

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

March 15, 2007

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on March 15, 2007.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mr. Masterson 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, Maryanne Pezzullo, and other interested parties. Board Member Graham was not present due to illness.

The minutes of the Board meetings of February 15, 2007 as amended by the Chairman and the Special Meeting of March 6, 2007 as corrected were moved for approval by Board Member Masterson and seconded by Board Member Gallucci and were unanimously approved.

Guests:

High Service Requests:

Chairman Boyer read aloud for the benefit of the attendees all of the Kent County Water Authority revised standard conditions from Kent County Water Authority Rules and Regulations 1.14.1, et seq.

The General Manager read and discussed a memorandum dated March 15, 2007 regarding High Service which is incorporated in "A".

Board Decision on High Service:

The General Manager advised the Board that C & E Engineering recently revised the calculations on approved high service and that Kent County Water Authority is in the process of collecting responses on the status of projects previously approved. The General Manager stated that 89,048 gallons/day is the calculated surplus and therefore, he was in objection to the Board approving any high service requests at this time, except as to single family homes failed wells. The General Manager further informed the Board that Kent County Water Authority is at its limit and there is only one (1) tank on high service (Carr Pond) as Technology Park is out of service for maintenance painting.

Board Member Gallucci stated that there are on-going projects that will not be on-line for 2 to 3 years. Board Member Gallucci added that if all projects approved were on-line in the future at the same time, water will be an issue, however, Kent County Water Authority wants to promote economic development. The General Manager stated that the State is considering more restrictions. The General Manager stated that Economic Development is thwarted by lack of funding and that there are no additional infrastructure funds. He informed the Board that the cost of painting the Welgen tank is \$729,000.

The General Manager stated that all acquisitions are frozen except for necessities. He opined that high service water supply is not the only issue where supply concerns are and where funding is a concern. In April, the General Manager will request that the Board approve a PUC rate filing to address revenue relief. He suggested filing soon for infrastructure and then a subsequent filing for a capital program.

Board Member Gallucci inquired of the General Manager whether or not aid-in-construction will assist. The General Manager answered in the affirmative and that interconnection grant funds on 2006A would be helpful if passed. The General Manager recommended that the Board hold all allocation except for residential contamination issues.

The Chairman stated that Kent County Water Authority has attended the State legislature hearings and that residents are now realizing that there is a statewide water issue. Kent County Water Authority attended the Rhode Island House Committee formation on water resources. He stated that the Governor's office is working with the Economic Development Corporation regarding Route 2 line regarding funding. The Chairman opined that he is confident that Kent County Water Authority will acquire funding via the legislature.

Board Member Masterson inquired as to the immediacy of the General Manager's concern and the General Manager replied that his concern is at the pinnacle and although he was optimistic with respect to future progress/funding, there is no funding at the present.

The Chairman suggested that Kent County Water Authority should contact developers with respect to aid-in-construction and to commence the Route 2 line. Joseph Shekarchi, Esq. who represents Herb Chambers Cadillac and Lowe's stated that they were going out to bid in April and that Chambers has committed to \$200,000 to aid-in-construction to Kent County Water Authority. He added that Lowe's was also considering aid-in-construction.

The Board will further review this matter.

Coventry Crossings, Joseph Shekarchi

Mr. Shekarchi represented the applicant, Kenneth W. Hecht, of the Hecht Development together with Joshua G. Swerling, P.E. of Bohler Engineering. The General Manager provided the Board with a copy of correspondence dated March 1, 2007 from Bohler Engineering to the Board (attached as "**B**").

Mr. Shekarchi stated that he attended the February Board meeting and had presented the application of Hecht and that there was a remaining issue of aid-in-construction. He acknowledged the difficulties facing the Board with regard to the high service issue. He further acknowledged that the presentation of the General Manager at this meeting and informed the Board that the maximum peak usage for the project is 2,760 gal/day. He further stated that the project would not be on-line until 2008 and the proposed usage would not interfere during peak water usage season. He confirmed that the proposed water usage is minimal and the applicant would contribute toward aid-in-construction. The applicant had offered \$5,500-\$6,500 in aid based on their calculations. The Chairman stated that this amount could not be acceptable and Board Member Gallucci opined that was not enough. Mr. Shekarchi stated that his client would be willing to provide \$15,000 in aid-in-construction.

The General Manager raised the concern of a demand condition to wit, a major fire such as the Station Nightclub fire and that Kent County Water Authority may not be able to sustain service during a major fire. The General Manager stated that at the time of the Station fire, Kent County Water Authority had two (2) gradients. This was an example of a time demand condition. The General Manager added that at the present time, there is water, however, once summer approaches, the demand condition is a large concern. The General Manager further opined that public health and safety is of the gravest concern. He added that there are current winter restrictions are due to the Welgen tank being off line for maintenance painting. He reminded the Board that Kent County Water Authority is committed by law to service Amgen.

The Chairman stated that economic development needs to be protected and inquired of the General Manager as to how much gallonage Kent County Water Authority is holding with respect to high service. The General Manger replied that he is awaiting developers responses to the status letters which were sent. He further stated that if he does not receive responses by the April meeting and the applicants do not go forward within the six month timeframe pursuant to the regulations, it is in the regulations to not approve those requests. In fact, the General Manager stated that he had only received 25% of the responses. Board Member Masterson inquired of the General Manager as to whether or not the six month time frame was automatically reviewed and the General Manager replied in the negative. The Chairman countered that if the developers do not respond to the request of Kent County Water Authority, it is the decision of the Board to deny or approve the water requests.

Board Member Inman inquired of the formula for determining the amount of aid-in-construction. The General Manager stated that aid-in-construction equates to the

developer being 100% responsible for laying the line, however, there is no established formula for partial aid-in-construction. Board Member Inman suggested that Kent County Water Authority review past practices with respect to determining the amount of aid-in-construction and establish a guideline. However, Board Member Gallucci opined that Kent County Water Authority needs to look at aid-in-construction on a case by case basis.

With respect to the request of Mr. Hecht, Board Member Gallucci suggested that \$20,000 would be acceptable as an offer in aid-in-construction.

The General Manager used the examples of the Herb Chambers Cadillac, Rocky Hill and golf course projects wherein those developers are installing lines and this equates to full aid-in-construction. He added that aid-in-construction has been used to advance a project. The Chairman suggested that the General Manager further review aid-in-construction.

Mr. Shekarchi requested that the Board render a decision of the amount of aid-in-construction as the applicant has obtained all other approvals and the project can not proceed until the applicant receives the approval of Kent County Water Authority.

Board Member Inman suggested that the Board grant approval of the application and arrive at the amount of aid-in-construction post approval. Mr. Shekarchi stated that the applicant agreed to pay no less than \$15,000 and no more than \$25,000 in aid-in-construction.

The Chairman requested that the Board determine the amount of aid-in-construction. The motion was made by Board Member Inman to approve the applicant with a voluntary aid-in-construction in an amount no less than \$15,000 and no more than \$25,000 and it was seconded by Board Member Gallucci and it was unanimously:

VOTED: To approve the applicant with a voluntary aid-in-construction in an amount no less than \$15,000 and no more than \$25,000.

Phillip Street, Joseph Petrarca – Assistance Requested

Legal Counsel advised the Board that it is awaiting the decision from the Division of Public Utilities with respect to the complaint of Mr. Petrarca to the Division. The General Manager informed the Board that Mr. Petrarca filed a consumer complaint with respect to the regulations of Kent County Water Authority with the Division and an informal hearing was held as to the denial for water service. The General Manager stated that all issues were addressed at the hearing. The General Manager estimated that it would cost Mr. Petrarca approximately \$30,000 to tie in as attached as "C". Mr. Petrarca had opined that he was not responsible for paying the total cost and he is financially unable to do so.

The General Manager raised the concern of dead-ends which are notoriously fraught with contamination. He suggested the Board review the matter with respect to Kent County Water Authority donating the labor but not the materials. He further added that the cost to Mr. Petrarca would be further reduced if police detail was not required.

Mr. Petrarca stated that he could afford the cost of 75 feet of line but he could not afford to pay \$20,000 and that the value of the land does not warrant this expenditure as there is a wetlands issue. Mr. Petrarca closed by stating that he will review with his daughter the \$22,000 cost to tie in given the Board's offer to provide the labor.

LEGAL MATTERS

Relocation of Tank Site–Read School House Road

On January 8, 2007, the Coventry Town Council authorized the Town Manager to enter into agreement with Kent County Water Authority as to the Read School House Road land swap for location of the tank. Title research for the new site has been completed. The application for the special use permit was heard by the Zoning Board of Review on March 7, 2007. The Board will render its decision on the petition on April 4, 2007. In the meantime, Legal Counsel will coordinate with the Town Solicitor entering into a written agreement with respect to the land swap.

Facility Access–Amgen

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

The water tank requires maintenance painting. Amgen requested Kent County Water Authority and its contractor to execute an access agreement/ license with respect to access to the tank. On February 7, 2007, Kent County Water Authority forwarded correspondence to Amgen stating that Kent County Water Authority has pre-existing easement rights for accessing the tank. With respect to draining the tank for the maintenance, the Kent County Water Authority discovered the proposed drainage system was not installed and the existing system removed. Legal Counsel will send written notice to Amgen to install the drainage system as designed pursuant to the contract entered into on April 18, 2002 between Kent County Water Authority and Amgen.

Department of Health follow up private systems

Legal Counsel has completed a preliminary draft of the amended Department of Health regulations which will be reviewed by Kent County Water Authority staff prior to finalization and presentation to Department of Health Legal Counsel.

Kent Hospital/Tollgate/Emergency Interconnection

This will be addressed by Legal Counsel and Kent County Water Authority and is in review. Status quo.

Quaker Lane Booster Station

The renovation of the station on February 13, 2007 in order to meet setback requirements of the generator from the structure and to accommodate a temporary construction easement require 25' to 50' of abutting property owned by Duke Associates Limited Liability Corp. Legal Counsel forwarded to the owner written request for lease of the subject land. Legal Counsel will follow up with Duke Associates as to acquiring a lease.

Pressure Reducing Station

The Village at East Shore-Phase II (Coventry)

In connection with the development, Kent County Water Authority will install a pressure reducing valve station on an undeveloped road off of Route 3. Kent County Water Authority and Legal Counsel met with the Coventry Town Solicitor to confirm that no zoning board approvals are required for the station. Legal Counsel for Kent County Water Authority and the land owner are coordinating to secure easements for construction and operation of the station.

Greenwich Avenue, Warwick Easement

The surveyor for Kent County Water Authority and Legal Counsel performed research to determine the ownership of a site abutting Gorton Pond and East Greenwich Avenue with respect to installing a line in this area. Legal Counsel was advised by the City of Warwick that it was not owned by the municipality and that it was owned by the State according to a representative of the State, Richard Talbot, to apply for a utility permit to perform the work and that an easement was not required.

A temporary construction easement and a permanent easement are required on land abutting the property owned by the State and designated as Assessor's Plat 245, Lot 159. The land owner has been contacted by Legal Counsel and Kent County Water Authority and Legal Counsel will be meeting at the site to view the easement area.

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 February, 2007 and closing documents which is attached as "D", and after discussion, Board Member Gallucci moved and seconded by Board Member Inman to accept the reports and attach the same as an exhibit and that

the same be incorporated by reference and be made a part of these minutes and it was unanimously,

VOTED: That the financial report, comparative balance sheet statement of revenues, expenditure, cash receipts and disbursements through February, 2007 and closing documents, be approved as presented and be incorporated herein and are made a part hereof as “D”.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

OLD BUSINESS:

Supplemental Water Supply for Discussion

The General Manager informed the Board that this issue concerns the high service transmission main to Quonset Point and provided the Board members with a copy of a plan depicting the proposed location of the main attached as “E”.

The General Manager informed the Board that he recommended to the Senate to commence the work now because Kent County Water Authority needs to know the size of the main in order to install it.

The General Manager recommended 20 inches. He further opined that this main is critical for the issue of water supply. He further recommended that all of the western areas have high service interconnections.

New Business

Cost of Service Rate Discussion

The General Manager provided the Board members with a schematic attached as “F” with respect to service rate discussion. He proposed a flat rate together with a seasonal rate. He discussed doubling rates in the summer but not quadrupling rates as condition of water security discussed. He also suggested a “rainy day” fund to wit, during a drought or dry period, Kent County Water Authority could draw upon this fund. The General Manager warned the Board that seasonal rates also decrease revenue. He informed the Board that increasing working capital is being looked at outside of the scope of the “rainy day” fund.

The cost to replace meters is \$6 million which is a two year program. The current infrastructure program requires \$6 million and the State has not provided the avenue for funding. In summary, Kent County Water Authority needs to study seasonal rates and its long term affects.

PWSB Pending Rate Case

The General Manager advised the Board that this case is pending filing the end of March.

RFP Approvals – Action Required

Water Rate Consultant

The General Manager provided the Board with a memorandum from Chris Woodcock to the General Manager dated March 12, 2007 as attached as “G” with respect to the RFP for water rate consultant.

The General Manager informed the Board that Woodcock and Associates were the sole RFP. The General Manager stated that Woodcock has provided rate consultant services for Kent County Water Authority and is proficient. He further stated that the rate for these services is \$175.00 per hour.

Board Member Masterson moved and it was seconded by Board Member Gallucci that the proposal attached as “G” for water rate consultant services is awarded to Woodcock and Associates at \$175.00 per hour and it was unanimously,

VOTED: The proposal attached as “G” for water rate consultant services is awarded to Woodcock and Associates at \$175.00 per hour.

Bond Counsel

The General Manager provided the Board with a copy of RFP for Bond Counsel attached as “H” and informed the Board that four law firms submitted proposals namely, Edwards, Angell, Palmer & Dodge; Taft & McSally, LLP; Tillinghast & Licht; and Nixon Peabody. Board Member Gallucci advised the Board that he reviewed the four proposals and their fees and provided the Board with a copy of his summary of the proposed services and fees attached as “I”.

General discussion ensued with respect to the various proposals. Board Member Masterson suggested that Tillinghast & Licht and Edwards, Angell, Palmer & Dodge be interviewed. Board Member Inman recommended that Tillinghast be engaged due to their lower rate and that Tillinghast is the current bond counsel for the Board.

It was moved by Board Member Gallucci and seconded by Board Member Inman to award the bond counsel proposal as contained in “I” to Tillinghast & Licht and it was unanimously,

VOTED: To award the bond counsel proposal as contained in “I” to Tillinghast & Licht.

Staffing Update, Open Position

The General Manager stated that there is one vacant night position due to the retirement of an employee. The General Manager informed the Board that the staff recommended filling this vacant night position in order to keep three employees on this shift especially since the Clinton Station is not yet on line.

The General Manager stated that he received three applications, one of which was an employee who previously worked this shift. The General Manager transferred this employee, Keith Duff, to fill this vacant position as he is an equipment operator/laborer and has previously worked this shift.

The General Manager stated that he is following the established procedure in filling the position of equipment operator/laborer created by vacancy of Keith Duff's move from the day position to the night position.

Summit Financial

Investment Modifications

The General Manager provided the Board with the February 23, 2007 proposal from Summit Financial with respect to investment modification attach as "J". The General Manager stated that this had been thoroughly presented and discussed at the February 15, 2007 Board meeting. He informed the Board that it was recommended by Summit Financial to move fifty percent (50%) of the assets from The Boston Company to Julius Baer Investment Management. He stated that Summit recommended to break up 21% and go to large cap stocks. The General Manager stated that the Board can remain in its current state or to proceed as recommended by the experts at Summit Financial. Board Member Gallucci opined that Summit Financial advice has been appropriate and sound in its investment recommendations over the years.

It was moved by Board Member Inman and seconded by Board Member Masterson to approve Summit Financial Corporation recommendations as outlined in exhibit "J" and to move 50% of the pension assets from Boston Company to Julius Baer Investment Management which purchases large international growth stocks to provide better balance and to equally weigh domestic large value and large growth in that there is evidence that growth stocks may be making a come back and are generally less volatile and it was unanimously,

VOTED: To approve Summit Financial Corporation recommendations as outlined in exhibit "J" and to move 50% of the pension assets from Boston Company to Julius Baer Investment Management which purchases large international growth stocks to provide better balance and to equally weigh domestic large value and large growth in that there is evidence that growth stocks may be making a come back and are generally less volatile.

Proposal for Services

The General Manager provided the Board with a copy of the proposal for actuarial and administration services prepared by Summit Financial Corporation dated February 15, 2007 and attached as “**K**”. The General Manager informed the Board that this firm is currently providing Kent County Water Authority with actuarial services and paying a base fee of \$1,400.00. Summit is proposing a fee of \$4,500 with a benefit calculation fee of \$150.00 per retiree. Kent County Water Authority is currently paying a calculation fee of \$140.00 per retiree. The Board advised the General Manager to further review and to negotiate this proposal with Summit Financial.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS :

Garafalo & Associates, Inc. Request Change for Additional Services for Kent County Water Authority Capital Improvement Project #7C, 7D & 8A:

The General Manager provided Board with a copy of the March 12, 2007 request for change order from Garafalo & Associates, Inc. attached as “**M**” in order to provide additional design fees necessary to complete the final design plans for the Flat River Road and Read School House Road water improvements, Coventry.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve the request for change of Garafalo & Associates for additional services for Capital Improvement Project #7C, 7D and 8A as attached as “**M**” and it was unanimously,

VOTED: To approve the request for change of Garafalo & Associates for additional services for Capital Improvement Project #7C, 7D and 8A as attached as “**M**”.

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

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

VOTED: To adjourn the meeting at 6:30 p.m.

Secretary Pro Tempore

EXHIBIT A

March 15, 2007

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Board Meeting, March 15, 2007
Date: March 12, 2007

Prior to the Board's action on high service requests for the March Board meeting, I must for the record state my objection for any additional water service approvals being granted except in the case of contaminated single family home wells. The high service gradient has reached its capacity. There is no additional supply available to cover a maximum day demand period. Any added demand will cause severe supply problems in the high service gradient during the maximum day demand period. 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. C & E Partners, Incorporated have reviewed the calculations of the surplus of 89,000 GPD.

A moratorium on all future high service requests must be implemented by the Kent County Water Authority until a source of additional supply is operational. 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 without merit. Board's action on this is required at this meeting.



AH

EXHIBIT B

March 15, 2007



**BOHLER
ENGINEERING, P.C.**



352 Turnpike Road
Southborough, MA 01772
508.480.9900
508.480.9080 fax

March 1, 2007

Kent County Water Authority
1072 Main Street, PO Box 192,
West Warwick, RI 02893

Attn: Tim Brown, General Manager & Board Members

**Re: Proposed "Coventry Crossing" Development
East Greenwich & Coventry, RI
KCWA "Fair Share" Cost Contribution**

COPY SENT TO	
BOARD MEMBERS	3/7/07
CHAIRMAN	
LEGAL COUNSEL	

Dear Mr. Brown and Board Members:

This letter is in response to the Board's request for information on a reasonable contribution amount that could be considered towards allowing the high service system connection proposed by the subject project.

As you will recall, the KCWA Board requested during their February 15, 2007 meeting that we work with staff to determine a reasonable "Fair Share" cost contribution to help mitigate the (minimal) impact this development will have on the existing high service system. The impact to the system was discussed as being equivalent to 4-5 residential house connections. Included below is a summary of the items we discussed with KCWA staff on February 27, 2007 and a suggested contribution amount & method for establishing a same for the Board's consideration at their next (March 15, 2007) meeting.

SUMMARY OF ITEMS DISCUSSED WITH KCWA DURING 2/27/07 MEETING:

- The KCWA has no established method for determining "Fair Share" cost contributions that developments should propose to help mitigate the impacts of new high pressure system connections;
- Mr. Brown suggested that the Developer should discuss an appropriate "Fair Share" cost contribution directly with the Board as such matters are not subject to staff review, consideration or suggestion;
- It was suggested that the developer review connection/impact fee structures of other public drinking water suppliers throughout New England to get a sense of what might be an appropriate amount to offer the KCWA to allow the proposed development to connect to the existing system;
- There is no water usage & construction contribution data for recently permitted/constructed projects such that a linear method could be used to approximate an equivalent cost contribution for this project;
- Some projects have been allowed to make connections with little to no contribution towards system improvements vs. others that have had to make extremely expensive improvements to the system;
- There have been developments proposed beyond the service area or that have needed to construct watermains / supplies to obtain sufficient water to their facilities, but none similar to this development.
- There are no recent developments with similar water usage that have made a contribution towards system improvements that could be used to establish an appropriate contribution amount;
- The ability to correlate historic project contribution amounts is complicated by the nature of the variably zoned service areas and the capacity/supply issues experienced in one area vs. another;

Other Office Locations:

■ Albany, NY ■ Purchase, NY ■ Ronkonkoma, NY ■ Warren, NJ ■ Chalfont, PA ■ Towson, MD ■ Sterling, VA ■ Warrenton, VA
518.438.9900 914.251.9800 631.738.1200 908.668.8300 215.996.9100 410.821.7900 703.709.9500 540.349.4500



- The KCWA is considering improvements within the high service system to address problems currently experienced during extended periods of max daily water usage and accommodate future growth;
- The various system improvements being considered by the KCWA would support not only this development, but also existing and potential future development; The KCWA does not anticipate performing a rate study/impact fee analysis to address the O&M and capital costs associated with projects needed to address existing supply capacity issues and support future development;
- The most notable capital improvement project anticipated within the area of the proposed project will likely include the construction of an approximately 1/4± mile long 16" watermain within Route 2.
- The Route 2 watermain project has not been designed, permitted or planned for construction, the anticipated cost to construct this project, based solely on conceptual layout alternatives and preliminary "order of magnitude" cost estimates is anticipated to be in the range of \$2,000,000 to \$4,000,000± and is anticipated to increase the capacity of the high service system within this area by 2,000,000±GPD.
- A few potentially proposed developments have recently offered to pay for or construct high service area system improvements, but none that have actually started construction / paid for such improvements.
- The subject project will not be economically feasible should it be required to fully fund, or significantly contribute to KCWA's system improvements; municipal water is vital to the proposed development.

Proposed "Fair Share" capital improvement cost contribution method:

We have reviewed the impact/connection fee structures of the various municipalities we've had experience with and believe the results to be inconclusive towards establishing an appropriate contribution amount for the connection proposed. The inconclusive results are based on the highly variable methods for calculating these fees. Some of the fee structures require calculations involving a host of variables and rate structure multipliers that the developer would not be able to define without KCWA rate or impact fee assessment studies / master plan reports. In general, the connection/impact fees for similarly sized developments in the communities we are familiar with have been in the range of \$1,000 - \$5,000. We've been involved with few projects of similar size/anticipated water usage where connection fees have approached/exceeded \$10,000.

We suggest using a "Fair Share" calculation method used widely throughout the Site Development industry towards the KCWA high service system capital improvement Route 2 Watermain project. This method is based on multiplying the cost of an infrastructure improvement project by the ratio of the development's impact to the infrastructure and the benefit to the infrastructure realized through the improvement project. The formula below represents the method used to establish the Development's "Fair Share" contribution:

$$\text{\$ Fair Share Contribution} = \frac{\text{Development's water usage impact to system (gpd)}}{\text{Increased capacity benefit from Rt.2 Watermain (gpd)}} \times \text{\$Cost of Rt.2 Project}$$

The impact the development will have on the infrastructure is the domestic daily water usage. We considered the potential impact that fire flows might have on the system and determined that it would not be appropriate to include fire flows as an impact to the system unless the probability of such an event were compared to the overall benefits to the system associated with the capital improvement project and analyzed over a period of time. We believe this method to be the correct approach with regards to defining the impacts vs benefits to the system due to the probability of such a demand event likely not occurring during periods of extended peak system demands and likelihood that such an event would not occur more than once during the life of the project. Therefore, the development's impact (per the water usage data included in C&E Engineering's report dated 10/20/06) is as follows:



Domestic Water Uses	Average Day (gpd)	Max Day (gpd)
Pharmacy (12 ± employees)	240	360
Coffee Shop / Restaurant (50 ± seats)	1,000	1,500
Retail (2,700 SF ±)	280	420
Bank (3,125 SF ±)	320	480
TOTAL:	1,840	2,760

The infrastructure benefit is 2,000,000 gpd increased capacity upon completing the Rt. 2 watermain project.

Given the information above, the “Fair Share” contribution amount suggested is in the following range:

$$\underline{\$2,760 - \$5,520} = \frac{2,760 \text{ gpd (water usage impact to system)}}{2,000,000 \text{ gpd (system benefit from Rt.2 Watermain)}} \times \$2\text{M-}\$4\text{Million (Cost of Rt.2 Project)}$$

It is our understanding that the Developer is prepared to make a \$5,000.00 “Fair Share” cost contribution towards the anticipated KCWA high service system improvements. We hope you will agree that this is an appropriate amount based on the analysis above and the low water usage associated with the proposed development in comparison to overall benefits to the area upon completion of the system improvements. In addition, the developer agrees to construct an on-site well for irrigation to help conserve water, as we understand outdoor water consumption to be a key concern during extended periods of high daily demands.

We trust the information above will be helpful towards resolving the subject matter and ask that you please call us prior to the Board’s 3/15/07 meeting with any questions, concerns or comments at 508-480-9900.

Sincerely,

BOHLER ENGINEERING, P.C.

Joshua G. Swerling, P.E.

cc: Joseph Shekarchi, Esq.
Ken Hecht, Hecht Co.

W041025 Ltr Hecht 03-1-07.doc

EXHIBIT C

March 15, 2007

MARCH 15, 2007

PHILLIPS STREET 6" EXTENSION QUOTATION
285 FEET OF 6" D.I. MAIN
1" SERVICE

MATERIAL	\$2,597.11 (INCLUDING TAX)	
LABOR	\$8,476.00	
BACKHOE	\$4,095.00	
POLICE	\$2,240.00	
PRESSURE TEST	} \$1,000.00	
CHLORINATION		
DE-CHLORINATION		
LAB SAMPLES	\$300.00	
MILEAGE	\$61.56	
TEMPORARY PATCH	\$3,300.00	
SAW CUT	\$1,300.00	
PERMANENT PATCH	\$6,500.00	ESTIMATED COST: \$30,000.00

ESTIMATE DOES NOT INCLUDE:

- METER COST
- SERVICE INSTALLATION FROM CURB STOP TO HOUSE
- LAB SAMPLES FROM INSIDE HOUSE
(MUST TAKE 2 SETS OF SAMPLES BY CONTRACTOR AT OWNER'S EXPENSE)
- LEDGE/ROCK REMOVAL, IF ENCOUNTERED
- PROCESSED GRAVEL IF NEEDED

Handwritten scribbles in blue ink at the bottom of the page.

EXHIBIT D

March 15, 2007

REPORT DATE 12/31/2006
 SYSTEM DATE 03/01/2007
 FILES ID Z

Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 general
 AS OF 12/31/2006

PAGE 1
 TIME 07:37:46
 USER CINDYH

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
ASSETS:					
CURRENT ASSETS					
UTILITY PLANT IN SERVICES					
1-101A	SOURCE OF SUPPLY PLANT	1841540.53	1800470.53	41070.00	2.28%
1-101B	PUMPING PLANT	2862163.71	2333822.47	528341.24	22.64%
1-101C	WATER TREATMENT PLANT	141257.29	141257.29		
1-101D	TRANS. & DISTR. PLANT	59686194.90	50425504.98	9260689.92	18.37%
1-101E	GENERAL PLANT	1648817.70	1577778.08	71039.62	4.50%
1-101F	MISCELLANEOUS PHYS. PLANT	148181.48	148181.48		
1-101G	GENERAL STRUCTURES	20360164.72	22964479.94	-2604315.22	-11.34%
1-1070	CONSTR. WORK IN PROGRESS	-1083727.55	-9946531.46	-891196.09	8.96%
1-1110	ACCUM. DEPR. - PLANT	75851302.78	69445673.31	6405629.47	9.22%
UTILITY PLANT IN SERVICES					
CURRENT AND ACCRUED ASSET					
1-131B	CASH - FLEET NAT BANK	246182.35	154815.31	91367.04	59.02%
1-131D	CASH - CITIZENS BANK	6468.23	40000.00	-33531.77	-83.83%
TOTAL		252650.58	194815.31	57835.27	29.69%
CURRENT AND ACCRUED ASSET					
OTHER SPECIAL DEPOSITS					
1-134B	RESTRICTED DEBT RESERVE	3883383.35	3894216.58	-10833.23	-.28%
1-1340	SPECIAL DEPOSITS	33532995.47	34780275.32	-1247279.85	-3.59%
1-1350	PEFTY CASH	300.00	300.00		
1-1420	CUSTOMER ACCTS. RECEIVAB.	2484916.84	2607961.91	-123045.07	-4.72%
1-1430	OTHER A/R	-422.03	635.56	-1057.59	-166.40%
1-1440	PROV. FOR UNCOLLECTED ACT	-103683.30	-103683.30		
1-154A	SALVAGE MATERIALS	147.70	147.70		
1-1540	PLANT MATERIAL & SUPPLIES	384199.05	513428.09	-129229.04	-25.17%
1-165A	PREPAID INSURANCE	66408.84	67287.35	-878.51	-1.31%
1-165B	PREPAID PENSION	164.56	164.56		
1-1810	UNAMORTIZED DEBT DISCOUNT	498009.65	541246.65	-43237.00	-7.99%
TOTAL		40746420.13	42301980.42	-1555560.29	-3.68%
OTHER SPECIAL DEPOSITS					
CLEARING ACCOUNTS					
1-184A	NEW SERVICES CLEARING	449.39	.40	448.99	112247.50%
1-184D	CUSTOMER SRVCS - CLEARING	2327.19	1621.44	705.75	43.53%
TOTAL		2776.58	1621.84	1154.74	71.20%
CLEARING ACCOUNTS					
TOTAL		116853150.07	111944090.88	4909059.19	4.39%
CURRENT ASSETS					
TOTAL		116853150.07	111944090.88	4909059.19	4.39%
ASSETS					

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Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 General
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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
CURRENT LIABILITIES					
PROPRIETARY CAPITAL					
1-2160	UNAPPR. EARNED SURPLUS	56651005.51	48856245.28	7794760.23	15.95%
TOTAL		56651005.51	48856245.28	7794760.23	15.95%
PROPRIETARY CAPITAL					
1-2210	BONDS	38298479.00	40474742.00	-2176263.00	-5.38%
TOTAL		38298479.00	40474742.00	-2176263.00	-5.38%
CURRENT & ACCRUED LIAB.					
1-232A	ACCOUNTS PAYABLE- TRADE	385889.45	763178.84	-377289.39	-49.44%
1-2360	TAXES ACCRUED	42230.25	41824.74	405.51	1.48%
1-237B	INTEREST ACCRUED	883499.47	870599.23	12900.24	
1-2610	ACCRUED INSURANCE	25062.37	25062.37		
1-2630	ACCRUED PENSION	189023.00	189023.00		
TOTAL		1525704.54	1889688.18	-363983.64	-19.26%
CURRENT & ACCRUED LIAB.					
TAX COLLECTION PAYABLE					
1-241A	FIT WITHHOLDING	5480.08		5480.08	
1-241B	FICA WITHHOLDING	3407.53		3407.53	
1-241C	ACCRUED FICA TAXES	9149.29		9149.29	
1-241D	ACCRUED SALES TAX	26048.13	3997.96	22050.17	128.85%
1-241E	WITHHELD RI INCOME TAX	1591.40	24224.45	-22633.05	-7.53%
1-241F	WATER PROTECTION CHARGE	135346.75	147370.64	-12023.89	-8.16%
1-241G	TDI WITHHELD	898.59		898.59	
1-242C	ACCRUED PAYROLL	14411.00	14411.00		
1-2520	CUSTOMER ADV. FOR CONSTR.	62208.00	98168.00	-35960.00	-36.63%
TOTAL		258540.77	288172.05	-29631.28	-10.28%
TAX COLLECTION PAYABLE					
OTHER DEFERRED CREDITS					
1-2710	CONTRIB. IN AID TO CONSTR	15539258.07	15434631.66	104626.41	.68%
TOTAL		15539258.07	15434631.66	104626.41	.68%
OTHER DEFERRED CREDITS					
CURRENT LIABILITIES					
TOTAL		112272987.89	106943479.17	5329508.72	4.98%
LIABILITIES					
FUND BALANCES:					
FUND BALANCE					
TOTAL					
112272987.89					
106943479.17					
5329508.72					
4.98%					

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 COMPARATIVE BALANCE SHEET
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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
TOTAL FUND BALANCE					
TOTAL FUND BALANCES					
EXCESS OF REVENUE OVER EXPENDITURES		4580162.18	5000611.71	-420449.53	-8.40%
TOTAL LIABILITIES AND FUND BALANCES		116853150.07	111944090.88	4909059.19	4.39%

Kent County Water Authority
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 12/2006

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R		T O T A L	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL OVER/ UNDER BUDGET
REVENUES						
1-4150						
MERCHANDISING & JOBBING	1000.00	-437.35	5700.00	796.88		-4903.12
1-4160						
M & J COSTS & EXPENSES	300.00	508.39	2300.00	-2321.77		-4621.77
1-4190						
INTEREST & DIVIDEND INC.	109200.00	111996.32	654900.00	908582.32		253682.32
1-4210						
MISC. NON-OPER. INCOME	100.00	19.89	200.00	114.43		-85.57
TOTALS FOR OTHER INCOME	110600.00	112087.25	663100.00	907171.86		244071.86
1-461A						
METERED SALES - GC	959000.00	958418.66	7485600.00	6213275.41		-1272324.59
1-461B						
METERED SALES - IC	445300.00	409588.13	2304800.00	1834049.63		-470750.37
1-4620						
PRIVATE FIRE PROTECTION	45800.00	44933.01	91500.00	90006.41		-1493.59
1-4630						
PUBLIC FIRE PROTECTION	273500.00	272140.17	546900.00	544275.93		-2624.07
1-4640						
SALES -PUBLIC AUTHORITIES	86000.00	74427.81	354300.00	309476.24		-44823.76
1-4660						
SALES FOR RESALE	146000.00	20690.94	613000.00	66029.66		4729.66
1-4710						
MISC. SERVICE REVENUE	5600.00	1294.17	30700.00	63261.17		32561.17
1-4740						
OTHER WATER REVENUES	7100.00	5730.84	48500.00	32749.70		-15750.30
TOTALS FOR OPERATING REVENUE ACCTS.	1836900.00	1787223.73	10923600.00	9153124.15		-1770475.85
TOTALS FOR REVENUES	1947500.00	1899310.98	11586700.00	10060296.01		-1526403.99
EXPENDITURES						
1-6010						
OPERATION & LABOR EXP.	1000.00	1000.00	6000.00			6000.00
1-6020						
PURCHASED WATER	288400.00	243618.00	2412300.00	1875917.02		536382.98
1-6140						
MAINTENANCE OF WELLS	900.00		5100.00			5100.00
TOTALS FOR SOURCE OF SUPPLY EXPENSES	290300.00	243618.00	2423400.00	1875917.02		547482.98
1-6210						
FUEL FOR PUMPING	200.00		700.00			-5890.60
1-6230						
POWER PURCHASED	29900.00	46573.43	249800.00	296518.89		-47118.89
1-624A						
PUMPING LABOR	7000.00	6154.03	38300.00	35437.91		2862.09
1-624B						
PUMPING EXPENSES	200.00	203.97	1200.00	984.38		215.62

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ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR - TO - DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
1-6310 MAINT STRUCT & IMPROVE	3400.00	3508.74	20500.00	16805.06	3694.94
1-6330 MAINT PUMPING EQUIPMENT	3100.00	3218.16	16800.00	18462.83	-1662.83
TOTALS FOR PUMPING EXPENSES	43800.00	59658.33	327300.00	375199.67	-47899.67
1-6410 CHEMICALS	5500.00	8493.59	29700.00	58976.25	-29276.25
1-642A OPERATION LABOR	6900.00	7128.88	37200.00	37543.75	-343.75
1-642B OPERATION EXPENSES	5100.00	1510.18	27600.00	13022.49	14577.51
1-6510 MAINT STRUCT & IMPROVE	100.00		500.00		500.00
1-6520 MAINT WATER TREAT EQUIP	1100.00	276.66	6000.00	1166.51	4833.49
TOTALS FOR WATER TREATMENT EXPENSES	18700.00	17409.31	101000.00	110709.00	-9709.00
1-6610 STORAGE FACILITIES EXP	100.00		100.00	253.76	-153.76
1-662A T & D LABOR	2500.00		13500.00	15154.19	-1654.19
1-662B T & D SUPPLIES & EXP	5300.00	3157.84	28500.00	17744.15	10755.85
1-663A T & D METER LABOR	2000.00	2714.14	10800.00	17882.77	-7082.77
1-663B T & D METER SUPP & EXP	400.00	553.15	2100.00	3504.64	-1404.64
1-6650 T & D MISC	1300.00	906.54	7200.00	9875.54	-2675.54
1-6710 MAINT STRUCT & IMPROV	1100.00	10.58	5700.00	10.58	5689.42
1-6720 MAINT RESERVOIR & STDPIPE	4400.00	1054.72	23700.00	47359.14	-23659.14
1-6730 MAINT T & D MAINS	59300.00	69224.76	320400.00	324259.62	-3859.62
1-6750 MAINT SERVICES	12600.00	15554.03	68100.00	103369.42	-35269.42
1-6760 MAINT METERS	4600.00	4844.02	24900.00	26030.51	-1130.51
1-6770 MAINT HYDRANTS	8100.00	6596.92	43800.00	25399.66	18400.34
1-6790 TRANSFER TO CONSTRUCTION	-1400.00	-8.91	-7800.00	-4774.94	-3025.06
TOTALS FOR TRANS. & DISTR. EXPENSES	100300.00	104607.79	541000.00	586069.04	-45069.04
1-902A METER READING LABOR	7100.00	5927.74	38400.00	46333.96	-7933.96
1-902B METER READING SUPP & EXP	100.00		100.00		100.00
1-903A					

Kent County Water Authority
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 AS OF 12/2006

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR		ACTUAL OVER/UNDER	
	BUDGET	ACTUAL	BUDGET	ACTUAL	UNDER	ACTUAL OVER/UNDER
CUSTOMER RECORDS LABOR	14200.00	16902.30	76800.00	68721.74		8078.26
CUSTOMER RECORDS SUPP	4600.00	4022.58	24900.00	25580.72		-680.72
TOTALS FOR CUSTOMER ACCT. EXPENSES	26000.00	26852.62	140200.00	140636.42		-436.42
ADM & GENERAL SALARIES	30400.00	27195.03	164100.00	159350.92		4749.08
OFFICE SUPPLIES & EXP	11800.00	11331.70	63600.00	58311.50		5288.50
OUTSIDE SERVICES	14500.00	3318.00	78300.00	59379.93		18920.07
PROPERTY INSURANCE	3100.00	14454.25	145000.00	83101.89		61898.11
INJURIES & DAMAGES	100.00	65.44	500.00	155.44		344.56
EMPLOYEE PENSION & BENEF	50500.00	51077.75	272700.00	274516.66		-1816.66
REGULATORY COMM EXP	8400.00	280.00	45300.00	860.00		44440.00
MISC GENERAL EXPENSE	3300.00	2500.00	17700.00	6500.00		11200.00
MISC GENERAL EXPENSE	2000.00	1.39	10800.00	6321.19		4478.81
MISC GENERAL EXPENSE	3500.00		18900.00			18900.00
MISC GENERAL EXPENSE		1250.00		1250.00		-1250.00
MAINT GENERAL PLANT	17000.00	19651.15	91800.00	100704.23		-8904.23
MAINT VEHICLES	9300.00	8983.74	50100.00	58294.66		-8194.66
UNASSIGNED TIME VAC HOL	22100.00	29709.66	119400.00	137705.65		-18305.65
TOTALS FOR ADM. & GENERAL EXPENSES	176000.00	169818.11	1078200.00	946452.07		131747.93
DEPRECIATION EXPENSE	84500.00	84500.00	456600.00	456600.00		
TAXES OTHER THAN INCOME	15600.00	16233.05	84300.00	84050.61		249.39
INTEREST-LONG TERM DEBT	163600.00	163600.00	883500.00	883500.00		
AMORTIZATION OF DEBT DISC	3900.00		21000.00	21000.00		
TOTALS FOR OTHER EXPENSES	267600.00	264333.05	1445400.00	1445150.61		249.39
TOTALS FOR EXPENDITURES	922700.00	886297.21	6056500.00	5480133.83		576366.17

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ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
EXCESS OF REVENUE OVER EXPENDITURES FOR general	1024800.00	1013013.77	5530200.00	4580162.18	-950037.82

OTHER ADJUSTMENTS TO FUND BALANCE

0.00

FUND BALANCES - JULY 1
 FUND BALANCES - DECEMBER 31

56651005.51
 61231167.69
 =====

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	37,448,306	37,702,561	37,846,468					JUL \$ 1,229,148.50	\$ 1,220,826.86
CASH RECEIPTS:													AUG \$ 1,225,472.63	\$ 1,172,194.14
Water Collections	1,520,991	1,360,437	1,204,984	2,549,086	1,723,935	1,121,974	1,908,457	1,073,941					SEP \$ 2,630,984.60	\$ 3,067,439.49
Interest Earned	133,259	61,482	55,144	54,260	492,441	111,996	206,322	136,893					OCT \$ 1,235,628.04	\$ 1,494,122.19
Inspection Fees	13,845	680	660	17,130	2,700	200	600	-					NOV \$ 955,676.38	\$ 1,053,204.53
Contribution in Aid-Construction	-	-	-	-	-	-	-	-					DEC \$ 1,780,198.72	\$ 1,707,316.91
Other	-	-	-	-	-	-	-	-					JAN \$ 900,939.08	\$ 914,205.52
TOTAL CASH RECEIPTS	39,496,840	36,501,790	36,134,543	37,556,286	38,634,907	38,682,476	39,818,940	39,037,302					FEB \$ -	\$ 873,442.72
													MAR \$ -	\$ 1,597,405.86
													APR \$ -	\$ 880,330.38
													MAY \$ -	\$ 854,301.37
													JUN \$ -	\$ 1,672,382.90
CASH DISBURSEMENTS:														
Purchased Water	284,609	418,379	405,974	313,835	255,009	239,102	243,618	304,973						
Electric Power	56,755	68,474	68,474	23,850	56,654	45,411	38,210	36,900						
Payroll	138,818	181,915	133,989	133,443	172,386	142,428	202,055	138,792						
Operations	89,320	113,228	128,147	110,217	114,196	69,867	125,777	170,617						
Employee Benefits	47,401	45,699	45,761	45,149	45,489	45,978	187,756	46,936						
Legal	7,087	4,075	5,377	5,829	5,194	3,598	2,777	3,940						
Materials	12,628	20,383	5,214	8,629	11,900	4,484	14,181	60,599						
Insurance	2,999	2,999	3,099	133,303	3,499	3,499	3,764	3,499						
Sales Taxes	22,916	12,463	11,319	32,603	11,958	9,459	25,106	11,105						
Refunds	317	678	332	58	1,478	957	11,311	40,856						
Rate Case	-	-	-	580	-	-	-	-						
Conservation	-	-	-	-	-	-	-	-						
Pilot	8,344	-	-	-	-	-	-	-						
Capital Expenditures (Other)	569	5,395	2,491	14,244	11,344	15,125	1,065	299						
2004 Infrastructure	17,672	332,027	242,886	229,611	173,474	140,537	66,570	28,555						
Madrook Well/Storage/Pump/Trans.	-	144,678	-	36,229	31,690	-	21,921	4,721						
Clinton Avenue Pump Station	403,464	256,735	20,134	11,497	121,103	237,944	2,859	5,572						
F. G. Well Upgrade	-	-	-	-	-	-	-	-						
GIS Development Mapping	11,060	-	-	-	-	-	-	-						
Blackrock Road - 24"	156,770	1,798	-	-	-	-	-	261,736						
Reed Schoolhouse Road	-	-	-	-	-	-	-	-						
Reed Schoolhouse Road Tank	-	-	-	430	-	-	-	-						
Madrook Well - Pilot	-	-	-	-	-	-	-	-						
Greenwich Avenue - Pipe Lining	724	636	1,095	-	-	-	6,060	12,172						
Veterans Memorial Drive	-	-	-	-	-	-	-	-						
System Storage Evaluation	-	12,565	8,276	2,880	2,240	2,976	1,921	2,250						
Fuel Storage Tank Replacement	-	-	807	-	11,576	-	38,166	10,190						
2006A Infrastructure	-	-	-	800	-	163	-	-						
Quaker Lane Pump Station	-	-	-	-	6,209	4,875	2,895	1,625						
U. S. Bank - Debt Service (P. & L)	3,070,559	-	-	-	-	-	-	-						
Water Protection	83,657	17,387	115,158	37,268	151,202	13,512	104,020	13,416						
TOTAL DISBURSEMENTS	4,417,569	1,628,035	1,198,733	1,140,455	1,186,601	979,915	1,972,472	1,117,897						
BALANCE END OF MONTH	35,079,271	34,873,755	34,935,810	36,415,831	37,448,306	37,702,561	37,846,468	37,939,405						
PRIOR YEAR	36,022,640	35,582,079	36,245,232	37,873,723	38,014,975	38,609,307	38,066,404	38,482,355	38,626,460	39,468,648	38,714,788	37,828,745		

KENT COUNTY WATER AUTHORITY
CASH LOCATION
FISCAL YEAR 06-07

CASH LOCATION:	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007
Gibson 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
River Bank - Deposit	203,201.96	90,362.56	139,446.18	612,451.14	355,198.99	245,621.78	182,804.18	38,744.99	13,274.89	38,744.99	8,693.92	
River Bank - Checking	18,132.98	4,433.87	4,185.29	7,901.12	14,524.71	560.57	13,274.89	8,693.92				
	261,344.84	134,788.43	183,631.47	680,352.28	409,723.70	286,182.35	236,079.07	87,438.91	0.00	0.00	0.00	0.00
US Bank - Project Funds												
Regional	201,947.75	148,001.15	2,473.56	490,387.19	252,169.20	129,639.59	462,080.77	212,204.93				
Infrastructure Fund	6,908,525.48	6,954,036.55	6,762,873.89	7,010,295.53	7,961,806.91	8,289,819.97	8,597,586.94	9,031,311.75				
Operation & Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
Operation & Maintenance Reserve	1,898,230.00	1,898,230.00	1,898,230.00	1,898,230.00	1,898,230.00	1,898,230.00	1,898,230.00	1,898,230.00				
Reserve & Replacement Fund	92,413.45	101,075.96	109,778.44	118,504.11	97,081.90	105,847.84	74,243.57	82,971.79				
Reserve & Replacement Reserve	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03				
Regional Project - 2001	509.63	511.62	513.65	515.62	517.68	519.69	521.65	523.62				
Debt Service Fund - 2001	73,970.82	140,486.23	206,106.33	271,984.49	338,190.60	404,640.22	275,481.65	342,062.79				
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				
Cost of Insurance - 2001	39,559.38	39,713.75	39,871.56	40,024.33	40,184.12	40,340.20	40,496.28	40,652.36				
General Project - 2002	20,637,544.88	20,444,551.92	20,546,503.28	20,431,000.86	20,690,043.28	20,519,982.95	20,649,421.87	20,469,641.75				
Debt Service Fund - 2002	156,836.04	316,199.20	473,687.72	631,798.31	790,692.80	950,714.01	617,010.93	776,758.34				
Debt Service Reserve - 2002	1,869,356.44	1,869,356.44	1,869,356.44	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01				
Cost of Insurance - 2002	6,000.72	6,024.14	6,048.05	6,071.25	6,095.49	6,119.17	6,143.31	6,167.45				
Debt Service Fund - 2004	123,340.34	223,095.04	338,987.50	445,335.74	552,214.38	659,485.45	631,108.12	633,561.65				
Debt Service Reserve - 2004	1,278,698.34	1,278,698.34	1,278,698.34	1,278,698.34	1,278,698.34	1,278,698.34	1,278,698.34	1,278,698.34				
Cost of Insurance - 2004	6,037.78	6,061.34	6,085.40	6,108.75	6,133.14	6,156.96	6,181.33	6,205.70				
Indemnity Account - 2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
	\$ 35,079,271.12	\$ 34,873,751.16	\$ 34,935,810.48	\$ 36,415,831.82	\$ 37,448,306.58	\$ 37,702,561.78	\$ 37,846,468.30	\$ 37,939,405.29	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

EXHIBIT E

March 15, 2007

KENT COUNTY WATER AUTHORITY Proposed Transmission Main to Quonset Point

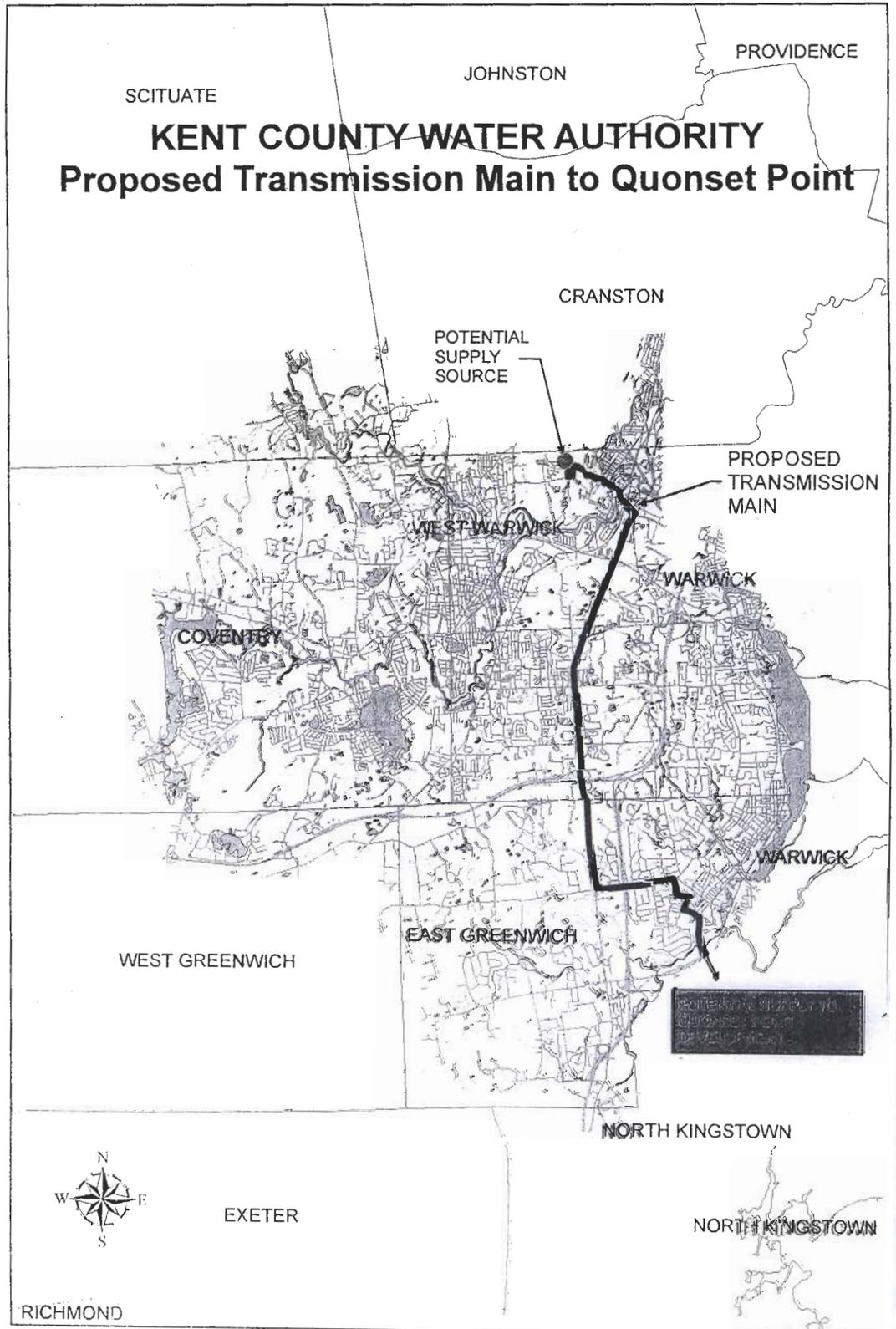


EXHIBIT F

March 15, 2007

RATE DISCUSSION
MARCH 15, 2007

Flat Rate	VS	Inclining Block
		(Seasonal Rates)
Year Round		100% 150% 200%
		May – June – July – August – September

Restricted Balancing Revenue Fund (Raining Day Fund)

Working Capital 1.5% → 5%

New Meters - Residential and Smaller Commercial
2 Year Program +/- \$6,000,000

IFR Full Funding - \$6,000,000 VS \$4,800,000
If Program changes will need to re-evaluate and possible re-study

Possible cost of service study or revision to existing

Capital Funding – Bond issue unless legislation revision to IFR

Know and measurable changes

Staffing	-	Operator for plant
		Meter staff reassignment

Handwritten marks in blue ink, including a large 'B' and a smaller 'B' with a checkmark-like flourish.

EXHIBIT G

March 15, 2007

From: Chris Woodcock [Woodcock@w-a.com]
Sent: Monday, March 12, 2007 9:40 AM
To: 'Timothy Brown P.E.'
Subject: Note on Woodcock Raftelis

Attachments: MEMORANDUM on RFC WA Alliance.doc



MEMORANDUM
RFC WA Alliance

Per our discussion, I think this probably explains what we are up to. I can assure you and the Authority that despite our past friendship and new "association", I have shown no sympathy to RFC in the ongoing Newport rate case. I would do the same representing KCWA. From the very start of my discussions with Raftelis I made it quite clear that the Kent County Water Authority was one of our oldest and best clients and that I would not back off one bit if they worked for Providence Water.

Let me know if you have any questions.

Christopher Woodcock
Woodcock & Associates, Inc.
18 Increase Ward Drive
Northborough, MA 01532
Ph: 508-393-3337
FAX: 508-393-9078
Woodcock@w-a.com
www.w-a.com

COPY SENT TO	
BOARD MEMBERS	3/12/07
CHAIRMAN	
L. RAFTELIS	

MEMORANDUM

TO: Timothy Brown
FROM: Chris Woodcock
SUBJ: Woodcock & Associates, Inc. alliance with Raftelis Financial
Consultants, Inc.
DATE: March 12, 2007

As I indicated to you on the telephone today, my firm, Woodcock & Associates, Inc, is in discussions with the consulting firm of Raftelis Financial Consultants, Inc. (RFC), Charlotte NC. We are getting close to finalizing an agreement to use each others resources.

As a small firm I have found that I can not meet the requests for services that I have been receiving. As a result, I have had to turn away a considerable amount of work. In discussing this with a personal friend and colleague, Mr. George Raftelis, he offered to make some of his firm's resources available to assist with work that I could not or did not want to undertake. While much of this has centered in New England, it is not limited to this area; we have worked together on projects or provided leads throughout the country.

Over time we have discussed a more formal agreement. At this time we are looking at an arrangement where I will actively seek work for RFC in New England. We will use each other's employees in many cases to help complete work. A major objective of our association is to provide our existing and future clients of Woodcock & Associates, Inc, and RFC (and our combined association) with the best quality possible. Given the personalities of our two organizations, our experiences, and our commitment to top client service, we see positive synergies that will benefit our clients. In return for helping RFC obtain work in New England, Woodcock & Associates will be paid a percentage of RFC's revenues from work in New England.

We recognize that in two cases, RFC has had a working relationship with one client while I have worked for another client that has intervened in cases before the RI PUC (Providence- Kent County Water Authority and Newport – Portsmouth Water & Fire District). Any work that either of us do for these clients is specifically removed from the proposed agreement so there is no financial gain or benefit to be had by either party. We believe we have removed any financial or professional conflicts.

Despite the long time personal and professional relationship between me & Mr. Raftelis (as well as others in his firm), in the past we have both worked diligently on behalf of our clients in a number of cases where we represented opposing parties. In fact, working with and against colleagues is rather common in an industry where there are relatively few experts. As you know, Mr. Catlin, who represents the Division in many water rate cases, is a personal friend and a former employee at another firm. I have also worked with and against the same attorneys and rate experts in other cases before the RI PUC. This is not uncommon, but in the case of our proposed alliance we included specific provisions to eliminate any conflicts.

Please feel free to contact me if you have any questions on this matter.

KENT COUNTY WATER AUTHORITY
REQUEST FOR PROPOSAL
RELATING TO WATER RATE CONSULTING SERVICES
PROPOSAL OPENING – MARCH 9, 2007

Proposal Opening relating to Water Rate Consulting Services was held at 10:00 a.m., March 9, 2007 per the requirements of the invitation advertised in the Providence Journal on Friday, February 23, 2007.

The work consists of providing directly to the Kent County Water Authority qualified, nationally recognized, rate consultant to assist in the preparation of water rate filings, intervention filings, rate pass through filings and other rate related issues. Preparation of exhibits, testimony and all related financial documents shall be the responsibility of the rate consultant for submission to the Rhode Island Public Utilities Commission and/or the Rhode Island Division of Public Utilities and Carriers.

At 10:00 a.m. the proposal opening began by Timothy Brown briefly describing what the RFP entailed followed by the opening of the submitted proposals listed below:

1. Woodcock & Associates, Inc.
18 Increase Ward Drive
Northborough, MA 01532

8 copies received

Fee Proposal

- | | |
|-------------------------------|------------|
| - President | \$175/hour |
| - Rate Consultant (if needed) | \$125/hour |

Proposal will be reviewed by the Board at the March 15, 2006 Board meeting. The proposals were made available for review and the proposal opening meeting was closed at 10:05 a.m.

EXHIBIT H

March 15, 2007

KENT COUNTY WATER AUTHORITY
REQUEST FOR PROPOSAL
RELATING TO BOND COUNSEL
PROPOSAL OPENING – MARCH 12, 2007

Proposal Opening relating to Bond Counsel was held at 10:00 a.m., March 12, 2007 per the requirements of the invitation advertised in the Providence Journal on Friday, February 23, 2007.

The work consists of providing directly to the Kent County Water Authority through their agents and assigns legal consultation as Bond Counsel. The lawyer or legal firm selected will coordinate all activities and be fully responsible for all general bond counsel duties. Work shall include, but is not limited to any and all bond/note or rate issues contemplated in calendar year 2007 for the Kent County Water Authority along with any and all direct testimony for rate filings for the Kent County Water Authority in front of the RI Public Utilities Commission. This will include testimony, pre-filed and direct, response to data request, assistance with any briefs or replies as required for bond documents or impending bond issuance and any and all assistance required.

At 10:00 a.m. the proposal opening began by Timothy Brown briefly describing what the RFP entailed followed by the opening of the submitted proposals listed below. Each fee proposal was verbally announced:

1. Edwards Angell Palmer & Dodge
8 copies received
2. Taft & McSally, LLP
8 copies received
3. Tillinghast Licht, LLP
8 copies received
4. Nixon Peabody
8 copies received



All proposals will be reviewed and submitted to the Board for award this Thursday. The proposals were made available for review and the proposal opening meeting was closed at 10:15 a.m.

EXHIBIT I

March 15, 2007

PROPOSALS FOR BOND COUNSEL SUBMITTED FROM:

EDWARDS & ANGELL PALMER AND DODGE
TAFT & McSALLY
TILLINGHAST LIGHT
NIXON PEABODY

ALL FIRMS ARE LISTED IN "THE BOND BUYER'S DIRECTORY OF MUNICIPAL BOND DEALERS OF THE UNITED STATES (THE RED BOOK) AND AS SUCH ARE QUALIFIED TO PERFORM THE DUTIES OF BOND COUNSEL

FEES:

EDWARDS & ANGELL PALMER AND DODGE HAVE A \$300 BLENDED RATE AND A NEGOTIATED RATE FOR BOND ISSUES FROM \$20,000 TO \$45,000 DEPENDING ON SIZE AND STRUCTURE OF THE FINANCING.

TILLINGHAST LIGHT HAVE A BLENDED RATE OF \$195 PER HOUR AND A WILL NEGOTIATE A RATE FOR BOND ISSUES DEPENDING ON THE SIZE AND ~~STRUCTURE~~ OF THE FINANCING.

STRUCTURE

TAFT & McSALLY HAS HOURLY RATES FOR A PARTNER OF \$250 PER HOUR AND AN ASSOCIATE AT \$175 PER HOUR. THEY HAVE SUBMITTED A FEE STRUCTURE FOR BOND ISSUES.

NIXON PEABODY HAS HOURLY RATES OF \$450, \$435, \$450 AND \$175. THEY HAVE SUBMITTED A FEE STRUCTURE FOR BOND ISSUES

ANALYSIS:

1. ALL RESPONDERS ARE QUALIFIED.
2. BOTH E&APD AND TILLINGHAST LIGHT HAVE NEGOTIATED FEES FOR BOND ISSUES; HOWEVER THE HOURLY RATES FOR TILLINGHAST IS MUCH LOWER. A LOGICAL ASSUMPTION IS THAT IF BOTH FIRMS SPEND THE SAME AMOUNT OF TIME WORKING ON A BOND ISSUE, TILLINGHAST WOULD BE LESS EXPENSIVE. IN ADDITION, THEY ARE THE AUTHORITY'S ~~CURRENT~~ BOND COUNSEL.

CURRENT

RECOMMENDATION:

BECAUSE OF COST AND EXPERIENCE WITH THE AUTHORITY I AM SUPPORTING THE RETENTION OF TILLINGHAST LIGHT.

EXHIBIT J

March 15, 2007

February 23, 2007

Mr. Timothy J Brown, P.E.
General Manager/Chief Engineer
Kent County Water Authority
PO Box 192
1072 Main St
W. Warwick, RI 02893-0192

RE: Kent County Water Authority Pension Plan

Dear Tim,

Thanks for allowing me some time at the trustees meeting to review the plan investments. Your program with both Nationwide and Wilshire Associates is performing very well for the Kent County Water Authority.

During the investment review, I made a couple of suggestions for the trustee's consideration.

- 1) The investment allocation to international markets is 10%. The Boston Company is the investment manager responsible for the selection of the stocks in the portfolio. They are generally purchasing large value companies. Their performance has been very strong generating a 24.21% return in 2006, 19.50% return during the last 3 years and 16.73% for the last 5 years.

My suggestion is that the trustee's consider moving 50% of the assets with Boston Company to Julius Baer Investment Management. This firm purchases large international growth stocks and will provide greater balance to the portfolio (50% value, 50% growth) and therefore have the effect of reducing risk and potentially improve returns. Julius Baer has performed well with 31.22%, 24.64 and 21.0% return for 1, 3 and 5 years respectively.

- 2) The second suggestion was to equally weight domestic large value and large growth. During the last seven year value stocks have outperformed growth stocks and there is some trend evidence that growth may be making a come back. No one can predict when these shifts occur and they can be sudden and dramatic. It is important to note that value stocks are generally less volatile than growth stocks over time. The original philosophy was an over weight to value as there was less risk. This still may be the case.

Currently, the portfolio is over weighted in large domestic value equities with Mellon Associates managing 13% of the portfolio and AllianceBernstein managing 8% for a total of 21% large value. The large domestic growth portfolio consists of 14% of the total assets. This investment responsibility is shared with INTEC at 8% and Geewax, Terker at 6%. For the same reasons noted above a shift to equal weighting may be appropriate.

<u>Large Value</u>	1 yr	3 yrs	5 yrs
Mellon	23.79	15.78	11.14
AllianceBernstein	22.55	14.59	11.62
Russell LV Index	22.21	15.78	10.84

<u>Large Growth</u>	1 yr	3 yrs	5 yrs
Geewax, Terker	6.19	6.55	2.62
INTEC	7.99	10.56	8.27
Russell LG Index	9.09	6.88	3.19

Wilshire Associates constantly monitors the managers and makes changes when necessary. Currently, Geewax Terker is on their "watch list".

As you requested, enclosed is our proposal to perform all actuarial and administrative services for your retirement plan. In addition to the annual plan valuation and services indicated in the proposal, if you ever need actuarial calculations to analyze potential plan amendments, etc. these services are included without hourly billings.

Allowing Summit to perform your actuarial and administrative work will add much value, in my view, to your organization and its employees.

Service from one source will add efficiencies within your organization and facilitate more concise advice/ recommendations for plan funding and investment allocation. Regarding internal efficiencies data collection will become simpler, employees will have local access to professionals to consult with them in selecting the appropriate distribution option for their needs and prepare overall retirement planning services. Our annual actuarial reports will only include pertinent schedules. Currently, 50% of the data in your valuation is not applicable to your plan.

Having Summit's actuary perform the service will also avoid any possible disconnect between the actuary and the investment firm. This is critical to assure the actuarial interest rate assumption is met or exceeded with the investment asset allocation. Given the substantial changes in the Pension Protection Act and the shift by the government to have plan sponsors better match assets and liabilities the coordination between the actuary and investment firm becomes more critical.

Understanding the emerging liability or potential retirements is critical to establishing an asset allocation that maximizes returns within the risk constraints established by the trustees. We were not able to find an emerging liability schedule illustrating potential cash flows.

Lastly, we will provide consulting services to assure compliance with PPA and any changes in benefits, rights or features in the plan.

If you have any questions regarding the proposal please feel free to call Linda Lemay or me.

Thanks for the opportunity to be of service.

Sincerely,

Joseph F Bonasera
President
Summit Financial Corporation

EXHIBIT K

March 15, 2007

**Proposal
for
Kent County Water Authority**

**Actuarial and
Administration
Services**

Prepared By:

Summit Financial Corporation

February 15, 2007

**Joseph F Bonasera, President, QPA, AIFA[®], RIA
Richard Collins, FSA, EA
Summit Financial Corporation
91 Hartwell Avenue
Lexington, MA 02421-3137**

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- II. Executive Summary
- III. Plan Consultation/Design
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- V. Investments
- VI. Transition Services
- VII. Summit Financial Corporation Fees

I. INTRODUCTION

Summit Financial Corporation is a Lexington, Massachusetts-based pension administration and benefits consulting firm employing twenty-five professionals. Our reputation for providing responsive and knowledgeable consulting services is based on over 30 years of servicing both regional and national corporations.

At Summit Financial we believe that this will be a decade of extensive change in corporate America. Relationships that you count on daily will be even more important to your continuing business growth. Our success in anticipating and responding creatively to the needs of our clients has earned us a reputation that is unparalleled in the benefits consulting field.

In today's business world where quick-fix solutions are commonplace, we believe that thoroughness, integrity and professional excellence are not only a welcome change, but also a necessity. This unique approach forms an integral client partnership that better serves your needs. It is this commitment to quality that has provided distinct value-added service to our clients while building long-term relationships.

We have expanded our services to include personal financial planning and tax preparation. These services will provide employees with the opportunity to develop, analyze and implement a total financial plan with experienced professional financial planners and certified public accountants which will be tailored to the individual's or family's requirements.

Our administrative services program is a full service arrangement, which also includes consulting services in the annual fees. Unlike many service providers, we do not charge hourly rates for consulting or administrative services associated with the normal administration of a client's plan. These services include the discussion and analysis of plan design issues to assure continued consistency between the plan provisions and employer objectives, technical assistance in all plan administration matters and updates of plan documents to reflect legislative and regulatory changes.

Summit Financial Corporation provides consulting, administration and investment services in the non-qualified plan marketplace as well. Non-qualified plans can integrate with qualified plans to achieve appropriate levels of income replacement for the most highly compensated executives and managers.

II. EXECUTIVE SUMMARY

HIGHLIGHTS OF SERVICES OFFERED BY SUMMIT FINANCIAL

Participant Level Services

- Monthly benefit payments at retirement
- Annual participant benefit Statements customized to each client's specific needs
- Pension quotation services for lump sum, installment payout distributions or annuity payouts
- IRA rollover products for lump sum distributions

Employer Reporting Services

- Actuarial services for defined benefit plans and non-qualified plans.
- Annual employer reporting of participant accrued benefits including vesting calculations
- Distribution of Form 1099 to Participants receiving plan benefits
- Completion of Form 5500 and related schedules
- Annual top heavy and 415 tests
- Annual PBGC filings
- Annual FASB reporting
- Certified Pension Consultant/Account Manager provides daily service and advice on all administrative functions and technical issues

Investment Services:

- Recordkeeping/investment partners include, Nationwide Trust Company, ING Trust Company, CIGNA Trust Company and Mass Mutual. Each of these firms provides a multiple manager platform with asset allocation investment services.
- Annual due diligence report on mutual funds and institutional money managers
- Directed Corporate Trustee is available

PROFESSIONAL STAFF RETIREMENT PLANS

SUMMIT FINANCIAL CORPORATION

91 Hartwell Avenue
Lexington, MA 02421-3137
Telephone: (781) 863-5544
Fax: (781) 863-8919

Joseph F. Bonasera, President, QPA, RIA, AIFA®

Education:

Bowdoin College—B.A. 1973

Northeastern University—M.B.A. 1981

Bentley College—M.S.T. 1983

Experience: 34 years in the pension industry

Registered Representative with the National Association of Securities Dealers

Qualified Plan Administrator with the American Society of Pension Actuaries

Brian Babcock, Vice President, CPC, QPA, RIA

Education:

Boston University - B.S. 1985

Suffolk University - M.B.A. 1991

Experience: 22 years in the pension industry

Registered Representative with the National Association of Securities Dealers

Registered Investment Advisor

Certified Pension Consultant with ASPA

Daniel Fowler, Vice President, CPC, QPA, AIFA®

Education: Bowdoin College - B.A. 1994

Experience: 13 years in the pension industry

Certified Pension Consultant with ASPA

Registered Representative with the National Association of Security Dealers

Douglas C. Norberg, Vice President, QPA, RIA, AIFA®

Education: Syracuse University- B.S. 1990

Experience: 17 years in the pension industry

Registered Representative with the National Association of Securities Dealers

Registered Investment Advisor

Holly Scofield, Senior Account Manager, QPA

Education: State University of New York @ Oneonta - B.S. 1977

Experience: 25 years in the pension industry

Qualified Plan Administrator with ASPA

PROFESSIONAL STAFF RETIREMENT PLANS – CONTINUED

Kevin Haskell, Account Manager, CPC, QPA, MBA

Education: University of New Hampshire – B.S. 1995, MBA 2001

Experience: 12 years in the pension industry

Certified Pension Consultant with ASPA

Steven Wilbur, Compliance and Plan Documents Manager

Education: University of Rhode Island -B.S. 1989 Finance

Bentley College – Certified Pension and Employee Benefits Program

Experience: 16 years in the pension industry

Registered Representative with the National Association of Securities Dealers

Gloria Ridavari, Senior Account Manager, QKA

Education: Salem State – BA 1991

Bentley College –MBA 2001

Experience: 15 years

Francis J. Tietje, Senior Account Manager, QPA

Education: Hamilton College – BA 1980

Experience: 26 years

Member of the American Society of Pension Actuaries

David Taylor, ASA, Consulting Actuary

Education: University of Michigan – BA 1982

Experience: 21 years in the pension industry

Enrolled Actuary, American Society of Pension Actuaries

Richard Collins, FSA, Consulting Actuary

Education: Worcester Polytechnical Institute, BA 1968

Northeastern University, MA 1971

Experience: 34 years in the pension industry

Enrolled Actuary

Stephen Z. White, QPA, Director Defined Benefit Plans

Education: Fitchburg State College

Experience: 34 years in the pension industry

Qualified Pension Administrator with ASPA

Financial Planning /Tax Professional Staff

Peter Manning CPA, CFP

Education: Northeastern University - B.S. Accounting 1986

Northeastern University MST/ CFP

Experience: 20 years in the tax and planning industry

III. PLAN CONSULTATION/DESIGN

Our objective in proper plan design is to develop a program that meets a client's corporate objectives, assists in the retention of employees and attracts new employees. When designing a program, we first consult with the client and consider current government regulations, the budget allocated for the program, employee demographics, and any existing retirement programs which may impact the design of this plan. Upon the completion of our analysis, we present several plan design options that balance corporate goals and objectives with relevant government regulations and corporate budgets. This process develops a retirement plan strategy, which is critical for plan fiduciaries to carry out plan responsibilities and manage plan assets.

Below are some of the plan design and technical updating services Summit offers:

Initial Fact Finding and ERISA Consulting

- Initial meetings will be conducted to analyze corporate goals and objectives. Plan design and plan operation is reviewed to assure the plan continues to meet corporate objectives and is operated in compliance with IRS and ERISA regulations.

Prepare IRS Pre-Approved Prototype Plans

- Several standardized and non-standardized prototypes are available, including, but not limited to, 401(k), profit sharing and defined benefit.

Prepare Custom Individually Designed Plan

- For those situations in which the prototype is not appropriate, Summit Financial will prepare an individually custom designed plan document.

Prepare Plan Document for Review of Counsel

- Once we prepare the prototype or individually designed plan, it becomes available for legal counsel review and approval

Prepare Summary Plan Description and Summary Annual Report

- Summit Financial will draft the Summary Plan Description text for your review, approval, printing, and delivery to plan participants.

Advise Plan Sponsors concerning IRS Regulations

- Summit Financial will provide advice on current and pending IRS regulations and the impact, if any on current plan design and operation.

Update Plan Sponsor on Legislative Topics

- To keep clients informed on upcoming and newly enacted legislation, Summit Financial provides you with pension updates on a quarterly basis or as needed.

Amend Plan Document for Mandated Changes

- On occasion, the federal government and agencies propose new or amended legislation and regulations, which may require changes to your plan. Summit Financial will prepare the necessary plan amendments to maintain the plan's qualified status and, if needed, file with the IRS for a favorable determination letter.

Amend Plan Document for Plan Sponsor Changes

- Summit Financial will prepare for your review and approval, changes to the plan initiated by the client and not necessarily mandated by legislation.

Prepare Summary of Material Modifications

- Summit Financial will draft the appropriate Summary of Material Modifications to reflect plan changes in the Summary Plan Description.

OTHER RETIREMENT SERVICES

In addition to our turnkey defined benefit plan administrative and actuarial services, Summit Financial offers an array of other qualified and non-qualified retirement plan products and services.

Defined Contribution Plans

Summit Financial provides services, which are essential to the operation and administration of a defined contribution plan. Among these are plan consultation, plan design, administrative support and plan reporting, which includes annual non-discrimination testing and Form 5500 preparation. To enable participants to maximize their participation in the plan, Summit offers participant statements, asset allocation assistance, retirement planning seminars, one-on-one enrollments, 800 number and Internet access. Also provided are daily valuation, daily investment changes, daily benefit processing, annual benefit reporting, loan record keeping and plan sponsor access to participant accounts.

Non-Qualified Plans

Virtually every existing qualified defined contribution or defined benefit plan now in effect is a candidate for supplemental non-qualified plan. Limits placed on the existing qualified plan benefits in the area of coverage, salary savings limits, 415 limits, integration maximums, service restrictions, normal retirement date parameters and distribution rules create exciting opportunities for use of a non-qualified plan to provide benefits above these limits with little or no restrictions.

Summit Financial can provide you with the plan administration services, employer reporting, investment alternatives, participant statements, Internet access and employee communications required to accommodate supplemental benefits under a non-qualified arrangement.

IRA Product

Under existing legislation, distributions that are eligible roll over distributions must be transferred directly to another qualified plan or IRA or be subject to a 20% withholding tax. To assist employees in preserving their retirement savings, Summit offers a simple solution with optional advise from our certified financial planner.

Summit's IRA is a tax-deferred retirement vehicle that can help an organization save administrative time and money while giving retiring and terminating participants an easy way to maintain the tax-favored status of their retirement funds. It is offered at no charge, does not require filing with the IRS, and client involvement is minimal. The investment options can include those offered by the client's existing defined contribution plan as well as many others.

IV. PLAN ADMINISTRATION

Summit Financial's objective is to combine state-of-the-art technology with a superior customer service commitment to provide a full line of pension plan administrative and actuarial services, which provides the client with confidence that the plan is meeting its objectives and limits the Plan Administrator's need for direct involvement, thereby saving company time and money.

Below is a list of the major plan administration services:

Actuarial Reporting

- Summit Financial will prepare a complete actuarial valuation including suggested minimum contribution levels, financial data and actuarial certification.
- Summit Financial will provide individual employee benefit status reports giving estimated accrued, vested and retirement benefit information.

Benefit Payments

- Summit Financial will process retirement distributions based on the payment method chosen by the retiring plan participant. Manual check or electronic transfer of periodic benefits to a participant's account are available payment methods. The investment intermediary will pay plan benefits directly to the plan sponsor or to the participant.

Process Other Benefit Payments

- Summit Financial will process death, disability, and termination benefits.

Provide Participants with Tax Reporting Form

- At the end of each year, the investment intermediary will provide participants who received a distribution from the plan with the necessary tax reporting form (Form 1099-R typically) showing taxable status of the distribution.

V. INVESTMENTS

Summit Financial integrates its administration system with the industry's leading investment firms. These firms include Nationwide Financial that offers a choice of over 800 mutual funds from over 60 investment managers and institutional money managers, ING Financial, CIGNA Financial, Mass Mutual and other large financial intermediaries. These firms represent a unique menu of nationally recognized retail and institutional investment vehicles.

As the plan sponsor, you may select from a combination of international, small cap, mid cap, large cap, hybrid, fixed income, or cash equivalent funds for your retirement program.

Asset Allocation Models will be provided after discussion and development of an Investment Policy Statement.

Of critical importance, each investment intermediary offers independent due diligence review and a "manager of managers" approach to assure clients that the investments are of high quality.

VI. TRANSITION SERVICES

To ensure a smooth transition of your defined benefit plan actuarial and administrative services to Summit Financial, we offer the team approach to installing your Plan. The team consists of:

- You, the client, who will be responsible for setting expectations and identifying Plan and service choices.
- Summit's consulting and support staff who will help you update your plan design, if necessary, establish a transition time-line, and explain all investment and service contract features.
- Your assigned account manager who will be your primary contact. The account manager will work with you to facilitate communication between Summit Financial and your prior administrator/actuary to manage the conversion process.

Together, we will develop an installation strategy, which will identify all necessary items and establish appropriate time frames for completing all steps in the takeover process.

Our objective is to transition the Plan to Summit promptly and professionally, while providing a smooth transition of accounting, investments, actuarial and reporting functions.

Benefits

Your plan's purpose is to provide retirement benefits to participants. During the installation process, the ability to process benefits from the plan will be of continued importance to participants. Continuity in meeting benefit obligations will strengthen participants' satisfaction with the plan.

Forms and Tests

Continuity and consistency in plan reporting to the Government is vital to the continued qualification of the Plan. With the increasing complexity of plan administration, it is important that we provide accurate and complete tax forms and testing services. The installation team will review all Government filings and available test information.

The Service Selection Process

The transfer of administrative services is a complex process, which requires great attention to detail and good communication among all members of the installation team.

Throughout the installation process, we will perform all services to meet the expectations of your organization within Government guidelines.

VII. SUMMIT FINANCIAL CORPORATION FEES

Actuarial Valuation and Employee Statements:	\$ 4,500.00
Annual Participant Fee:	\$ 30.00 per participant
5500 Filing	N/A
FASB Fee:	N/A
PBGC Filing Fee:	N/A
Plan Document Fee (one-time)	N/A
Benefit Calculations	\$150 per retiree quote

Proposal is valid for 60 days. Fees are guaranteed for 3 years.

EXHIBIT L

March 15, 2007

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	5 year update due 2007 Engineer Engaged - Project Ongoing
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	Proceed to R. F. P. Design
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completion & Close-out
Read School House Road Tank CIP - 7B	Design Services R. F. P./Zoning Hearing 3/07/07 - April Meeting
Read School House Road Main CIP 7c, 7d, 8a	Move to Finalization - Need Approval - Drain Addition

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2005	Winter Shutdown - Tiogue Tank Re-service - Additional Service
IFR 2006 A	Contract Signing
IFR 2006 B	Reconfiguration of Design Bid 2007 - If Funding Available
IFR 2007	On Hold, Additional Funding Required
PWSB 78" / Johnson Blvd. P.S. Modification	2006A IFR Proceeding
Color Study Mishnock Wells	Complete
Greenwich Avenue Replacement	Design on Replacement Required Winter Design
Hydraulic Tank Evaluation	End of Month Completion
Quaker P. S. Evaluation/Preliminary Design	Preliminary Feasibility Study Review Final Design R. F. P.

EXHIBIT M

March 15, 2007



March 12, 2007

Mr. Timothy J. Brown, P.E.
Chief Engineer/General Manager
KENT COUNTY WATER AUTHORITY
1072 Main Street
West Warwick, RI 02893



Garofalo & Associates, Inc.
Civil & Structural Engineers
Surveyors * Land Planners
Environmental Scientists
Landscape Architects

**RE: Request of Change for additional Engineering Services for
KCWA Capital Improvement Project #7C, 7D, & 8A
Flat River Road & Read School House Road Water Improvements
Coventry, Rhode Island**

Dear Mr. Brown:

Enclosed herewith, for Kent County Water Authority and your review, is a Request of Change to our contract to provide additional design fees necessary for *Garofalo & Associates, Inc. (Garofalo)* to complete the Final Design Plans for the above referenced project.

The nature of this request includes additional design work as requested by the Authority at the Final stages of development to add approximately 4,000 LF of new 12-inch drain system on Read School House Road to service the new tank site. Also included as part of this request are various project revisions to the plans and contract documents due to a 12-month delay in project by the Authority.

For your review, we have prepared a detailed summary of these additional work items by manhours and fees, based on approved contract rates from 2004 that will be required by our firm to complete Final Design Phase of this project.

Should you have any questions or comments regarding this request, we would be pleased to meet with you at your convenience.

Sincerely,
Garofalo & Associates, Inc.

Carl J. Adamo, P.E.
Vice President of Engineering

cc: Steven B. Garofalo, File

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**KCWA Capital Improvement Project # 7C, 7D & 8A – Flat River Road and Read School House Road Water Improvements
Town of Coventry, RI**

The nature of this request includes additional design work as requested by the Authority at the Final stages of development to add approximately 4,000 LF of new 12-inch drain system on Read School House Road to service the new tank site. Also included as part of this request are various project revisions to the plans and contract documents due to a 12-month delay in project by the Authority.

This additional work was not budgeted in our original fee proposal and not included as part of our contract with the Kent County Water Authority. The nature of this request includes the following items of work as detailed with man-hours and associated fees required to complete the engineering work through the Final Design phase.

SCOPE OF SERVICES (Garofalo):

Task No. 1: Field Review and Coordination with KCWA:

As part of this task, *Garofalo's* staff will need to field review the drainage route to determine the best corridor for the drain pipe and review site for any potential conflicts. Also during the past 12-month, when this project was on hold, a new sidewalk system was constructed on the north side of Read School House Road from Nike Site road to Field Stone Drive. Our staff will also review the entire project limits for any other additional changes in the existing condition over the past 12 to 18 months. These field updates will be added to the contact plan set. *Garofalo* will also attend 1 review meeting with the KCWA to review the proposed drainage design.

Garofalo requests an additional 22 hours for this additional work task as follows.

Project Manager	4 MHRS
Project Engineer	6 MHRS
Staff Engineer	8 MHRS
Tech/Draftsman	<u>4 MHRS</u>
	22 MHRS

Task No. 2: Design of a new 12-inch Drainage System per KCWA:

Garofalo is requesting additional engineering and drafting time to develop the design for approximately 4,000 LF of new 12-inch PVC SRD35 Drainage System to service the new proposed water tank site drainage needs. The new drainage system will run along Read School House Road from the intersection of Nike Site Road at the new tank site and extend to the existing tank site to the existing drainage outlet point at the headwall. Also, KCWA requested that *Garofalo* provide a manhole structure at the existing tank site to intercept the existing 12-inch tank drain and 4-inch drain from the tank vault. Survey time will be required to obtain the existing invert elevations at the headwall outlet structure and the inverts in the manholes at the tank site.





The drainage design will be drafted on the existing water plans, but will require our staff to develop approximately 4 new profile sheets to show the proposed design pipe size, slope and inverts, as well as show the existing drains and/or utilities along the drain corridor to avoid any conflicts with the proposed new drain.

To perform this additional design work listed above; *Garofalo* estimates 62 manhours to design the plans and profiles, including prepared the necessary details. The total man-hours to perform this task are listed as follows.

Project Manager	6 MHRS
Project Engineer	32 MHRS
Staff Engineer	0 MHRS
Tech/Draftsman	<u>24 MHRS</u>
Sub-total	62 MHRS

Task No. 3: Add Technical Drain Specifications and Updated quantities and Cost Estimate:

Work under this task will include preparing the necessary technical specifications for the new drainage system and related items of work. In addition to developing the new drainage specifications, *Garofalo* will also be required to update and revise the existing quantities and cost estimate for bidding, as well as update the measurement and payment section.

These revisions required *Garofalo* to expend an additional 22 manhours to complete this additional work. The total additional man-hours expended for this additional work task are listed as follows.

Project Manager	2 MHRS
Project Engineer	12 MHRS
Staff Engineer	8 MHRS
Tech/Draftsman	<u>0 MHRS</u>
	22 MHRS

Task No. 4: Prepare Revisions to Final Plans and Contract Documents due to Project Delay:

As a result of this project being on hold for more than 12 months, a number of changes will be required to the plans and contract documents to reflect the Authorities latest standards, i.e. new KCWA standards, new board members, latest wage rates and other new policy requirements, as listed in Mr. Fitta's 3/5/07 Fax Memo. Also as part of these revisions *Garofalo* will coordinate with the RIDOT Maintenance Division to renew the existing Utility/Roadway permit.

The total additional man-hours expended for this additional work task are listed as follows.

Project Manager	4 MHRS
Project Engineer	14 MHRS
Staff Engineer	12 MHRS
Tech/Draftsman	<u>0 MHRS</u>
	30 MHRS





A detailed breakdown of the additional manhours and fees requested by Garofalo & Associates and their sub consultants are summarized as follows.

SUMMARY OF MANHOURS (Garofalo):

Task Description	Project Manager	Project Engineer	Staff Engineer	Tech/Drafter	Total
1. Field Review and Coordination with KCWA	4	6	8	4	22
2. Design of New 12" PVC Drainage System as requested by KCWA.	6	32	0	24	62
3. Add Technical Drain Specs & update Quantities & Cost Estimate.	2	12	8	0	22
4. Prepare revisions to final plans & contract documents due to delay.	4	14	12	0	30
Total	16	64	28	28	136

<u>Classification</u>	<u>Manhours</u>	<u>Hourly Rates</u>	<u>Amount Requested</u>
Project Manager	16	\$90.00	\$ 1,440.00
Project Engineer	64	\$75.00	\$ 4,800.00
Staff Engineer	28	\$65.00	\$ 1,820.00
Tech/Draft	28	\$45.00	\$ 1,260.00
Subtotal	136		\$ 9,320.00

Survey 1 crew day to obtain drain inverts & locate new sidewalk on plans \$ 1,000.00

Total Amount Requested: \$ 10,320.00



EXHIBIT N

March 15, 2007

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	5 year update due 2007 Engineer Engaged - Project Ongoing
Clean Water Infrastructure Plan	Approval June 13, 2003, 5 year update due 2008

UPDATED CIP PROJECTS BOND FUNDING

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