
LEGAL COUNSEL	

EXHIBIT D

December 14, 2006

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	5 year update due 2007 Engineer Engaged Hunt River Issues
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	Land Switch Status, Design Services R. F. P.
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. Potential Tiogue Add-on
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 Reviewed/Preliminary Design
Greenwich Avenue Replacement	Design on Replacement Required Winter Design Expected
Hydraulic Tank Evaluation	Status Draft Memo 3A
Quaker P. S. Evaluation/Preliminary Design	Ongoing Draft Design Layouts