

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

June 21, 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 June 21, 2007.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mr. Masterson, Mrs. Graham and Mr. Inman were present together with the General Manager, Timothy J. Brown, Technical Service Director, John Duchesneau, System Engineer, Kevin J. Fitta, Arthur Williams, Finance Director, Legal Counsel, Maryanne Pezzullo, and other interested parties.

The minutes of the Board meetings of May 17, 2007 were moved for approval by Board Member Gallucci and seconded by Board Member Graham and were unanimously approved.

Guests:

High Service Requests:

Action Temporary High Service Moratorium

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 reviewed with the Board, the memorandum of April 19, 2007 regarding his recommended temporary high service moratorium which is incorporated as "A". The Chairman stated that a temporary high service moratorium is a most difficult issue with respect to overusing available water supply. He stated that the system is averaging 10 million gallons per day due to outside watering, which is more problematic because of the lack of personnel to police the outside watering. The Chairman further stated to keep in mind that Kent County Water Authority Board has been authorizing service for emergency situations, e.g., health and safety issues.

Board Member Graham inquired of the General Manager as to the status of the technology park tank. The General Manager advised the Board that the Department of Health has not accepted the testing results of June 21, 2007. Kent County Water Authority must drain the tank half way and refill it for a re-test and submit new samples to the State. The General Manager will be in contact with the State and does not expect any problems.

Board Member Masterson opined that the lack of water is very serious and agreed with Board Member Inman's comments at the May meeting. Board Member Masterson cited the Station fire as an example and reiterated safety considerations on a maximum water usage day and requested the Board's input on a temporary moratorium. Board Member Masterson suggested a temporary thirty (30) day or ninety (90) day moratorium.

Board Member Gallucci referred back to the 2004 moratorium which lasted four months. He stated that this is a more serious situation because there have been more approvals since 2004. Board Member Gallucci stated that he respects the opinion of the General Manager but Kent County Water Authority is charged with providing water. Board Member Gallucci further stated that certain approvals are three years away from completion and he expressed concern over denying requests for approvals in Warwick because Warwick is not located within a high service area as is the case with West Greenwich and Coventry.

Board Member Gallucci stated that Kent County Water Authority is not presently out of water which is distinguished from 2004. He opined that an outdoor watering moratorium achieves positive results however, a Statewide "odd/even" system would achieve more positive results.

Board Member Masterson inquired of the General Manager the amount of the current supply. The General Manager informed the Board that Kent County Water Authority will be out of water during a maximum day demand. Board Member Masterson stated that he attended all but a few of the State meetings and has heard all of the testimony and that the same is disconcerting to him. Board Member Masterson is very concerned with respect to safety issues and does not like to stop tie-ins, however, safety issues are his utmost priority.

Board Member Graham inquired as to whether or not there is another way to view the issue. She inquired as to whether maximum day demand was a complete draw on the system. The General Manager stated that a maximum day demand is only a summer demand. Board Member Graham opined that irresponsible customers continuing to ignore the outdoor watering ban drive the decisions of the Board in that during the summer months, Kent County Water Authority needs to be very careful.

The General Manager reiterated that during maximum day demand and in the event of a fire, equates into responsibility and liability for Kent County Water Authority. He informed that tanks do not recover on a maximum day and there will be no more supply. The General Manager further stated that the Rhode Island House of Representatives bill mandated 65 gallons per capita and Kent County Water Authority is currently at 101-102 gallons per capita. Board Member Graham reiterated that irresponsible customers are requiring the Board to make decisions that the Board does not want to make.

Board Member Masterson suggested watering one day per week and no further installation of irrigation systems. The General Manager stated the Kent County Water Authority needs to curtail existing usage and that supply augmentation is required if build-out continues.

The Chairman inquired if 17 million gallons is the capacity and the General Manager answered in the affirmative, however, as of June 18, 2007, the capacity is 13 million gallons. The Chairman then stated that the temporary (outside watering) moratorium is working and suggested that Kent County Water Authority review this temporary moratorium on a monthly basis. He opined that if the General Manager determines the figures (usage) is increasing dramatically, then a moratorium is appropriate and can be instituted at a subsequent or special meeting of Kent County Water Authority. The General Manager pointed out that Kent County Water Authority can lose its tanks in three days.

Board Member Graham was concerned that the message is not getting out to the public and suggested that the Kent County Water Authority do more with the media. The General Manager suggested that when there is a maximum day demand and the tanks would be out in three days and fire demand is compromised, and that the General Manager should have the ability to institute a moratorium. The General Manager stated that if a customer is issued a second notice for termination due to violation, no service would be provided until the moratorium would be over.

The Chairman stated that Kent County Water Authority is in business to sell water and a moratorium defeats this however, the Chairman is of the opinion that if it is found to be necessary, a moratorium will be instituted. The General Manager suggested that he be the gatekeeper with respect to instituting a moratorium.

Board Member Inman commented that the position of Kent County Water Authority is similar to the canary in the mine and Kent County Water Authority is being 'red-flagged' and all of the experts opine that this problem is not getting solved. Board Member Inman stated that not all stakeholders are involved yet in the total process. Therefore, Board Member Inman suggested that the Kent County Water Authority engage all of the stakeholders to wit, legislators, City and Town Council, business leaders, and coordinate to develop a strategic plan to address the immediate issue of water supply. He further stated if these stakeholders fail to participate, then it will be a clear message that Kent County Water Authority will have no choice but to implement a moratorium.

Board Member Gallucci stated that high service is the problem. Board Member Inman stated that the moratorium message is not getting out to the City and Town Council Members. The Chairman also concurred with Board Member Inman. Board Member Masterson stated that Kent County Water Authority has tried to include the municipalities without success.

The Chairman requested that the General Manager make the invitation to the community leaders and Board Member Inman suggested to the General Manager that Kent County Water Authority inform the leaders that a moratorium is imminent. Board Member Gallucci questioned the necessity in that a meeting would rehash everything done previously and that there is already a commission in place looking at all of Kent County Water Authority.

Board Member Graham wants Kent County Water Authority to think of a different strategy and thinks a face to face meeting is a good idea as Kent County Water Authority has an utmost responsibility to safety. Board Member Graham and Board Member Gallucci both stated that incredibly some customers and officials are unaware of the outside watering moratorium. Board Member Gallucci suggested that Kent County Water Authority put the General Assembly on notice of the moratorium. Board Member Graham suggested that this has been a long time problem. The Chairman favored Board Member Inman's suggestion of a meeting. Board Member Gallucci suggested the meeting be in the form of a public meeting with an Agenda.

Board Member Inman moved and it was seconded by Board Member Gallucci to hold a meeting of the legislators, representatives of the City/Town Councils and business leaders and it was unanimously,

VOTED: To hold a meeting of the legislators, representatives of the City/Town Councils and business leaders.

Coventry Crossings, Discussion request "aid in construction"

The General Manager provided the Board Members with the opinion of Legal Counsel dated June 20, 2007 attached as "B". The General Manager informed the Board that it is the opinion of Legal Counsel that Kent County Water Authority can not accept monetary consideration on a voluntary basis with no bearing on the cost of construction. Board Member Gallucci and Board Member Graham disagreed with the opinion of Legal Counsel as they believe a monetary contribution may be deemed aid-in-construction. Board Member Gallucci cited the examples of the Paolino and Carpionato projects. The General Manager informed the Board of the differences of these two examples. More specifically, with Paolino, the developer paid the contractor for the extension of the line and with Carpionato, the developer requested a 12' line over and above the required 8' line. The General Manager stated that if no construction is to be performed, the voluntary aid-in-construction should not be accepted.

Legal Counsel further informed the Board that acceptance of such aid would require PUC review and in order to avoid the appearance of impropriety, the aid should not be accepted. The Chairman raised the example that aid could be accepted for engineering services. The Chairman further stated that the aid could be accepted upon commencement of the construction. The Chairman suggested that the issue be further researched. Mr. Shekarchi, Legal Counsel for the developer, stated that the developer

would not make the monetary contribution until the project was up and running. The Board requested the matter be continued pending further legal research.

Hopkins Hill Business Park in West Greenwich Commerce Park, Gansett Assoc.

Board Member Masterson recused himself from voting on this matter due to a possible conflict of interest and had prior to the meeting issued a conflict letter to the State Ethics Commission.

Jeffrey Butler presented the Board with a June 21, 2007 site history attached as 'C' to provide the Board with an overview of the history of the site and status to date of the approvals.

Jeffrey Butler stated that he has several interested buyers which are not high domestic users, e.g. non-manufacturers. He stated that the construction will be phased however, the applicant needs to install the roads and infrastructure as soon as possible and to extend the 8' water line. Mr. Butler informed the Board that irrigation, if any, would be via wells. He further informed the Board that there is adequate flow for fire demand however, the Town of West Greenwich will require two more hydrants.

Kevin Morin, P.E. of DiPrete Engineering stated that he reviewed the site again and that the consumption will be less than 1,500 gallons/day and that there would be xeriscape landscaping and no domestic sprinklers.

In answer to the Chairman, the applicant replied that there would be six buildings but that two of the buildings may be converted to self-storage. Currently, the prospective buyers are a general contractor, moving/storage facility and automotive facility. The Chairman then inquired of the applicant what guaranty can be provided to Kent County Water Authority that an occupant will not be a large water user. The applicant replied that there will be a master meter with separate billing. The applicant further stated that the earliest occupation of a building would be January, 2008.

The Chairman reiterated his concern over controlling/ensuring lower water usage. The General Manager replied that it can not be controlled and that Kent County Water Authority does not have the water. The General Manager reiterated that the Board is facing greater liability as there is no more water. The General Manager suggested the Board wait for thirty days until the stakeholder meeting. He stated that, if there is a high water user or irrigation system, this will be problematic and that Dunkin' Donuts violated the outdoor watering ban via a underground sprinkler system which was a stipulation and condition of the original approval. The General Manager stated that Kent County Water Authority is not in the business of policing its customers and Kent County Water Authority does not have water regardless of what a Council Member or business representative says. Kent County Water Authority needs to conserve and reserve consumption in order to supply it.

The applicant then requested that Kent County Water Authority review his application on a building to building basis and if there is a high water user, then Kent County Water Authority can have the option of shut off and irrigation will be via wells only. The Chairman inquired if wells can be used for domestic supply. Kevin Morin stated that this would require further review. Kevin Morin further stated that fire demand is the issue with respect to the use of wells. The General Manager stated that the applicant could try the hybrid system with respect to fire demand.

The Chairman opined that there is proposed low usage for this project but in high service there is no water. The Chairman suggested that the applicant utilize wells and Kent County Water Authority will further review this matter. He further stated that the applicant should have intercepted the illegal irrigation by Dunkin' Donuts. The Chairman ended that Kent County Water Authority is not in a position to supply the proposed development.

Board Member Gallucci commented that there is a risk as to whether or not Kent County Water Authority will have water two years from now. The General Manager stated Kent County Water Authority can not give water it does not have and there is no new supply on line and the Route 95 corridor is expanding.

The partner of the applicant stated that the issue for the developer is fire protection. He stated that they can work around wells. He stated that the developer needs fire protection and if not obtained, development stops. The General Manager stated that if the numbers are the same, fire demand is okay. However, a method to decrease stagnation is required because it is a dead end line. The General Manager does not want people drinking the water and that the last building could not have enough pressure to flush the line.

It was moved by Board Member Inman and seconded by Board Member Graham to approve fire protection connection only and that the General Manager will work with the engineer for the applicant with respect to ensuring the cleanliness of the line and it was unanimously,

VOTED: To approve fire protection connection only and the General Manager will work with the engineer for the applicant with respect to ensuring the cleanliness of the line.

Brookside Center–DiPrete Engineering

The General Manager presented the Board with correspondence dated June 18, 2007 from DiPrete Engineering with respect to its request for water service attached as 'D'. Angelo Simone, Esq., on behalf of John C. Revens, Esq. and a representative of Churchill & Banks appeared on behalf of the applicant. Mr. Simone informed the Board that the applicant has received municipal approvals and a planning Board meeting is scheduled for June 27, 2007 with respect to applicant's preliminary plan review.

The General Manager informed the Board that the site is an ideal location for a hybrid system. However, due to pressure issues, individual booster pumps would be required. The General Manager suggested use of high service for fire flow for residential and office use and low service satisfies the requirements. He said that fire service is dead ended therefore, flushing of the line needs to be reviewed.

It was moved by Board Member Inman and seconded by Board Member Graham to approve a hybrid system and use high service supply for fire flow only for residential and office use with the stipulation that a flushing program be reviewed to ensure water quality within the main and it was unanimously,

VOTED: To approve a hybrid system and use high service supply for fire flow only for residential and office use with the stipulation that a flushing program be reviewed to ensure water quality within the main.

Lowes Plaza, Quaker Lane—Garofalo Request to Appear

Mr. Joseph Shekarchi, Esq., Legal Counsel for applicant, Brian Bucci and a representative of Capuano Garafalo were present. The Board was informed that this concerns a water line within Route 2 and the applicant is requesting water service for a coffee shop and dental office. Mr. Shekarchi stated that the developer for Herb Chambers is installing the line. The dental office will consist of approximately 3,200 square feet and the Starbucks will consist of approximately 1,800 square feet. A 2' line is required for both buildings and there is no line in the front of the site.

The Chairman inquired as to how Denny's Restaurant obtains water and was informed that Denny's receives service from the low pressure gradient line. The General Manager inquired if the site would be under the same ownership and Mr. Shekarchi replied that the site will be subdivided and separately metered and owned by separate entities.

The General Manager informed the Board that a 16' water main is proposed. Mr. Shekarchi stated that this will be a new line and the applicant will offer aid-in-construction to bring the line up to the property.

The General Manager stated that the proposed Shipwreck Falls water park is on a high service line. The Chairman stated that there are no Kent County Water Authority funds to construct the line. Mr. Shekarchi requested suggestions from the Board.

The Chairman suggested that the applicant consult with Lowes and Metropolitan Life as Metropolitan Life originally wanted to obtain service off the line but abandoned this idea. Mr. Shekarchi stated that, if approved, this will enable the applicant to get other developers on Board with respect to extending the line.

Brian Bucci stated that Lowes has a large tank and maintenance of the tank is expensive and the high pressure line will require participation from Lowes. If not approved, Lowes will not participate.

The Chairman stated that even if approval were given, the applicant will have no service until the line is installed. Mr. Shekarchi stated that approval is important for joint effort for other developers to extend the line.

The General Manager expressed his concern that once approved, the applicant may have access to the system. Board Member Gallucci stated that approval enables the extension of the line and service is subject to the line being built. Mr. Shekarchi stated that wells are not feasible due to the regulations of the Department of Health. The Chairman suggested that Legal Counsel and Mr. Shekarchi draft an agreement with respect to extension of the line regarding approval.

It was moved by Board Member Gallucci and seconded by Board Member Graham that approval be granted subject to the stipulation that a new 16' transmission main be installed by an entity or entities and that no Kent County Water Authority service may be provided without the extension of the 16' main and that supply must be available in the system at the time the main is extended and this approval is subject the conditions in lieu of a moratorium pertaining to the high service gradient as outlined in the Kent County Water Authority Regulations, Section 1.14 as follows:

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

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

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

1.14.4 The applicant shall file a formal application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which

materially affects the ability to supply water to the project, will be the responsibility of the applicant/customer and not the KCWA.

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

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

VOTED: That approval be granted subject to the stipulation that the new 16' transmission main be installed by an entity such that no service can be provided without the extension of the 16' main and that supply must be available in the system at the time the main is extended and this approval is subject the conditions in lieu of a moratorium pertaining to the high service gradient as outlined in the Kent County Water Authority Regulations, Section 1.14 as follows:

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

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

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

1.14.4 The applicant shall file a formal application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the

project, will be the responsibility of the applicant/customer and not the KCWA.

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

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

136 Reservoir Road, - Mr. White

This matter is postponed until the September Board meeting.

12 Marion Drive—Mr. Leonard

Mr. Leonard presented the Board with a plan attached as "E". He stated that he owns a single family home on Johnson's Pond. He stated that he was denied water albeit the line is 5 feet in front of his house. The home is approximately 10 feet away from Johnson's Pond and the dwelling will be serviced by ISDS. However, it can not meet the required 100 foot setback with respect to the ISDS. The Chairman reviewed Mr. Leonard's plan and concurred that a well can not be used due to the insufficient setback and that this represents a hardship and safety issue.

It was moved by Board Member Inman and seconded by Board Graham to approve service due to hardship and safety reasons subject to the following conditions in lieu of a moratorium:

1. The Kent County Water Authority (KCWA) is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA. The KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers of KCWA.
3. Ventures, commitments or agreements are at the applicant's sole risk if supply or existing infrastructure is found to be insufficient to support service. The applicant may afford the Authority with system improvements to facilitate adequate service.

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

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

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

7. The applicant shall comply with all Kent County Water Authority Rules and Regulations.

And it was unanimously,

VOTED: To approve service due to hardship and safety reasons subject to the following conditions in lieu of a moratorium:

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

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

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

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

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

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

7. The applicant shall comply with all Kent County Water Authority Rules and Regulations.

Centre of New England–Caito Corporation

Robert Rapoza and Benjamin Caito, P.E. were in attendance and presented the Board with a plan attached as “F”. They informed the Board that a 100 room Marriott Hotel is in the process of being constructed. Further, a restaurant and a 130 bed assisted living facility will also be constructed across from WalMart however, these projects are not on the Agenda. At this time, the applicant is requesting approval for fire flow.

The General Manager informed the Board that Kent County Water Authority has allocated 67,000 gallons per day. The Chairman inquired of the current usage. The applicant stated that Building C consists of a Mattress Discounter, nail salon, sew and vacuum store and a buffet restaurant. Mr. Caito informed the Board that 7,700 gallons per day is the usage for pads C & D including the hotel and the maximum usage would be 40,548 gallons per day.

The applicant anticipates digging two more wells due to Department of Health Regulations. A planned Circuit City and a furniture store will be low usage. The assisted living facility and the hotel will be the higher water user. However, only pads C & D and the hotel are before the Board. The General Manager provided the Board with correspondence dated June 18, 2007 from Lightowler Johnson Associates, Inc. with respect to the Marriott Residence Inn attached as “G”.

It was moved by Board Member Inman and seconded by Board Member Gallucci to approve service due to hardship and safety reasons for the hotel and Pads C & D subject to the stipulations from the February 27, 2006 board meeting regarding service to the site and the following high service gradient conditions of service contained in Section 1.14 of the Kent County Water Rules & Regulations as follows:

1.14.1 The Kent County Water Authority (KCWA) is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third

party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.

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

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

1.14.4 The applicant shall file a formal application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the project, will be the responsibility of the applicant/customer and not the KCWA.

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

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

VOTED: To approve service due to hardship and safety reasons for the hotel and Pads C & D subject to the stipulations from the February 27, 2006 board meeting regarding service to the site and the following high service gradient conditions of service contained in Section 1.14 of the Kent County Water Rules & Regulations as follows:

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

1.14.2 A deficient condition associated with accelerated commercial and residential development exists in the area serviced by

the KCWA, the KCWA is in the process of planning for additional water supply and therefore delays or diminution in service may occur if the water supply is unavailable or unable to produce water sufficient to service the customers of KCWA.

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

1.14.4 The applicant shall file a formal application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the project, will be the responsibility of the applicant/customer and not the KCWA.

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

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

Pine Ridge Subdivision Review and Consideration

William Landry, Esq. and Mr. Hennessey of Picerne appeared at the request of the General Manager. The Board was advised that four homes have been sold. A representative of Picerne was watering the lawn of the model unit despite the stipulation prohibiting irrigation at the site. Mr. Landry stated that the Picerne representative was not aware of the outdoor watering ban and stated that this would not occur again. The Board was informed that the irrigation restriction is set forth in the deed and that Kent County Water Authority discovered the violation. The site is located in a zero water table area.

The General Manager informed the Board that the deed restriction prohibits irrigation and landscaping systems. The Picerne representative claimed he was unaware of the restriction. The General Manager stated that Kent County Water Authority can not continue to have water used that is restricted. The applicant has exceeded their capacity and 60 homes were approved.

The Chairman stated that the problem that the developer had agreed to is xeriscape. The Chairman inquired of the General Manager as to whether Kent County Water Authority can inspect what the applicant has installed and bill the applicant for construction. The General Manager replied that Kent County Water Authority does not have the ability to inspect/police around the clock. The Chairman suggested that a firm be engaged to conduct an inspection. The General Manger suggested that a landscaper submit information as to whether the applicant is in compliance.

Mr. Landry stated that the landscape architect submitted plans to Kent County Water Authority and the architect confirmed the "as-builts". The General Manager stated that a subcontractor is needed to review the site. The Chairman stated to the applicant that Kent County Water Authority will review the plans.

MaraCap Realty–835 Bald Hill Road Easement Encroachment

Robert Murray, Esq. and Joseph Pimental (contractor) appeared on behalf of the owner and presented to the Board a plan of the site.

Mr. Murray informed the Board that Legal Counsel for Kent County Water Authority notified the owner that the building was encroaching two feet within the Kent County Water Authority easement area. Mr. Murray further stated that the former owners of the site granted an easement to Kent County Water Authority. Mr. Murray stated that there was a breakdown in knowledge with respect to the easement and concrete footings (encroachments) were removed. There was a site visit with the General Manager and Legal Counsel for Kent County Water Authority and test pits dug. An indemnification agreement with respect to the encroachment was circulated and no structure is located over the water line.

The owner is requesting the permission of the Kent County Water Authority to have a cantilever overhang and a 5 foot sidewalk around the building, a portion of which is located within the easement area. There will also be a small retaining wall and landscaping. The General Manager stated that some landscaping will need to be removed which is located over the waterline. The General Manager requested the final landscaping plan.

It was moved by Board Member Gallucci and seconded by Board Member Graham to approve the cantilever, sidewalk and landscaping as depicted on site plan to be approved by Kent County Water Authority with the stipulation that an indemnification agreement be provided to Kent County Water Authority with the final landscaping plan and it was unanimously,

VOTED: To approve the cantilever, sidewalk and landscaping as depicted on site plan to be approved by Kent County Water Authority with the stipulation that an indemnification agreement be provided to Kent County Water Authority with the final landscaping plan.

LEGAL MATTERS

Relocation of Tank Site—Read School House Road

The Coventry administrative subdivision plan for the new tank site along with the respective deeds from the Town of Coventry and Kent County Water Authority have been recorded and therefore, this protracted matter is now complete.

Facility Access—Amgen

Easement rights of Kent County Water Authority were impeded by 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. Kent County Water Authority had coordinated with Amgen the draining of the tank and the painting is underway. Legal Counsel has been in contact with Mark Berglund, P.E. of Amgen and Legal Counsel for Amgen will be contacting Legal Counsel for Kent County Water Authority regarding securing a drainage easement. Legal Counsel is still awaiting contact from the Legal Counsel for Amgen. On June 21, 2007, Legal Counsel was contacted by Legal Counsel for Amgen. They are preparing a draft of the easement and will forward the easement to Legal Counsel for review.

Quaker Lane Booster Station

In order to meet setback requirements of the generator from the structure and to accommodate a temporary construction easement, 25' to 50' of abutting property owned by Duke Associates Limited Liability Corp. is required. Legal Counsel forwarded to the owner written request for a lease and has subsequently been in contact with the owner. Legal Counsel and the General Manager met with the land owner at the site. Kent County Water Authority will provide the land owner with a survey depicting the easement area and the owner will obtain an appraisal of the site with respect to Kent County Water Authority obtaining an easement and the owner will forward to Legal Counsel the appraised value of the easement. Kent County Water Authority is awaiting the completion of the engineering at June 14, 2007.

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 Legal Counsel for the land owner are working to secure easements for construction and operation of the station.

Joseph Petrarca, Department of Public Utilities and Carriers

The decision by the Division of Public Utilities and Carriers has not been rendered by the Hearing Officer.

Padula Easement/Flat Top

Legal Counsel is working with Legal Counsel for the Developer to secure an easement for the condominium project.

Department of Health Rules and Regulations

Legal Counsel forwarded to Gregory A. Madoian, Esq., Legal Counsel for the Department of Health, the proposed private water system rules and regulations amendments as pertaining to public drinking water. These amendments were prepared by Legal Counsel, the General Manager and the staff. Legal Counsel also placed a telephone call to Mr. Madoian. Mr. Madoian contacted Legal Counsel who stated that the rules and regulations will be reviewed the week of April 15, 2007. Legal Counsel subsequently inquired of the Department of Health and it is still being considered. Legal Counsel will continue to contact the Department of Health until he receives an answer.

Aid-in-Construction

The Board has requested Legal Counsel to research aid-in-construction. Legal Counsel prepared and circulated an opinion letter to the Board on June 21, 2007. The Board requested Legal Counsel to further research this issue infra.

G-Tech/Amgen Water Services

On June 30, 2006, G-Tech received approval of water service for its campus. Subsequent to approval, the campus was subdivided and sold. G-Tech did not notify Kent County Water Authority of the change in ownership as required by its Rules and Regulations. As a result of the change in ownership, the service at the property (Data Center) does not conform to the original tenets of the approval as the building is occupied by a different owner resulting in one service supplying different owners. Master metering is reserved for single ownership and G-Tech does not meet this requirement as G-Tech is currently connected to the Condyne Master Meter Service.

Kent County Water Authority met with a representative of Condyne who was not aware that it was servicing the G-Tech data center. G-Tech is required to install a separate service to Hopkins Hill Road as set forth in Option A of the December 14, 2006 correspondence from G-Tech to Kent County Water Authority in order to resolve the issue of water service.

Legal Counsel performed research of the West Greenwich Land Evidence Records to ascertain the ownership of certain parcels of real estate located within the G-Tech site given recent subdivision of the site. The data center is under different ownership as a result of the subdivision but serviced by a master meter in violation of the regulations of Kent County Water Authority for property owned by another owner. Legal Counsel for Kent County Water Authority, the General Manager and John Duchesneau met with Legal Counsel for Amgen and two Amgen representatives. Amgen and its Legal Counsel provided Kent County Water and its Legal Counsel with title to the subject property from Legal Counsel for the title company. Legal Counsel for Amgen will draft an indemnification agreement with respect to common service. Legal Counsel will review the indemnification agreement and determine whether or not the common service is legally permitted by the regulations of Kent County Water Authority. Amgen will coordinate a meeting with the owner of the property providing water to the data center.

Division of Taxation–Sales and Use Tax

Legal Counsel has previously filed for a hearing and the Kent County Water Authority staff has collected the bulk of the tax of approximately \$25,720.71. Legal Counsel is now working with the Collection Section, Chief Richard Smith, and Legal Counsel has filed an offer-in-compromise of approximately \$25,000. The forms have been signed by the General Manager and were hand delivered on June 18, 2007 and will await Division of Taxation response.

Providence Water Supply Board

There hearing was held at the PUC on May 2, 2007. A Motion to Intervene was filed with the PUC on May 14, 2007. First data request of Kent County Water Authority was sent to the PUC on May 17, 2007. The Pass through motion was filed electronically on May 21, 2007 and the original filed with the PUC on May 25, 2007 and it is proceeding according to schedule.

Drug Policy

Legal Counsel submitted a draft of revised statement of policy on drug abuse to the General Manager for review.

Bald Hill Road encroachment

This matter was discussed and acted upon infra.

AFA–Review document purchase order

The AFA Protective Systems Inc. proposal to install the Kent County Water Authority fire alarm system was approved at the special Board meeting of March 6, 2007 in the amount of \$23,300.00. On March 7, 2007 Kent County Water Authority issued a purchase order according to §1.8 of the Kent County Water Authority Procurement Procedures and AFA breached the contract by refusing to do the work without modifications to the RFP. Legal Counsel sent a letter on May 10, 2007 to AFA that Kent County Water Authority would allow it a brief opportunity to do the work or suffer legal consequences. There has been no further communication from AFA.

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 May, 2007 and closing documents which is attached as “H” and after discussion, Board Member Gallucci moved and seconded by Board Member Masterson 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 May, 2007 and closing documents, be approved as presented and be incorporated herein and are made a part hereof as “H”.

Point of Personal Privilege and Communications:

Board Member Graham praised the job performance of the support staff of Kent County Water Authority.

Board Member Masterson informed the Board that he attended the informal PUC hearing and the General Manager and Legal Counsel did a great job at the hearing.

Board Member Gallucci stated that he wished to discuss the Carpionato model at a future meeting.

The Chairman stated that he is happy with the way the Board is working with the General Manager.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

OLD BUSINESS:

PWSB Rate Case Filing Intervention Status

The General Manager informed the Board that this is a joint intervention.

PWSB/KCWA Pass Through Approval

The General Manager informed the Board that this matter will be continued until completion of the Providence Water Supply Board rate case filing intervention.

"Aid in Construction" Discussion

This matter was discussed infra.

2002A Bond Refinancing Status

The General Manager stated that a conference telephone call is required and Legal Counsel will pursue this and the General Manager will have more information on this matter next month.

New Business

RFP Approvals

Legal Solicitation Preparation for RFP

The General Manager informed the Board that an RFP to write the specifications was advertised and that no proposals were received.

Bond Underwriter Service

The General Manager informed the Board that this matter was postponed to this meeting because of financial consultant review. The General Manager provided the Board with correspondence dated May 22, 2007 from First Southwest attached as "1". The General Manager stated that both firms can perform the work and that Kent County Water Authority has previously engaged the services of RBC Capital Markets. The General Manager recommended RBC Capital Markets.

It was moved by Board Member Gallucci and seconded by Board Member Graham to engage the service of RBC Capital Markets with an average takedown of \$2.68 per \$1,000 of bonds issued plus \$.18 for expenses and it was unanimously,

VOTED: To engage the service of RBC Capital Markets with an average takedown of \$2.68 per \$1,000 of bonds issued plus \$.18 for expenses.

Treatment Design Mishnock Well Field

The General Manager provided the Board with the RFP for engineering consulting services for the water treatment facility design for the Mishnock Wellfield attached as "J". The General Manager stated that the proposals of Wright Pierce, Tata & Howard and Stantec were considered.

The General Manager recommended that Wright-Pierce and Stantec be interviewed by the Board.

It was moved by Board Member Masterson and seconded by Board Member Graham that Wright-Pierce and Stantec be interviewed by the Board and if necessary, a special meeting will be called to conduct the interviews and it was unanimously,

VOTED: That Wright-Pierce and Stantec be interviewed by the Board and if necessary, a special meeting will be called to conduct the interviews.

Preliminary Design Mishnock Storage, Transmission & Pump Station

The General Manager provided the Board with the proposal attached as "K" for preliminary design report for the water storage tank and opined that all of the candidates had the ability to perform the job. The Chairman inquired as to the recommendation of the General Manager. The General Manager recommended Pare Engineering but all candidates were very close in their qualifications and bids. Kevin Fitta reviewed the proposals also attached as "K" and concurred with the General Manager that all candidates were very capable.

It was moved by Board Member Graham and seconded by Board Member Masterson that Pare Engineering be awarded the RFP subject to further pricing negotiations pursuant to "K" and it was unanimously,

VOTED: That Pare Engineering be awarded the RFP subject to further pricing negotiations pursuant to "K".

Bid Approvals

General Construction throughout system

The General Manager provided the Board with the invitation to bid with respect to materials for general construction attached as "L". The General Manager

recommended that all bids be rejected and obtain bids for materials for specific projects.

It was moved by Board Member Gallucci and seconded by Board Member Masterson to reject all bids and it was unanimously,

VOTED: To reject all bids.

Paving services

The General Manager provided the Board with a memorandum dated June 7, 2007 from John Duchesneau with respect to the single bid for paving services as attached as "M". It was recommended that it is in the best interest of Kent County Water Authority to reject the bid and extend the existing contract.

It was moved by Board Member Graham and seconded by Board Member Inman to reject the bid and extend the existing contract and it was unanimously,

VOTED: To reject the bid and extend the existing contract.

Greenwich Avenue Main Replacement

The General Manager presented the Board with correspondence dated June 1, 2007 from Geremia & Associates as attached as "N". The correspondence recommended that Parkside Utility Construction Corp. be awarded the contract for the water system replacement. The General Manager also presented the Board with correspondence dated June 8, 2007 from the Warwick Sewer Authority as attached as "O". The letter states that the only contractor permitted to perform work on the lines of the Warwick Sewer Authority is D'Ambra Construction. The General Manager will respond to this correspondence.

Action Legal Services Contract

The General Manager again informed the Board that no proposals were received for the RFP to write the specifications for legal services infra as attached as "P". Therefore, the General Manager requested that current Legal Counsel submit a letter of engagement for the period July 1, 2007 to June 30, 2008 as attached as "Q".

The General Manager recommended that the Board engage current general legal counsel from July 1, 2007 to June 30, 2008 pursuant to the letter of engagement attached as "Q".

The Chairman suggested the contract be extended for two years due to the rate filing cases. The General Manager informed the Chairman that the law only permits for one year for engagement.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve the letter of engagement of current general legal counsel for services from July 1, 2007 to June 30, 2008 as attached as "Q" and it was unanimously,

VOTED: To approve the letter of engagement of current general legal counsel for services from July 1, 2007 to June 30, 2008 as attached as "Q".

Flushing Program Completion

The General Manger informed the Board that the program has been completed and Kent County Water Authority had only two customer complaints with respect to the flushing program.

GIS/West Warwick License Agreement, Usage & Distribution

The Chairman stated that the issue concerns the representations of the GIS system in Colorado. Boyer & Assoc. was provided with a disc and topographical information which was omitted from the disc. The company represented in writing that topographical information is included on the disc. The Company will honor the writing and provide topographical information for no further monetary consideration.

Water Audit Approved for Distribution

The General Manager presented the Board with a proposed draft of a pamphlet that will allow each customer in the Kent County Water Authority system to conduct their own audit to determine how much water the customer is using. Kent County Water Authority will print the pamphlet and send it to each customer.

The Chairman suggested that the pamphlet include a provision that allows the customer to calculate the monetary savings with respect to water consumption.

Request to Rescind–Design/Build Award Fire Alarm Installation Award

The General Manager stated that the bid which was awarded by this Board for the fire alarm system on March 6, 2007 will not be honored by the vendor unless Kent County Water Authority holds the vendor harmless with respect to installation of the equipment. Therefore, the General Manager recommended that the bid be rescinded and Legal Counsel sent a letter to that effect on May 10, 2007.

It was moved by Board Member Masterson and seconded by Board Member Graham that the bid of Design/Build Award Fire Alarm installation be rescinded and it be re-bid in the best interests of Kent County Water Authority and it was unanimously,

VOTED: That the bid of Design/Build Award Fire Alarm installation be rescinded and it be re-bid in the best interests of Kent County Water Authority.

Budget Approval FY 2007/2008

The General Manager reviewed the entire annual budget for the year 2007/2008 as attached as “**R**”. The General Manager stated that salaries still need to be reviewed with respect to the tier system which the General Manager explained to the Board and thorough discussion ensued by the Board.

The General Manager stated that revenue is less and that Kent County Water Authority has not met the fixed allocation for infrastructure. The General Manager stated that 8.8 million is needed for income and the PUC is aware of this. The exact cost for the upgrade of the phone system is unknown at this time but will be less than \$25,000.

It was moved by Board Member Gallucci and seconded by Board Member Graham that the budget for 2007/2008 be approved and it was unanimously voted among the remaining Board Members (Board Member Inman had been excused from the meeting because of a pressing personal matter):

VOTED: That the budge for 2007/2008 be approved.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS :

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

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

VOTED: To adjourn the meeting at 7:15 p.m.

Secretary Pro Tempore

EXHIBIT A

June 21, 2007

POLICY
TEMPORARY HIGH SERVICE MORATORIUM

Recognizing the imminent impact expansion of service will create on the supply system, the Board of the Kent County Water Authority has determined that the ability to expand service is limited by the existing supply available to and transmission capabilities of the system. The Kent County Water Authority is cognizant of its responsibility to conserve its water supply for the greatest public benefit. Hydraulic modeling has determined a shortage of supply within the 500 foot service gradient exists to the extent that there would be insufficient water during maximum day conditions for human consumption, sanitation and fire protection if expansion of service was allowed.

The Kent County Water Authority finds that it must impose a temporary new service connection moratorium because the supply system has reached the limits of its capacity to supply water and that no further consumers of water can be supplied from the system without injuriously withdrawing supply wholly or in part from those who have been supplied by the Authority.

This moratorium shall not apply to owners of real property that received approval on or before the date of this order or who are customers of the Kent County Water Authority or their successors in interest, if any change in use of their property will not increase their demand on the supply.

Existing residential dwellings seeking consideration based on health or safety concerns may apply for special consideration due to extenuating circumstances. Existing residential dwellings shall be defined as dwellings built and occupied prior to the date of approval of this policy. These applications shall be reviewed and a determination rendered by the General Manager.

The Kent County Water Authority will continue to accept applications for new customers within the service area so information is on file if events change. The Authority's acceptance of applications for review does not constitute a commitment of or to water service connection by the Authority. No new commitments for residential or commercial water connections will be approved until further notice.

The temporary moratorium is in effect as of the date of approval. It applies to all proposed new and expanded water service. This policy shall remain in effect until the situation is rectified by additional source of water supply.

OFFICE MEMO

To: Board
From: Timothy Brown
Subject: Board Meeting, June 21, 2007
Date: June 21, 2007

Prior to the Board's action on high service requests for the June 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.

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.

EXHIBIT B

June 21, 2007



797 BALD HILL ROAD
WARWICK, RI 02886

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

June 21, 2007

Mr. Timothy J. Brown
General Manager/Chief Engineer
Kent County Water Authority
P.O. Box 192
West Warwick, RI 02893

Re: Aid in Construction

Dear Mr. Brown:

This writing is in response to the request of Kent County Water Authority for a legal opinion regarding whether Kent County Water Authority is able to accept a "voluntary cash contribution" from a developer in connection with an approval for service on a proposed project by the developer whereby the cash contribution shall be used by the Authority in any fashion as the Authority sees fit. After extensive research, there is no Rhode Island Statutory or Regulatory authority which specifically addresses this question. Further, there is no Rhode Island case law which addresses this question. This question has not been addressed by the Public Utilities Commission in cases brought before the commission. As a result, the Statutory, Regulatory and Case Law in Rhode Island is silent on the ability of Kent County Water Authority to accept this "voluntary cash contribution."

The Uniform System of Accounts for Class A and B Water Utilities, as issued by the National Association of Regulatory Utility Commissioners defines contributions in aid of construction as:

"Donations or contributions in cash, services or property from states, municipalities, or other governmental agencies, individuals and others for construction purposes." State of North Carolina vs. Heater Utilities, Inc., 219 S.E.2d 56 (N.C. 1975).

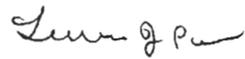
The Court in Heater Utilities describes the typical "contribution in aid of construction" situation as an individual requesting service from a utility company that is located so far from the company's existing line that the company is unwilling to pay for the construction of the necessary extensions to provide service. *Id.* The utility company agrees to render service if the individual requesting the service will pay all or part of the construction cost for construction of necessary extensions to its facilities to provide the requested service. *Id.* The Court in Heater Utilities expanded the term "contribution in aid of construction" to include situations where the consumer of the utility service indirectly pays for the construction costs without making a direct payment to the utility.

In this opinion, the "voluntary cash contribution" to be paid by any person is not a "contribution in aid of construction" as it is not necessary to construct any extensions to the Kent County Water Authority system to provide service. As a result, the "voluntary cash contribution" would not be used to pay construction costs for service extensions for the project. Section 3.3 of the Kent County Water Authority Regulations (copy attached) requires that the applicant pay the cost of all extensions and that any overpayment by the applicant be returned to the applicant by the Authority. As a result, Section 3.3 would not allow the Authority to accept the "voluntary cash contribution".

In addition to the conflict with the requirements of Section 3.3 of the Regulations noted above, acceptance by Kent County Water Authority of the "voluntary cash contribution" would not be in Kent County Water Authority interests since it could result in a negative perception that Kent County Water Authority is accepting contributions in

consideration for approval of a particular project. Further, this type of "voluntary cash contribution" would likely be interpreted by the Public Utilities Commission as income which would require involvement from the Public Utilities Commission. Kent County Water Authority should adopt a formal aid in construction procedure regarding contributions to allow for equal treatment regarding consideration and approval of projects for future applicants. For the reasons stated herein, Kent County Water Authority should not accept any "voluntary cash contribution".

Very truly yours,



Lewis J. Paras, Esq.

LJP:dd
Enc.

SENT BY FACSIMILE SAME DATE

- 3.2.4 Title to the property installed under the above paragraphs shall be conveyed to the Kent County Water Authority upon termination of the one-year warranty period following completion acceptance of the work by the Kent County Water Authority. During the warranty period, the owner shall be solely responsible for all repairs or replacement of defective materials. Booster pump, master metered configurations, and all piping and appurtenances downstream of these shall remain the property of the owner.
- 3.2.5 The "Owner" on extensions of this character, shall mean the developer or such other party or parties with whom the contract is made, and their successors or assigns.

3.3 FINANCING EXTENSIONS:

- 3.3.1 Upon approval of an application for installation of distribution mains by the Kent County Water Authority, the extension will be charged to the applicant based on an estimated cost. The full amount must be deposited before the commencement of any installation work can be accomplished. Full payment of all expenses in connection with a contract for extensions in real estate developments or undeveloped territory will be required in advance of the beginning of any installation work.
- 3.3.2 Upon completion of the installation, the Kent County Water Authority shall determine the final cost and either return the unused estimated deposit or require the balance to be paid in full prior to water service activation.
- 3.3.3 All distribution mains shall become and remain the property of the Kent County Water Authority upon termination of a one-year warranty period following completion acceptance by the Kent County Water Authority. During the warranty period, the owner shall be solely responsible for all repair or replacement of defective material. Once the warranty period has expired, the Kent County Water Authority shall maintain the same as long as there is sufficient demand for water service in said location.
- 3.3.4 The Kent County Water Authority reserves the right to require the owner to engage and pay for the services of a private contractor to make any required installation or repair associated with an extension of this nature.

3.4 CALCULATIONS:

- 3.4.1 A registered, professional engineer licensed in the State of Rhode Island shall prepare all mathematical calculations. They shall be signed and stamped prior to submission by the engineer who prepared them.
- 3.4.2 Thrust block calculations shall be based on 1,500 pound per square foot lateral bearing pressure on undisturbed soil at one and one half times the anticipated working pressure, but not less than 150 psi. Restrained joint pipe and devices shall

EXHIBIT C

June 21, 2007

GANSETT ASSOCIATES, LLC.

2915 Post Rd, Warwick, RI, 02886
401-886-7800

June 21, 2007

Kent County Water Authority
Board of Directors

Regarding: 111 Hopkins Hill Rd., West Greenwich, RI

Ladies and Gentlemen:

After a brief site history, the items I want to focus on today are as follows:

- In August 2005, we tapped from the 20" line in Hopkins Hill Rd and have installed an 8" water meter assembly, it is over 20' long, and housed it in an attractive building that meets all local codes, is heated and lit, and allows easy access to service the meter.
- Phase 1 was approved and built as Dunkin Donuts and is fully operational. We have extended the 8" water line approx. 500' into the site, along with the gas line to the edge of the pavement of Phase 1, in order to be picked up in Phase 2. We are now before you with Phase 2. We will present a conceptual site plan and domestic water use projection prepared by DiPrete Engineering.
- We have received Master Plan approval of Phase 2, with one of the stipulations being water availability, and hydrants extended into Phase 2. We are going for Preliminary Plan Approval, which is the next step to building the road and infrastructure, which we hope to do this summer.
- We recognize and respect the limitations of the current KC Water System.
- Attached is the letter from AAA Sprinkler Co, which takes its information from the Aug. 05 Fire Hydrant Flow (also attached). C & E Engineering and Tim Brown agreed that the flow has not likely changed since then.
- **Our goal with Hopkins Hill Business Park Condominiums is to selectively pick users, design, and landscaping that can conserve water resources more efficiently.** We plan on doing that in the following manner, and are open to suggestions from the Board.
- Seek Employers that have a low employee to space ratio
 - This will include: Sales/service/showroom, Warehouse types with smaller offices, Contractor storage and office. We have several interested parties including a local moving and storage company, a general commercial building contractor, and an automotive import distribution facility.
 - Do not require a lot of parking, since we are only allowed 45% impervious on this site

GANSETT ASSOCIATES, LLC.

2915 Post Rd, Warwick, RI, 02886
401-886-7800

- Are not high domestic water users
- Are not high hazard, or store highly flammable contents
- **We have reviewed the likely building uses and accordingly reduced significantly the domestic water uses by 56% to less than 1500 gallons per day.**
- **The construction of the business park will be phased**, with buildings built and occupied over the next **9-24 months**. Our objective is to get the roads and infrastructure in as soon as possible, so that we can begin to recoup our substantial investment.
- Construction will be block and metal, which will reduce fire flow needs.
- The site will employ Xero scape landscaping concepts wherever feasible. Irrigation, if any, will be from wells.
- We are considering Self Storage on part of this site, likely as the last phase, and especially if previous users have higher than anticipated water needs.

Based on discussion with AAA Sprinkler Company, and C&E, and DiPrete Engineering, there is adequate flow at the Hopkins Hill Rd hydrant to service these type of needs.

The Town is requiring that we install two more hydrants at approx. 500 and 1,000 feet from the existing one at our front lot line.

Thank You For Your Consideration,

Jeffrey A. Butler
Kirk E. Pickell



18 June 2007

Mr. Jeffrey Butler
Butler Realty Group
2915 Post Road
Warwick, RI 02886

Re: 111 Hopkins Hill Road, West Greenwich, RI

Dear Jeff,

With this letter, please accept our preliminary findings relating to your development project located in West Greenwich, RI. Our conclusions are based upon the preliminary data that we have received and should the project move forward we will endeavor to elucidate further as more information and data become available.

Without having a clear definition of the occupancies, building layouts, etc. that a finished project would have, we had to make certain assumptions. The first relates to the size. We took the square footages that were listed in the site plan that was drawn by Diprete Engineers which you provided to us and broke them down into different categories based on use. Once each category was outlined, we used an average per square foot calculation to determine an overall sprinkler head count for the development.

Some assumptions that were made we as follows; we assumed that there will be no high-pile storage in the development (dedicated storage over 12'-0" in height), the flow data would remain roughly constant to the last flow test which was done in August 2005 – should the project proceed forward we will order a new flow test immediately, and that the occupancies would either be light hazard or ordinary hazard occupancies.

Do not let the categories fool you into thinking that the occupancies are overly restrictive. Some light hazard occupancies include offices, clubs, institutional, and churches while some ordinary hazard occupancies include electronic plants, laundries, machine shops, printing, repair garages, textile manufacturing, wood machining and metal working, to name a few.

By making those assumptions, we can determine that there will be approximately 850-900 heads located throughout the buildings in this development. From there we compared that amount of heads with other projects of that size that we have completed in the past and pulled the flow data and calculations from those projects. In most cases, the flow data was close to or in some cases lower than the flow data listed in the results from



the one you had taken in August 2005. What this tells us is that there should be enough of a water supply to feed this development.

One of the concerns we see in the development is not the volume of the water but the distances involved. From the existing hydrant shown on the drawings to the furthest building on the site plan we see a distance roughly equal to 1,200 feet as the crow flies.

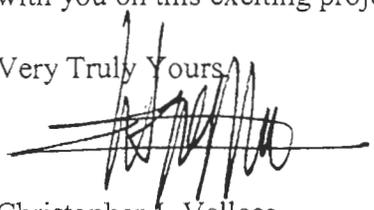
As water flows through piping, the friction of the water against the walls of the pipe slows down the water and begins to reduce the pressure in terms of pounds per square inch (psi). Over short distances this reduction is typically negligible, however over a distance measured in hundreds if not thousands of square feet, this reduction in pressure can be ponderous.

To counter this we can look at several options. The first would be to continue the municipal water service on site to a privately held and maintained hydrant in the attempt to centralize the flow from one location and thereby husband your water pressure reserves.

The second would be to run the water main in the new road and supplement the water pressure with a pump located in a pump house located on site. Therefore, as the water pressure drops as a result of the long run the pump would recharge the system so a steady and predictable water pressure is maintained. Knowing these two simplified scenarios, we must prepare for a potential for a third scenario that would potentially combine the first two scenarios or may introduce an unforeseen variable. The true course will become more apparent as the project develops and more data becomes available.

We hope this information proves to be of assistance to you, and should you have any other questions or concerns and AAA Sprinkler Company, Inc. looks forward to working with you on this exciting project.

Very Truly Yours,



Christopher J. Velleca
AAA SPRINKLER CO., Inc.
Executive Vice-President

[REDACTED]

DiPrete Engineering Associates, Inc.

TWO STAFFORD COURT
CRANSTON, RI 02920
TEL (401) 943-1000
FAX (401) 464-6006

September 16, 2005

Kenneth Lopes, Acting Chief & President
Lake Mishnock Fire/Rescue
166 Mishnock Road
West Greenwich, RI 02817

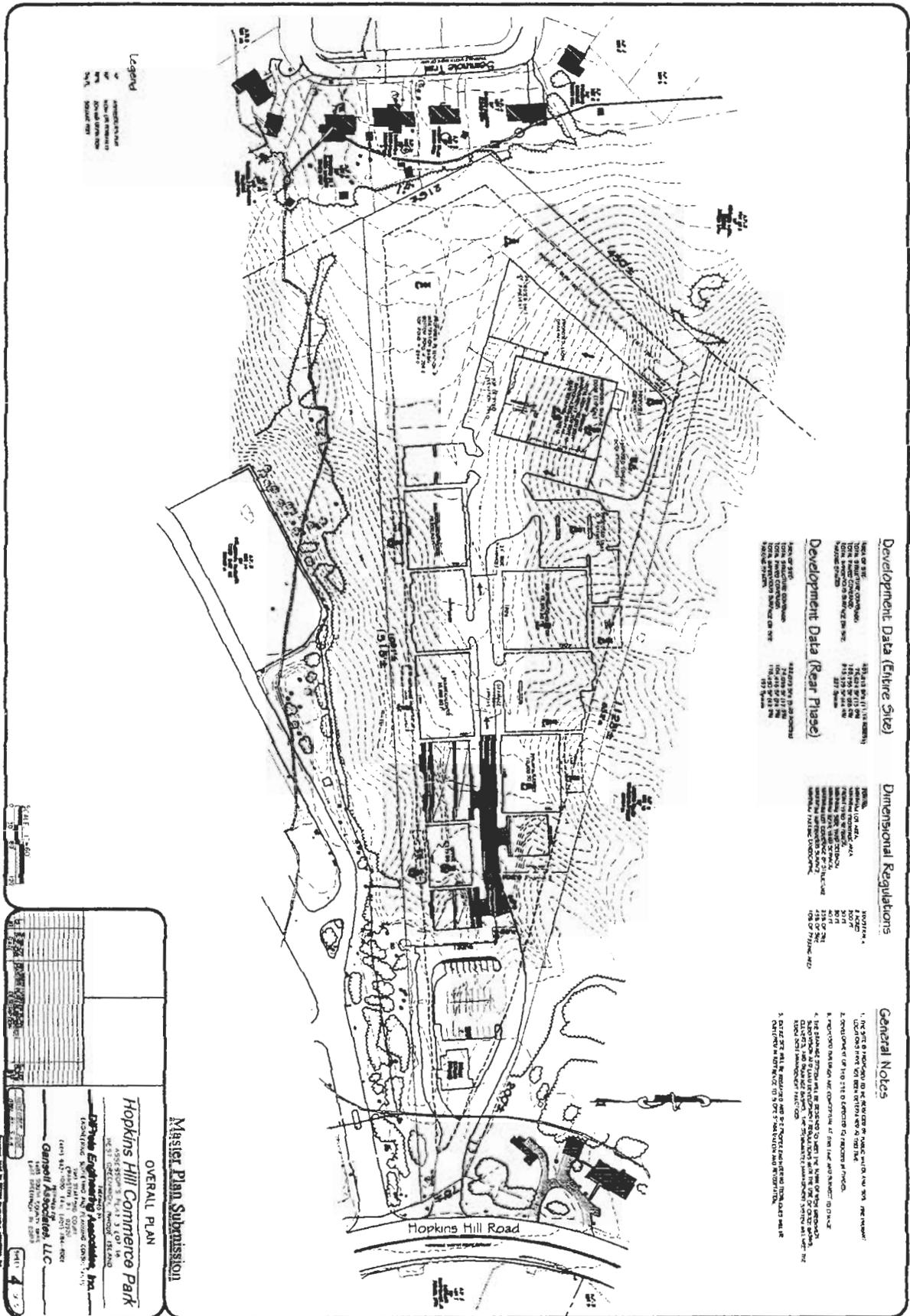
RE: Confirmation of hydrant location & fire flows
Proposed Dunkin' Donuts, Hopkins Hill Road

Dear Chief:

Per the Kent County Water Authority (KCWA) checklist, DiPrete Engineering Assoc., Inc. (DEA) respectfully requests a review of the attached plans and a letter approving the hydrant location to service the proposed development as shown. Currently the plans propose that the existing hydrant located at the site entrance shall be relocated outside the proposed site access driveway.

In addition, although the building will not be sprinklered and the hydrant is located on a 20" main, KCWA requires that the applicant obtain a minimum fire flow required onsite per the local fire department. We have attached a sample fire department memo received for a condominium development in West Warwick for your reference. It is our experience that required fire flows usually range around 1,000 gallons per minute (gpm). For this particular site, a hydrant test performed for the Hopkins Hill Road water main by KCWA and Red Hed on August 4, 2005 resulted in a flow of 1,250 gpm (see attached).

Please contact our office with any questions you have regarding this request for hydrant location approval for the site and fire flow requirements. Thank you for your assistance.



Legend

- Proposed Utility
- Proposed Road
- Proposed Driveway
- Proposed Fencing
- Proposed Site

Development Data (Entire Site)

Total Site Area	133.24 (3.21) Acres
Total Building Coverage	74,624 sq ft (1.70)
Total Parking Coverage	212,199 sq ft (4.86)
Total Site Coverage	286,823 sq ft (6.56)
Remaining Site Area	58.62 (1.33) Acres

Development Data (Rear Phase)

Total Building Coverage	24,000 sq ft (0.55)
Total Parking Coverage	100,419 sq ft (2.29)
Total Site Coverage	124,419 sq ft (2.84)
Remaining Site Area	109.22 (2.46) Acres

Dimensional Regulations

Setback (Front)	10' (20')
Setback (Side)	5' (10')
Setback (Rear)	5' (10')
Maximum Building Height	35' (35')
Maximum Lot Coverage	40% (40%)
Maximum Building Footprint	74,624 sq ft (1.70)
Maximum Parking Coverage	212,199 sq ft (4.86)

- General Notes**
1. THIS PLAN IS A PRELIMINARY DESIGN AND IS SUBJECT TO CHANGE WITHOUT NOTICE.
 2. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AND STATE AUTHORITIES.
 3. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AND STATE AUTHORITIES.
 4. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AND STATE AUTHORITIES.
 5. THE DEVELOPER SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL AND STATE AUTHORITIES.



Master Plan Submission

OVERALL PLAN

Hopkins Hill Commerce Park

DTYde Engineering Associates, Inc.
 4555 S. 10th St., Suite 100
 Charlotte, NC 28217
 (704) 545-1000
 www.dtyde.com

Gannett Associates, LLC
 1401 S. 10th St., Suite 100
 Charlotte, NC 28217
 (704) 545-1000
 www.gannett.com

DATE: 3/26/07

EXHIBIT D

June 21, 2007

DiPrete Engineering Associates, Inc.

TWO STAFFORD COURT
CRANSTON, RI 02920
TEL (401) 943-1000
FAX (401) 464-6006

Tim Brown, PE, General Manager/ Chief Engineer
John Duchesneau, Director of Technical Services
Kent County Water Authority
P.O. Box 192
West Warwick, RI 02893

June 18, 2007



RE: Brookside Center Renovation
Tiogue Avenue, Coventry

Dear Mr. Brown and Mr. Duchesneau:

DiPrete Engineering Assoc., Inc. (DEA) respectfully presents this modified request for consideration of water service for this Site. We respectfully request a proposed connection to the high service main for installation of a fire suppression system including hydrants and fire services to sprinkler systems for individual buildings as needed. We also request use of the existing low service connection that currently services the property for installation of a domestic water service system providing domestic service to each individual building and residential unit within the Site.

Based on the modeling results by C+E (attached), there is 49 psi available at the low service connection at Tiogue Avenue at average day conditions. This exceeds the 35 psi required under Section 2.2.11 of the Regulations. It is likely that pneumatic pumps may be needed at individual buildings within the Site to boost domestic pressure; however, no central pump stations are proposed. At such time when the high service water capacity is available to also supply the Site for domestic conditions, the high and low service within the Site could be linked to service the entire Site. In the interim the KCWA Board's approval of the hybrid system described above is requested.

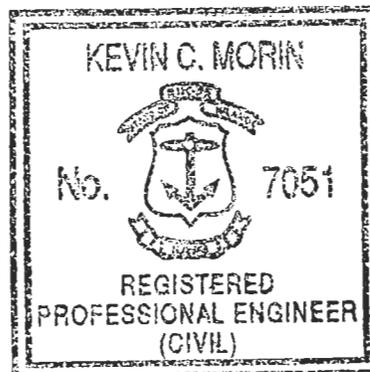
The design plan changes and response to technical comments already received will follow from the decision by the KCWA Board. It is our understanding that we are already scheduled for the June 21st KCWA meeting and look forward to discussing this proposal at the meeting.

Sincerely,
DiPrete Engineering Associates, Inc.



Kevin C. Morin, PE

cc: Jack Revens
Ray Lavey, Churchill & Banks



C & E Engineering Partners, Inc.

Civil
& **E**nvironmental
Engineering Partners, Inc.

342 Park Avenue
Woonsocket
Rhode Island 02895
Phone: 401-762-1711
Fax: 401-235-9088
Info@ceengineering.com

June 14, 2007

Mr. Raymond Lavey
Churchill & Banks
10 Greene Street
Providence, RI 02903

Re: **Brookside Center Renovation**
Tiogue Avenue, Coventry, RI
Hydraulic Model Assessment
C&E Project No. J0416.43

Dear Mr. Lavey:

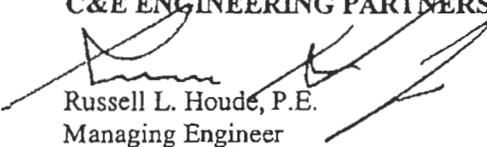
As requested, C&E Engineering Partners, Inc. (C&E) has completed an additional hydraulic evaluation (previous hydraulic report submitted on February 16, 2007) to determine available pressures at the existing 12-inch water main on Tiogue Avenue in the Low Service Pressure Gradient of the Authority's Water Supply System. Model simulations were performed under average day, maximum day and peak hour demand scenarios.

Simulations were performed at junction node "J-8278" located along the existing 12-inch Low Service water main on Tiogue Avenue. This junction node was considered the connection point for the proposed development. The attached map depicts the location of junction node "J-8278" within the Authority's water system.

The calculated pressures at junction node "J-8278" are 49 psi under an average day demand scenario, 30 psi under a maximum day demand scenario and 27 psi under a peak hour demand scenario. Printouts of these model results are attached.

C&E appreciates the opportunity to provide our services for your project. We trust that this information meets your needs. Please review the enclosed and should you have any questions or comments do not hesitate to contact me directly at (401) 762-1711.

Sincerely,
C&E ENGINEERING PARTNERS, INC.


Russell L. Houde, P.E.
Managing Engineer

RLH/nm
Enclosures

CC: Mr. Kevin Morin, P.E., DiPrete Engineering Associates, Inc. (w/encl.)

Detailed Report for Pressure Junction: J-8278

Scenario Summary

Scenario	AD Brookside Center
Active Topology Alternative	Base-Active Topology
Physical Alternative	Base-Physical
Demand Alternative	Avg Day Demand
Initial Settings Alternative	Base-Initial Settings
Operational Alternative	Base-Operational
Age Alternative	Base-Age Alternative
Constituent Alternative	Base-Constituent
Trace Alternative	Base-Trace Alternative
Fire Flow Alternative	Base-Fire Flow
Capital Cost Alternative	Base-Capital Cost
Energy Cost Alternative	Base-Energy Cost
User Data Alternative	Base-User Data

Global Adjustments Summary

<None>	Roughness	<None>
--------	-----------	--------

Geometric Summary

X	302,680.97 ft	Elevation	240.00 ft
Y	225,193.24 ft	Zone	Zone - 1

Demand Summary

Type	Base Flow (gpm)	Pattern
Demand	0.00	Fixed

Calculated Results Summary

Time (hr)	Calculated Hydraulic Grade (ft)	Pressure (psi)	Pressure Head (Calculated) (ft)	Demand (gpm)
0.00	353.35	49.04	113.35	0.00

Notes:
COV

Detailed Report for Pressure Junction: J-8278

Scenario Summary	
Scenario	MD Brookside Center
Active Topology Alternative	Base-Active Topology
Physical Alternative	Base-Physical
Demand Alternative	Max Day Demand
Initial Settings Alternative	Initial Settings-Max Day & Peak Hr.
Operational Alternative	Base-Operational
Age Alternative	Base-Age Alternative
Constituent Alternative	Base-Constituent
Trace Alternative	Base-Trace Alternative
Fire Flow Alternative	Brookside Center Fire Flow
Capital Cost Alternative	Base-Capital Cost
Energy Cost Alternative	Base-Energy Cost
User Data Alternative	Base-User Data

Global Adjustments Summary		
	<None>	Roughness
		<None>

Geometric Summary			
X	302,680.97 ft	Elevation	240.00 ft
Y	225,193.24 ft	Zone	Zone - 1

Demand Summary		
Type	Base Flow (gpm)	Pattern
Demand	0.00	Fixed

Calculated Results Summary				
Time (hr)	Calculated Hydraulic Grade (ft)	Pressure (psi)	Pressure Head (ft)	Demand (gpm)
0.00	309.74	30.17	69.74	0.00

Notes:
COV

Detailed Report for Pressure Junction: J-8278

Scenario Summary	
Scenario	PH Brookside Center
Active Topology Alternative	Base-Active Topology
Physical Alternative	Base-Physical
Demand Alternative	Peak Hr Demand
Initial Settings Alternative	Initial Settings-Max Day & Peak Hr.
Operational Alternative	Base-Operational
Age Alternative	Base-Age Alternative
Constituent Alternative	Base-Constituent
Trace Alternative	Base-Trace Alternative
Fire Flow Alternative	Base-Fire Flow
Capital Cost Alternative	Base-Capital Cost
Energy Cost Alternative	Base-Energy Cost
User Data Alternative	Base-User Data

Global Adjustments Summary			
	<None>	Roughness	<None>

Geometric Summary			
X	302,880.97 ft	Elevation	240.00 ft
Y	225,193.24 ft	Zone	Zone - 1

Demand Summary		
Type	Base Flow (gpm)	Pattern
Demand	0.00	Fixed

Calculated Results Summary				
Time (hr)	Calculated Hydraulic Grade (ft)	Pressure (psi)	Pressure Head (ft)	Demand (gpm)
0.00	302.61	27.09	62.61	0.00

Notes:
COV

EXHIBIT E

June 21, 2007

FLAT RIVER

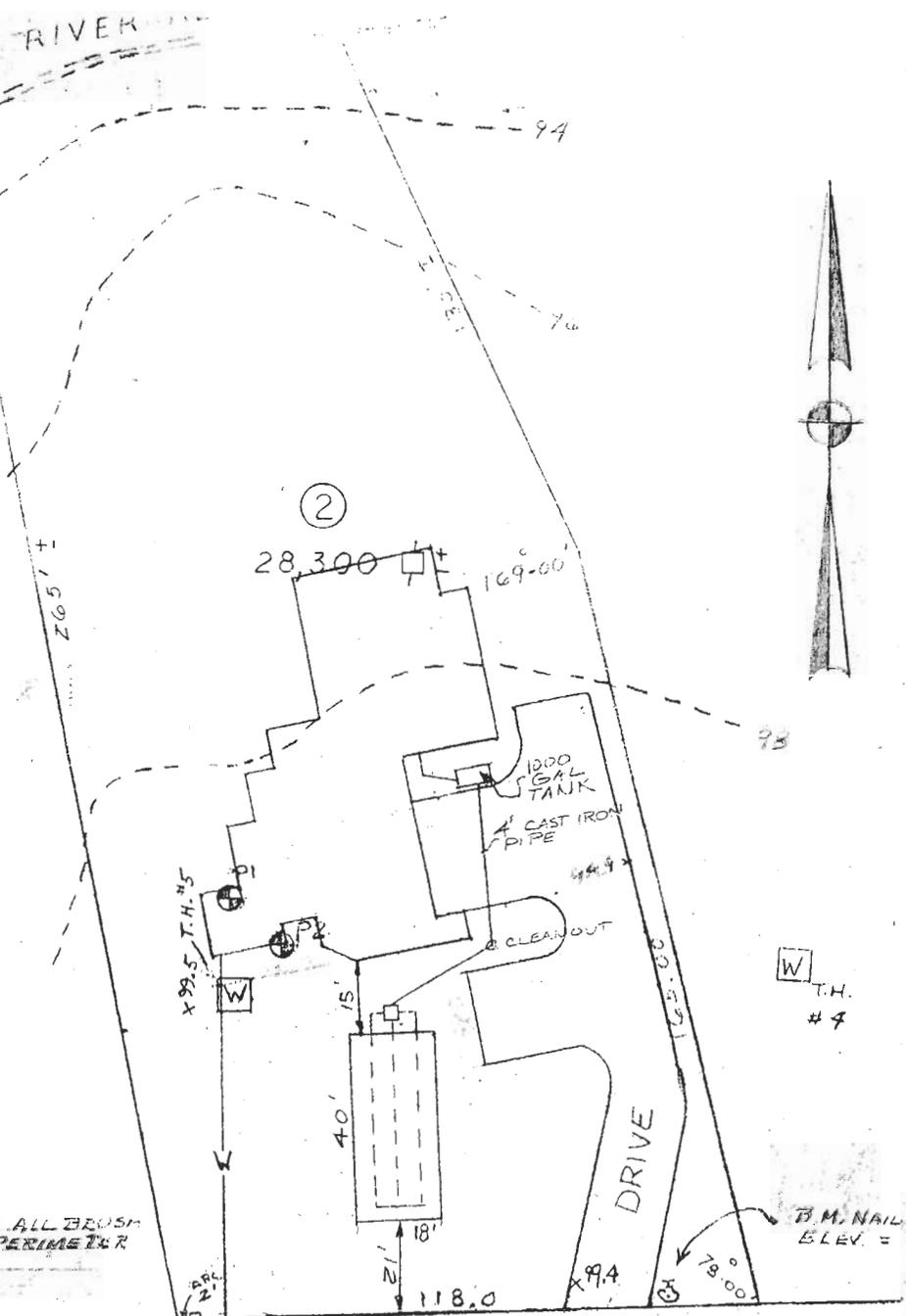
11-21

INVERT TABLE	
HSE. SEWER	98.30
S. TANK IN	98.20
S. TANK OUT	97.90
D. BOX IN	97.80
D. BOX OUT	97.60
FOOT OF BED	97.50
FIN. GR. = 98.50	

NOTE: CLEAR AND REMOVE ALL BRUSH AND TREES TO A 10 FT. PERIMETER OF LEACHING BED.

REVISED 12-29-76
APP # 606-327

REVISED 10-17-1978



VERONICA COURT

PLAN OF LAND
IN COVENTRY, R. I.
FOR ESTATE HOME BUILDERS, INC. 1
BY GEORGE B. DUPONT, P. E.
SCALE: 1" = 40' OCTOBER 1976

CO Revised


 1563 REGISTERED
 LAND SURVEYOR
 GEORGE B. DUPONT

DEPT. OF ENVIRONMENTAL MANAGEMENT
 DIVISION OF LAND RESOURCES - ISDS SECTION
 APPROVED *U.A. Matthea*
 DATE *2/10/78* PLAN # *606-327*
 NO CHANGES ALLOWED WITHOUT PRIOR APPROVAL
 APPROVED PLANS MUST BE
 KEPT AT CONSTRUCTION SITE.

EXHIBIT F

June 21, 2007

EXHIBIT G

June 21, 2007

Lightowler Johnson Associates

architects  engineers
incorporated

June 18, 2007

Mr. Timothy Brown
General Manager / Chief Engineer
Kent County Water Authority
PO Box 192
West Warwick, RI 02893-0192
Phone: 401-821-9300



RE: Board Meeting Agenda
Residence Inn
637 Centre of New England Blvd
West Greenwich, RI
LJA Project No. 06176

Dear Mr. Brown,

The purpose of our previous letter was to formally request to appear before the board during the upcoming meeting. At that time, we were unaware John P. Caito Corporation had referenced the Marriott Hotel in their request to appear before the board in their May 25th letter.

The initial relationship between Lightowler Johnson Associates and John P. Caito Corporation was to coordinate the Village Shoppes and the Marriott Residence Inn site designs. It was our understanding that Caito Corporation represented Universal Properties and was responsible for design of the entire development excluding the Residence Inn.

Lightowler Johnson Associates was given the impression that a pad ready site would be provided by Universal Properties and their engineer, John P. Caito Corporation, would coordinate Residence Inn submittals to the Kent County Water Authority with their projects. Lightowler Johnson Associates provided Caito Corporation with utility plans April 23rd, 2007. We were informed several weeks later that Residence Inn plans were never presented to KCWA. In order to keep the Residence Inn construction on track, LJA presented utility plans under separate cover to KCWA.

It is now our understanding that the entire Centre of New England area is on the upcoming agenda and encompasses all developments within the high use area; including the Residence Inn. We will have representation at the next Board meeting with expectations that we are included in the agenda.

The Residence Inn property will be leased from Universal Properties. However, the Residence Inn developers may wish to purchase the property at some time in the future.



Should you have any questions or require further information, feel free to contact us.

Sincerely,

LIGHTOWLER JOHNSON ASSOCIATES INC

A handwritten signature in black ink that reads "Andrew Werder". The signature is written in a cursive style with a prominent initial 'A'.

Andrew Werder, EIT
Civil Engineer

ADW

Cc: Chad White

EXHIBIT H

June 21, 2007

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	22.66%
1-101C	WATER TREATMENT PLANT	141257.29	141257.29		
1-101D	TRANS. & DISTR. PLANT	59686194.90	50424628.90	9261566.00	18.3%
1-101E	GENERAL PLANT	1654172.65	1647443.63	6729.02	.4%
1-101F	MISCELLANEOUS PHYS. PLANT	710.00	710.00		
1-101G	GENERAL STRUCTURES	148181.48	148181.48		
1-1070	CONSTR. WORK IN PROGRESS	20991943.68	24277516.48	-3285572.80	-13.5%
1-1110	ACCUM. DEPR. - PLANT	-11125327.55	-10204131.46	-921196.09	9.0%
TOTAL		76200836.69	70569899.32	5630937.37	7.9%
UTILITY PLANT IN SERVICES					
CURRENT AND ACCRUED ASSET					
1-131B	CASH - FLEET NAT BANK	354660.98	98960.55	255700.43	258.3%
1-131D	CASH - CITIZENS BANK	14048.63	14493.46	-444.83	-3.0%
TOTAL		368709.61	113454.01	255255.60	224.9%
CURRENT AND ACCRUED ASSET					
OTHER SPECIAL DEPOSITS					
1-134B	RESTRICTED DEBT RESERVE	3883383.35	3883383.35		
1-1340	SPECIAL DEPOSITS	35024293.06	35446304.50	-422011.44	-1.1%
1-1350	PETTY CASH	300.00	300.00		
1-1420	CUSTOMER ACCTS. RECEIVAB.	1378890.41	1844499.48	-465609.07	-25.24%
1-1430	OTHER A/R	-1789.96	880.68	-2670.64	-303.2%
1-1440	PROV. FOR UNCOLLECTED ACT	-103683.30	-103683.30		
1-154A	SALVAGE MATERIALS	74.00	147.70	-73.70	-49.90%
1-1540	PLANT MATERIAL & SUPPLIES	405683.56	559865.55	-154181.99	-27.54%
1-165A	PREPAID INSURANCE	18692.43	20082.24	-1389.81	-6.92%
1-165B	PREPAID PENSION	164.56	164.56		
1-1810	UNAMORTIZED DEBT DISCOUNT	484809.65	528846.65	-44037.00	-8.3%
TOTAL		41090817.76	42180791.41	-1089973.65	-2.5%
OTHER SPECIAL DEPOSITS					
CLEARING ACCOUNTS					
1-184A	NEW SERVICES CLEARING	1866.94	1866.94		
1-184D	CUSTOMER SRVCS - CLEARING	2794.21	4896.64	-2102.43	-42.94%
TOTAL		4661.15	4896.64	-235.49	-4.81%
CLEARING ACCOUNTS					
TOTAL		117665025.21	112869041.38	4795983.83	4.25%
CURRENT ASSETS					
TOTAL		117665025.21	112869041.38	4795983.83	4.25%

REPORT DATE 04/30/2007
 SYSTEM DATE 06/04/2007
 FILES ID Z

Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 General
 AS OF 04/30/2007

PAGE 3
 TIME 13:28:33
 USER CINDYH

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
TOTAL FUND BALANCE					
TOTAL FUND BALANCES					
EXCESS OF REVENUE OVER EXPENDITURES		5764556.65	6513302.20	-748745.55	-11.49%
TOTAL LIABILITIES AND FUND BALANCES		117665025.21	112869041.38	4795983.83	4.25%

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

AS OF 04/2007

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R - T O - D A T E		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
1-4150					
MERCHANDISING & JOBBING	1000.00	349.40	-650.60	1430.62	-8069.38
1-4160					
M & J COSTS & EXPENSES	400.00	-1204.92	-1604.92	-999.14	-4899.14
1-4190					
INTEREST & DIVIDEND INC.	109200.00	140054.76	30854.76	1517338.13	425838.13
1-4210					
MISC. NON-OPER. INCOME		9.30	9.30	204.59	-95.41
TOTALS FOR OTHER INCOME	110600.00	139208.54	28608.54	1517974.20	412774.20
1-461A					
METERED SALES - GC	663300.00	667225.33	3925.33	8935676.19	-1448423.81
1-461B					
METERED SALES - IC	195900.00	207953.79	12053.79	2824100.50	-480499.50
1-4620					
PRIVATE FIRE PROTECTION					
1-4630					
PUBLIC FIRE PROTECTION		-1359.80	-1359.80	135019.37	-2180.63
1-4640					
SALES - PUBLIC AUTHORITIES	24100.00	20800.60	-3299.40	447536.88	-5323.65
1-4660					
SALES FOR RESALE					
1-4710					
MISC. SERVICE REVENUE	5700.00	6726.06	1026.06	66029.66	-9370.34
1-4740					
OTHER WATER REVENUES	4200.00	3400.88	-799.12	93737.49	43537.49
TOTALS FOR OPERATING REVENUE ACCTS.	893200.00	904746.86	11546.86	47481.52	-20318.48
TOTALS FOR REVENUES	1003800.00	1043955.40	40155.40	13364557.96	-1971842.04
EXPENDITURES					
1-6010					
OPERATION & LABOR EXP.	1000.00		1000.00		10000.00
1-6020					
PURCHASED WATER	296000.00	242852.36	53147.64	2950501.51	521598.49
1-6140					
MAINTENANCE OF WELLS	800.00		800.00		8400.00
TOTALS FOR SOURCE OF SUPPLY EXPENSES	297800.00	242852.36	54947.64	2950501.51	539998.49
1-6210					
FUEL FOR PUMPING	100.00		100.00	8449.61	-7349.61
1-6230					
POWER PURCHASED	30700.00	30408.18	291.82	436508.29	-76908.29
1-624A					
PUMPING LABOR	7100.00	5706.28	1393.72	54919.15	7580.85
1-624B					
PUMPING EXPENSES	200.00	201.41	-1.41	1990.43	9.57

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

AS OF 04/2007

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR - TO - DATE		ACTUAL OVER/ UNDER BUDGET	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL OVER/ UNDER BUDGET
1-6310 MAINT STRUCT & IMPROVE	3900.00	3515.20	33700.00	29344.15	4355.85	
1-6330 MAINT PUMPING EQUIPMENT	3100.00	3482.17	27400.00	29386.82	-1986.82	
TOTALS FOR PUMPING EXPENSES	45100.00	43313.24	486300.00	560598.45	-74298.45	
1-6410 CHEMICALS	5500.00	4655.84	48400.00	83040.16	-34640.16	
1-642A OPERATION LABOR	6900.00	7359.92	60600.00	62980.43	-2380.43	
1-642B OPERATION EXPENSES	5100.00	3382.44	45000.00	21668.60	23331.40	
1-6510 MAINT STRUCT & IMPROVE	100.00		800.00		800.00	
1-6520 MAINT WATER TREAT EQUIP	1100.00	78.92	9800.00	1480.68	8319.32	
TOTALS FOR WATER TREATMENT EXPENSES	18700.00	15477.12	164600.00	169159.87	-4569.87	
1-6610 STORAGE FACILITIES EXP			100.00	253.76	-153.76	
1-662A T & D LABOR	2500.00	337.49	22000.00	15797.93	6202.07	
1-662B T & D SUPPLIES & EXP	5300.00	3312.95	46400.00	32318.92	14081.08	
1-663A T & D METER LABOR	2000.00	2700.90	17600.00	27671.58	-10071.58	
1-663B T & D METER SUPP & EXP	400.00	367.98	3400.00	5181.83	-1781.83	
1-6650 T & D MISC	1300.00	211.96	11800.00	14365.90	-2565.90	
1-6710 MAINT STRUCT & IMPROV	1100.00		9200.00	222.98	8977.02	
1-6720 MAINT RESERVOIR & STDRPIPE	4400.00	171.27	38600.00	48134.42	-9534.42	
1-6730 MAINT T & D MAINS	59300.00	49873.20	522200.00	648711.61	-126511.61	
1-6750 MAINT SERVICES	12600.00	10175.11	111000.00	141671.25	-30671.25	
1-6760 MAINT METERS	4600.00	12411.94	40600.00	62264.77	-21664.77	
1-6770 MAINT HYDRANTS	8100.00	4811.15	71400.00	65676.33	5723.67	
1-6790 TRANSFER TO CONSTRUCTION	-1400.00		-12800.00	-5274.57	-7525.43	
TOTALS FOR TRANS. & DISTR. EXPENSES	100200.00	84373.95	881500.00	1056996.71	-175496.71	
1-902A METER READING LABOR	7100.00	8224.88	62600.00	59421.44	3178.56	
1-902B METER READING SUPP & EXP			100.00		100.00	
1-903A						

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

AS OF 04/2007

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/UNDER BUDGET	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
CUSTOMER RECORDS LABOR	14200.00	16735.92	125200.00	134841.16	125200.00	-9641.16
CUSTOMER RECORDS SUPP	4600.00	4507.60	40600.00	48845.29	40600.00	-8245.29
TOTALS FOR CUSTOMER ACCT. EXPENSES	25900.00	29468.40	228500.00	243107.89	228500.00	-14607.89
1-9200						
ADM & GENERAL SALARIES	30400.00	33896.91	267400.00	270183.51	267400.00	-2783.51
1-9210						
OFFICE SUPPLIES & EXP	11800.00	12297.20	103600.00	101808.94	103600.00	1791.06
1-9230						
OUTSIDE SERVICES	14500.00	11747.90	127600.00	111006.24	127600.00	16593.76
1-9240						
PROPERTY INSURANCE	3100.00	14169.60	155600.00	132547.00	155600.00	23053.00
1-9250						
INJURIES & DAMAGES	100.00		800.00	282.94	800.00	517.06
1-9260						
EMPLOYEE PENSION & BENEF	50500.00	46343.77	585100.00	597518.67	585100.00	-12418.67
1-9280						
REGULATORY COMM EXP	8400.00		73800.00	41716.00	73800.00	32084.00
1-930A						
MISC GENERAL EXPENSE	3300.00	27500.00	28800.00	34000.00	28800.00	-5200.00
1-930B						
MISC GENERAL EXPENSE	2000.00	1253.31	17600.00	11331.25	17600.00	6268.75
1-930C						
MISC GENERAL EXPENSE	3500.00		30800.00		30800.00	30800.00
1-9300						
MISC GENERAL EXPENSE	17000.00	22913.89	149600.00	170904.57	149600.00	-1250.00
1-932A						
MAINT GENERAL PLANT	9300.00	10295.02	81600.00	91522.61	81600.00	-9922.61
1-932B						
MAINT VEHICLES	22100.00	20045.00	194600.00	217147.74	194600.00	-22547.74
1-9330						
UNASSIGNED TIME VAC HOL	176000.00	200462.60	1816900.00	1781219.47	1816900.00	35680.53
TOTALS FOR ADM. & GENERAL EXPENSES						
1-4030						
DEPRECIATION EXPENSE	84500.00	84500.00	744200.00	744200.00	744200.00	
1-4080						
TAXES OTHER THAN INCOME	15600.00	15131.96	137400.00	138181.61	137400.00	-781.61
1-4270						
INTEREST-LONG TERM DEBT	163600.00	163600.00	1439800.00	1439800.00	1439800.00	
1-4280						
AMORTIZATION OF DEBT DISC	3900.00	3900.00	34200.00	34200.00	34200.00	
TOTALS FOR OTHER EXPENSES	267600.00	267131.96	2355600.00	2356381.61	2355600.00	-781.61
1-4280						
TOTALS FOR EXPENDITURES	931300.00	883079.63	9423900.00	9117975.51	9423900.00	305924.49

REPORT DATE 06/04/2007
 SYSTEM DATE 06/04/2007
 FILES ID Z

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

AS OF 04/2007

Page 4
 TIME 13:28:45
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ACCOUNT DESCRIPTION
 EXCESS OF REVENUE OVER EXPENDITURES
 FOR general
 OTHER ADJUSTMENTS TO FUND BALANCE
 FUND BALANCES - JULY 1
 FUND BALANCES - APRIL 30

CURRENT MONTH		YEAR - TO - DATE		ACTUAL OVER/UNDER BUDGET	
BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
72500.00	160875.77	7017700.00	5764556.65	-	-1253143.35
=====		=====		-----	
				0.00	
				56651005.51	
				62415562.16	
				=====	

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	37,939,405	38,333,414	39,302,338		JUL \$ 1,229,148.30	\$ 1,220,826.86
CASH RECEIPTS:													AUG \$ 1,235,472.63	\$ 1,172,194.14
Water Collections	1,520,991	1,360,437	1,204,984	2,549,086	1,723,935	1,121,974	1,909,457	1,073,941	979,921	1,642,286	1,026,984		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	125,486	140,035	136,314		OCT \$ 1,235,628.04	\$ 1,494,122.19
Inspection Fees	13,845	600	600	17,130	2,700	200	600	-	-	-	100		NOV \$ 955,676.38	\$ 1,055,204.53
Contribution in Aid-Construction	-	-	-	-	-	-	-	-	-	-	-		DEC \$ 1,780,198.72	\$ 1,707,316.91
Other	39,498,840	36,501,790	36,134,543	37,556,286	38,634,907	38,682,476	39,818,940	39,057,302	39,041,812	40,115,735	40,465,736		JAN \$ 900,939.08	\$ 914,205.52
TOTAL CASH RECEIPTS													FEB \$ 806,979.39	\$ 873,442.72
													MAR \$ 1,563,687.27	\$ 1,597,403.86
													APR \$ 894,619.92	\$ 880,530.38
													MAY \$ 886,221.81	\$ 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	248,626	278,132	242,852			
Electric Power	56,755	56,495	68,474	23,850	56,654	45,411	38,210	36,900	38,060	36,593	36,455			
Payroll	138,818	181,915	133,989	133,443	172,286	142,428	202,055	138,792	137,894	138,822	165,036			
Operations	89,320	113,528	128,147	110,217	114,196	69,867	125,777	170,617	85,150	83,607	109,947			
Employee Benefits	47,401	45,699	45,761	45,149	45,489	45,978	187,756	46,936	43,140	43,265	46,261			
Legal	7,087	4,075	5,777	5,829	5,194	3,998	3,998	3,940	7,245	5,661	6,597			
Materials	12,628	20,583	5,214	8,629	11,900	4,484	14,181	60,599	9,248	6,053	4,848			
Insurance	2,999	2,999	3,099	133,303	3,499	3,499	3,764	3,499	3,499	3,499	450			
Sales Taxes	22,916	12,463	11,319	32,603	11,958	9,459	25,106	11,105	8,662	23,264	10,371			
Refunds	317	678	332	58	1,478	957	11,511	-	-	2,815	313			
Rate Case	-	-	-	580	-	-	40,836	-	-	-	-			
Conservation	-	-	-	-	-	-	-	-	-	-	-			
Pilot	8,344	-	-	-	-	-	-	-	-	-	-			
Capital Expenditures (Other)	569	5,395	2,491	14,244	11,344	15,125	1,065	299	-	-	4,290			
2004 Infrastructure	17,672	332,027	242,886	229,611	173,474	140,537	66,570	28,555	7,636	12,268	161,513			
Mishcock Well/Storage/Pump/Tran	-	144,678	-	36,229	31,690	21,921	4,721	-	-	-	-			
Clinton Avenue Pump Station	405,364	256,735	20,134	11,497	121,103	237,944	2,859	5,572	1,962	2,715	3,585			
E. G. Well Upgrade	-	-	-	-	-	-	-	-	-	-	-			
GIS Development Mapping	11,060	-	-	-	-	-	-	-	-	-	-			
Blackrock Road - 24"	156,770	1,798	-	-	-	-	-	261,736	-	-	-			
Read Schoolhouse Road	-	-	-	430	-	-	-	-	2,100	1,550	4,210			
Read Schoolhouse Road Tank	-	-	-	-	-	-	-	400	-	1,141	214			
Mishcock Well - Pilot	-	-	-	-	-	-	6,060	-	12,485	-	-			
Greenwich Avenue - Pipe Lining	724	636	1,095	-	-	-	-	-	-	-	-			
Veterans Memorial Drive	-	-	-	-	-	-	-	-	-	-	-			
System Storage Evaluation	-	12,565	8,276	2,880	2,240	2,976	1,921	2,250	-	10,214	10,214			
Fuel Storage Tank Replacement	-	807	-	-	11,576	-	38,166	10,190	-	-	-			
2006A Infrastructure	-	-	-	800	-	163	-	-	-	4,147	16,911			
Quaker Lane Pump Station	-	-	-	-	6,209	4,875	2,895	1,625	10,285	583	-			
Tech Park Storage Tank	-	-	-	-	-	-	-	-	143,100	212,291	-			
Upland Avenue 600" 8"	-	-	-	-	-	-	-	-	-	15	-			
U.S. Bank - Debt Service (P & I)	3,070,559	17,387	115,158	37,268	151,202	13,512	104,020	13,416	98,505	19,472	89,073			
Water Protection	83,657	-	-	-	-	-	-	-	-	-	-			
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	711,398	813,417	1,125,431			
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	38,333,414	39,302,338	39,340,305			
PRIOR YEAR	36,022,640	35,582,079	36,245,232	37,873,723	38,014,975	38,869,307	38,066,404	38,482,355	38,626,460	39,468,648	38,714,788			37,828,745

KENT COUNTY WATER AUTHORITY
CASH LOCATION
FISCAL YEAR 06-07

	JUL 2006	AUG 2006	SEP 2006	OCT 2006	NOV 2006	DEC 2006	JAN 2007	FEB 2007	MAR 2007	APR 2007	MAY 2007	JUN 2007
CASH LOCATION:												
Citizens Bank - Payroll	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Fleet Bank - Deposits	20,201.86	90,162.56	139,446.18	612,451.14	355,198.99	243,821.78	182,804.18	38,744.99	219,884.01	345,751.39	30,319.53	
Fleet Bank - Checking	18,132.98	4,425.87	4,185.29	7,981.12	14,524.71	560.57	13,274.89	8,599.59	7,110.76	8,599.59	13,188.43	
	261,334.84	134,788.43	181,631.47	660,352.26	409,733.70	786,182.33	236,079.07	87,438.91	266,794.77	394,660.98	83,507.96	0.00
U. S Bank - Project Funds												
Revenue	201,947.25	148,001.15	2,473.56	490,387.19	252,169.20	129,839.59	462,080.77	212,204.93	7,201.62	128,572.89	76,266.33	
Infrastructure Fund	6,908,525.48	6,954,036.55	6,762,873.89	7,010,295.53	7,961,806.91	8,289,919.97	8,597,586.94	9,031,311.75	8,982,738.31	9,276,931.31	9,339,035.38	
Operation & Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Operation & Maintenance Reserve	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	
Renewal & Replacement Fund	92,413.45	101,075.96	109,778.44	118,504.11	97,081.90	105,847.84	74,245.57	82,971.79	80,837.72	89,500.13	96,151.65	
Renewal & 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	521,820.03	521,820.03	521,820.03	
General Project - 2001	509.63	511.62	513.65	515.62	517.68	519.69	521.70	523.71	525.72	527.73	529.74	
Debt Service Fund - 2001	73,970.82	140,486.25	206,106.35	271,984.49	338,190.60	404,440.22	470,646.35	546,852.48	623,058.61	699,264.74	775,470.87	
Debt Service Reserve - 2001	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	
Cost of Issuance - 2001	39,559.38	39,713.75	39,871.36	40,024.33	40,181.12	40,340.20	40,499.28	40,658.36	40,817.44	40,976.52	41,135.60	
General Project - 2002	156,836.04	316,199.20	473,687.72	631,798.31	790,692.80	950,174.01	1,109,659.50	1,269,145.99	1,428,631.48	1,588,117.97	1,747,603.46	
Debt Service Fund - 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	1,823,560.01	1,823,560.01	1,823,560.01	
Debt Service Reserve - 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	6,191.59	6,215.73	6,239.87	
Cost of Issuance - 2002	123,340.54	233,055.04	338,987.50	445,335.74	552,214.38	659,485.45	766,416.99	873,348.53	980,280.07	1,087,211.61	1,194,143.15	
Debt Service Fund - 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	1,278,698.34	1,278,698.34	1,278,698.34	
Debt Service Reserve - 2004	6,037.78	6,061.34	6,085.40	6,108.75	6,133.14	6,156.96	6,181.35	6,205.74	6,230.13	6,254.52	6,278.91	
Cost of Issuance - 2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Redemption Account - 2004												
	\$ 35,079,271.12	\$ 34,873,755.16	\$ 34,935,810.48	\$ 36,415,831.82	\$ 37,448,306.58	\$ 37,702,461.78	\$ 37,846,468.30	\$ 37,939,405.29	\$ 38,333,314.12	\$ 39,302,337.39	\$ 39,340,105.01	\$ 0.00

EXHIBIT I

June 21, 2007



12 Breakneck Hill Road
 Suite 200
 Lincoln, RI 02865

401-334-4963 Direct
 401-333-3807 Fax

Stephen Maceroni
 Vice President

smaceroni@firstsw.com

May 22, 2007

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

Dear Tim:

Kent County Water Authority (the "Authority") received two excellent proposals from qualified firms to provide underwriting services for the Authority's proposed refunding bond. The proposed fees are extremely aggressive and both firms have extensive local and regional experience. RBC Capital Markets is in the top ten rankings for underwriters in the nation, while Roosevelt & Cross has significant Rhode Island experience.

RBC Capital Markets proposed an average takedown of \$2.68 per \$1,000 of bonds issued plus \$.18 for expenses. Roosevelt & Cross proposed takedowns ranging from \$1.25 per \$1,000 to \$3.75 per \$1,000 (with an average takedown of \$3.55 and expenses of \$.11). Based upon the likely structure and the proposed fees, RBC Capital Markets would be the lowest cost provider. In addition, RBC Capital Markets is familiar with the Authority's debt structure having served as Senior Manager on the Authority's 2002 bond issue.

Please feel free to call me or Maureen Gurghigian [334-4267] should you have any questions or require additional information.

Sincerely yours,

Stephen Maceroni
 Vice President

Cc: Maureen Gurghigian

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BOARD MEMBERS	5/23/07
CHAIRMAN	
LEGAL COUNSEL	

EXHIBIT J

June 21, 2007

KENT COUNTY WATER AUTHORITY
REQUEST FOR PROPOSAL
FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES
FOR THE WATER TREATMENT FACILITY DESIGN
FOR THE MISHNOCK WELL FIELD IN COVENTRY, RI
PRE-PROPOSAL CONFERENCE - MAY 30, 2007 10:00 A.M.

Proposal Opening for Professional Engineering Consulting Services in regards to development of design documents (plans and specifications,) Bidding Services and Engineering Services during Construction, for the Water Treatment Facility Design for the Mishnock Well Field in Coventry, RI was held at 10:00 a.m., May 30, 2007 per the requirements of the Request for Proposal advertised in the Providence Journal on Friday, May 4, 2007.

The Kent County Water Authority request proposals from qualified Professional Engineering Consulting Services to prepare Preliminary and Final Design Contract Documents, Permitting, Bidding Services, and Construction Services (at KCWA option.) The Consultants must provide a multidiscipline team of in house or sub-Consultants to address the design needs.

Attendees of the proposal opening were as follows:

1. **KCWA**, Timothy Brown
2. **KCWA**, Kevin Fitta
3. **C & E Engineering**, Tom Nicholson
4. **Wright-Pierce**, Peter Quem

At 9:00 a.m. the proposal opening began by Kevin Fitta briefly describing what the RFP entailed followed by the opening of the submitted proposals listed below:

1. Wright-Pierce

8 copies received

Not to exceed \$303,000.

2. Tata & Howard

8 copies received

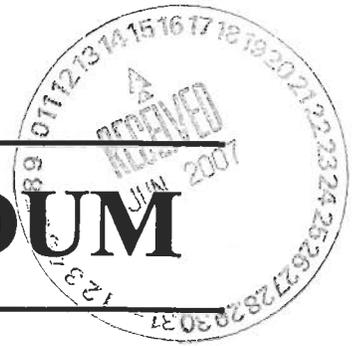
Not to exceed \$555,015.

3. Stantec

Not to exceed \$367,750.

The proposals will be reviewed and presented at the June 21, 2007 meeting of the Board of Directors.

The proposals were made available for review and the proposal opening meeting was closed at 10:07 a.m.



MEMORANDUM

To: Tim Brown
From: Kevin Fitta
Subject: Review of Proposals – Mishnock Water Treatment Facility
Date: June 12, 2007

Proposals were received for the above referenced project from Stantec, Wright-Pierce, and Tata & Howard. Tim Brown and Kevin Fitta also interviewed Stantec and Wright-Pierce to discuss various aspects of their proposals. The following are my comments on the three proposals received for the above-referenced proposal:

Stantec

Stantec conducted the pilot study for the Mishnock Water Treatment Facility for KCWA. Accordingly, the work on this project is based on the work conducted for the pilot study. Stantec has designed several membrane filtration treatment facilities and thus has a thorough understanding of the requirements of this project. One of the key components in a facility that uses proprietary technology (i.e. Zenon filtration equipment) is the negotiation between the manufacturer and the owner (with assistance from Engineer) on equipment pricing. Stantec has a member on their team whose prior work experience includes time with a membrane filter manufacturer. They indicate that this person will be valuable for negotiations because of their knowledge of the industry.

During an interview with Tim Brown and myself, Stantec successfully defended the recommendations presented in their Preliminary Design Report.

Stantec's not-to-exceed fee is \$367,750. Although this is not the lowest of the fees received it is nonetheless competitive.

Wright-Pierce

Wright-Pierce appear to be qualified for this project. They have done the designs for several membrane filtration treatment facilities and the design for several Zenon facilities. Their proposed project team all have experience with the design of membrane treatment facilities. They make several suggestions in their proposal intended to improve the proposed facility. In general, more investigation during the design would be required to determine if these recommendations would result in a better solution.

Wright-Pierce's not-to-exceed fee is \$303,000. During an interview they indicated that they were reducing their margins because they really want this project and they are opening a new RI office. In addition, they indicated they are doing a similar design for another client and there are some efficiencies gained in doing the two projects so close together.

Tata & Howard, Inc.

Tata & Howard appear to be qualified for this project. They have a lot of membrane filtration design experience and they have experience with Zenon filtration for wastewater. They did not include anything in their proposal that hadn't been reviewed by Stantec during the Pilot Study. Their not-to-exceed fee of \$555,015 is considerably higher than the fees for the other two proposals. This is related to the fact that

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BOARD MEMBERS	6/14/07
CHAIRMAN	

they are proposing a higher level of effort (i.e. more hours) and the hourly rates are higher. They are also proposing to use considerable time of several senior staff members. I do not believe this is necessary. The other two firms have more time allocated to low or mid-level employees.

Summary

A table is attached that summarizes the proposal requirements from the RFP and indicates whether each of the above firms met the requirement. As shown in the table, not all the requirements were met by all of the firms. Both Wright-Pierce and Stantec were notified that some items were missing and they subsequently provided the missing information.

All three firms appear qualified to do the project. As Tata & Howard's proposal did not offer anything unique and was considerably higher in price there does not appear to be any clear advantage with working with them on this project. Wright-Pierce and Stantec both prepared competitive proposals from a price standpoint. Stantec essentially proposes to design the project in the manner discussed in the Preliminary Design Report – which was reviewed and accepted by KCWA. Wright-Pierce indicated that they would do some things differently than Stantec. Although, some of their proposed ideas were interesting, more study is required to determine if the proposed changes would necessarily be an improvement over the plan prepared by Stantec.

Stantec's proposed fee is not the lowest but it is competitive given the complexity of the project. They have also indicated that they would be willing to negotiate a lower fee. The advantages of working with Stantec on this project are: 1. Project continuity - They did good work on the pilot study and preliminary design report which is the foundation for this work, 2. They did the pilot study within the budget, 3. Familiarity with the company and their work - KCWA has a good working relationship with the Project Manager and has been pleased with their work product. The advantage of working with Wright-Pierce is that they have the lowest design fee.

Review of Mishnock Well Field Water Treatment Facility Proposals

7-Jun-07

RFP Item	Description	Proposal meets requirements		
		Wright-Pierce	Stantec	Tata & Howard
2.7	Written evidence of insurance	No (1)	Yes	Yes
13.1	8 copies of proposal	Yes	Yes	Yes
13.1	30 pages or less	Yes	No (4)	Yes
13.1	Technical approach & Detailed scope of services	Yes	Yes	Yes
13.1	Detailed project schedule	Yes	Yes	Yes
13.1	Proposed project team including subcontractors	Yes	Yes	Yes
13.1	Proposed fee in proper format	No (2)	Yes	No (7)
13.2	Resume of project manager & staff	Yes	Yes	Yes
13.3	Disclosure statement regarding potential conflicts of interest	Yes	Yes	Yes
13.4	Brief (5 pages or less) description of firm	Yes	Yes	No (8)
13.5	Description of current workload of firm and/or project personnel	Yes	No (5)	Yes
13.6	List of clients over past five years with reference contact and project team member assigned to project	Yes	No (6)	Yes
13.9	Evidence of Registration to do business in RI (out of state corporations)	No (3)	Yes	Yes

- (1) No mention of insurance coverage and no insurance certificate in proposal.
(2) Did not include hourly rate for Resident Engineer.
(3) Stated that they are licensed business to work in RI but provided no evidence.
(4) Proposal exceeded 30 pages (40 pages).
(5) No discussion of current workload.
(6) Did not indicate which project team members worked on referenced projects.
(7) Did not include hourly rate for Surveyor.
(8) No description of firm included.

EXHIBIT K

June 21, 2007

KENT COUNTY WATER AUTHORITY
PROPOSAL OPENING FOR PRELIMINARY DESIGN REPORT
FOR WATER STORAGE TANK, PUMP STATION AND TRANSMISSION MAINS
RELATED TO THE MISHNOCK WATER TREATMENT FACILITY
JUNE 7, 2007 10:00 A.M.

Proposal Opening for the Kent County Water Authority request for proposal related to Professional Engineering Consulting Services for a Preliminary Design Report for water storage tank, pump station and transmission mains related to the Mishnock Water Treatment Facility in Coventry, RI was held at 10:00 a.m., June 7, 2007 per the requirements of the invitation advertised in the Providence Journal on Wednesday May 16, 2007.

Attendees of the proposal opening were as follows:

1. **KCWA**, Kevin Fitta
2. **KCWA**, Timothy Brown
3. **C & E Engineering**, Tom Nicholson
4. **Pare Corporation**, Robert Sims

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

1. James J. Geremia & Associates, Inc
8 copies received
Amount Not to Exceed \$16,240.00
2. Stantec Consulting
8 copies received
Amount Not to Exceed \$14,200.00
3. Wright-Pierce
8 copies received
Amount Not to Exceed \$17,330.00
4. C & E Engineering
8 copies received
Amount Not to Exceed \$14,821.00
5. Pare Corporation
8 copies received
Amount Not to Exceed \$14,827.00

The proposals will be reviewed and submitted to the Board at the June 21, 2007 meeting.

The proposals were made available for review and the proposal opening meeting was closed at 10:08 a.m.



MEMORANDUM

To: Tim Brown
From: Kevin Fitta *KF*
Subject: Review of Proposals – Tank, Pump Station, and Transmission Mains Related to Mishnock WTF
Date: June 15, 2007

Proposals were received for the above referenced project from Stantec, Wright-Pierce, James J. Geremia & Associates, Pare Corporation, and C&E Engineering Partners. The following are my comments on the three proposals received for the above-referenced proposal:

Stantec

Stantec had the lowest proposed fee. They are relatively new to working with KCWA and have some working knowledge of the water system but not as much as Pare or C&E. Knowledge of the overall system is helpful but could be learned through a review of the pertinent KCWA documents and mapping. Stantec did good work on the KCWA pilot study for the treatment plant. If Stantec were to be awarded the Treatment Plant design their may be some benefit to having them work on this study also.

Not-to-exceed Fee: \$14,200

Wright-Pierce

Wright-Pierce is new to KCWA and thus does not have the knowledge of the system that some of the other firms have. Their proposal was incomplete in several areas (see attached table).

Not-to-exceed Fee: \$17,330

James J. Geremia & Associates

Geremia has done a lot of work with the Authority, primarily on water mains projects. Their fee was not in the bottom three.

Not-to-exceed Fee: \$16,240

C&E Engineering Partners

C&E probably has the greatest system-wide knowledge of the KCWA water system of the firms that submitted proposals. In addition, they are the firm that is conducting two of the studies that must be reviewed as part of this project (Hydraulic Storage Analysis and 5-Year CIP). Therefore, the learning curve should be less for them. Finally, they do all of the KCWA hydraulic modeling – so there would not need to be involvement of a third party, as there would be with the other proposers. C&E currently has a lot of work with KCWA (Hydraulic Storage, 5-Year CIP, Quaker Ln. P.S.) so it would be important to verify that they can take on an additional project and meet the schedule as they are a relatively small firm.

Not-to-exceed Fee: \$14,821

Pare Corporation

Pare also has a good working knowledge of the KCWA water system. Their proposal was also the only one of the five that included everything requested in the RFP (see attached table).

Not-to-exceed Fee: \$14,827

Summary

All of the firms are qualified to do this work. None of the proposals offered anything particularly unique or creative in terms of approach (not that this is required, the work is relatively straightforward). The proposed fees were all within \$3000 of one another. The lowest three proposed fees were with approximately \$600. Accordingly, the review focused on these three proposals.

A table is attached that summarizes the proposal requirements from the RFP and indicates whether each of the above firms met the requirement. As shown in the table, not all the requirements were met by all of the firms.

As Pare Corp. was the only firm that met all proposal requirements and they were only \$627 higher than the lowest fee proposed they should be given serious consideration. Because of their knowledge of the system C&E is also a strong candidate. However, their workload should be discussed with them as they already are working on several KCWA projects. Stantec is also a strong candidate. If they were awarded the Treatment Plant design, there may be some advantages to having them conduct this work as well.

Review of Tank, Pump Station & Transmission Mains Related to Mishnock WTF Proposals

15-Jun-07

RFP Item	Description	Proposal meets requirements						C&E
		Wright-Pierce	Stantec	Geremia	Pare	Geremia	Pare	
2.3	5 years experience	Y	Y	Y	Y	Y	Y	Y
2.7	Written evidence of insurance	N	Y	Y	Y	Y	Y	Y
13.1	8 copies of proposal	Y	Y	Y	Y	Y	Y	Y
13.1	30 pages or less	Y	N	Y	Y	Y	Y	N
13.1	Technical approach & Detailed scope of services	Y	Y	Y	Y	Y	Y	Y
13.1	Detailed project schedule	N	Y	Y	Y	Y	Y	Y
13.1	Proposed project team including subcontractors	N	Y	Y	Y	Y	Y	Y
13.1	Proposed fee in proper format	Y	Y	Y	Y	Y	Y	Y
13.2	Resume of project manager & staff	?	Y	Y	Y	Y	Y	Y
13.3	Disclosure statement regarding potential conflicts of interest	Y	Y	Y	Y	Y	Y	Y
13.4	Brief (5 pages or less) description of firm	Y	Y	Y	Y	Y	Y	Y
13.5	Description of current workload of firm and/or project personnel	N	N	Y	Y	Y	Y	Y
13.6	List of clients over past five years with reference contact and project team member assigned to project	N	N	N	Y	N	Y	N
13.9	Evidence of Registration to do business in RI (out of state corporations)	N	Y	N/A	N/A	N/A	N/A	N/A

EXHIBIT L

June 21, 2007

KENT COUNTY WATER AUTHORITY
INVITATION TO BID
MATERIAL PURCHASE ONLY
GENERAL CONSTRUCTION THROUGHOUT SYSTEM
BID OPENING – MAY 14, 2007 10:00 A.M.

Bid Opening for Material Purchase for General Construction Materials was held at 10:00 a.m., May 14, 2007 per the requirements of the Bid Invitation. Attendance at the pre-bid meeting was not a mandatory requirement to submit a bid. The Invitation was advertised in the Providence Journal on Monday, April 30, 2007.

The work consists of furnishing materials consistent with those normally used throughout the Kent County Water Authority system such as; ductile iron water pipe, valves, hydrants and appurtenances.

Attendees of the Bid Opening were as follows

1. **KCWA**, John Duchesneau
2. **Ti-Sales**, Joe Coulter
3. **Stiles, Co., Inc.**, Chris Johnson
4. **E. J. Prescott**, Al D'Ambrosca
5. **Warwick Winwater**, Mike Bradley
6. **Public Works Supply**, Paul Gunning

At 10:00 a.m. the Bid Opening began by John Duchesneau briefly describing what the Bid entailed followed by the opening of the submitted Bids listed below. Please see attached spreadsheet for itemized sections.

1. Ti-Sales
Total Bid \$169,730.55
2. Vellano Bros., Inc.
Total Bid \$305,488.50
3. Ferguson Waterworks-Sumner & Dunbar
Total Bid \$457,314.80
4. Stiles Co., Inc.
Total Bid \$37,178.86
5. Public Works Supply
Total Bid \$188,186.75
6. Warwick Winwater Works
Total Bid \$428,916.00
7. E. J. Prescott, Inc.
Total Bid \$484,375.02

The Bids were made available for review and the Bid Opening meeting was closed at 11:00 a.m.

KENT COUNTY WATER AUTHORITY
INVITATION TO BID

MATERIAL PURCHASE FOR GENERAL CONSTRUCTION THROUGHOUT SYSTEM
BID OPENING - MAY 14, 2007

COMPANY	PART 1	PART 2	PART 3	PART 4	PART 5
TI-SALES	NO BID	\$101,949.80 No bid on 2.11, 2.12	\$27,081.00 3.16 amt not written	\$5,225.00 NB 4.5-4.9, 4.11-4.19 Amt totalled \$5225.25 but written \$5,225.00	\$35,474.75 Amt totalled \$35474.70 but written \$35,474.75
VELLANO BROS., INC.	\$271,143.50 1.33 math wrong but total OK Subtotal not written out	NO BID	\$15,330.00 3.17 math wrong should be \$81.00 total reflects \$78.00 bid	\$1,770.00 NB 4.1-4.4, 4.9, 4.10 4.17-4.19 - No subtotal Subtotal not written out	\$17,245.00 NB 5.1-5.6 No subtotal Subtotal not written out
FERGUSON WATERWORKS	\$285,534.00	\$118,836.00 2.2 math wrong but total OK	\$16,602.80	\$7,092.00 NB 4.9, 4.10, 4.17-4.19	\$29,250.00
STILES CO., INC. Cover letter	NO BID	NO BID	\$11,480.00 NB 3.1-3.7	NO BID	\$25,698.86
PUBLIC WORKS SUPPLY Cover letter, Corporate seal	NO BID	\$129,332.00	\$16,232.50	\$5,102.00 NB 4.5-4.19	\$37,520.25
WARWICK WINWATER WORKS Corporate seal	\$261,046.00 NB 1.12,1.14	\$118,972.00	\$15,016.00	\$5,032.00 NB 4.5-4.9, 4.11-4.19	\$28,850.00
E. J. PRESCOTT, INC.	\$308,115.00	\$120,552.00	\$18,569.24 Subtotal is incorrect should be \$18,568.96	\$9,510.00 NB 4.5-4.8, 4/10-4.16	\$27,628.78

EXHIBIT M

June 21, 2007

OFFICE MEMO

To: Timothy Brown
From: John Duchesneau
Subject: File Reference: Annual Bituminous Concrete and Portland Cement Repair Services for Sidewalks and Roadways Bid
Date: June 7, 2007

On June 7, 2007 we received a single bid from International Paving Corporation. The bidder did not submit the five percent (5%) bid security as required in the invitation to bid. The bid was submitted with a total not to exceed price of \$168,180.00. The individual categories were reviewed and totaled revealing an error in the tabulation by the bidder. The actual bid price should be \$167,180.00. It appears to be a typographical error in this regard.

International Paving Corporation was awarded the 2006 paving contract for this type of activity. The total base bid price of the 2006 contract was \$188,180.00. Comparison of the bid line items for the 2006 and 2007 bids revealed that International Paving lowered the 2007 bid prices for Item #2, Category 2A from the 2006 bid price of \$75,000.00 to \$60,000.00, Item #3, Category 3A from the 2006 price of \$15,000.00 to the 2007 price of \$10,000.00 and Item #5, Category 5A from the 2006 price of \$5,000.00 to the 2007 price of \$4,000.00. The 2006 contract allowed for an extension of services without an increase in price as long as both parties mutually agree upon it.

There are two options:

1. Reject the bid and re-bid the paving services
2. Accept International Paving's request to extend the 2006 prices through this next year.

Attached are copies of the bid sheets for the 2006 and 2007 bid items discussed above.

KENT COUNTY WATER AUTHORITY
ANNUAL BITUMINOUS CONCRETE AND PORTLAND
CEMENT REPAIR SERVICES
FOR SIDEWALKS AND ROADWAYS
BID SHEET

ITEM NO. 1: BITUMINOUS ROAD REPAIR (gravel base). Two (2) inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder complete for a total of four (4) compacted inches with twelve inch gravel base and hot asphalt pressure seam seal per RIDOT specifications and contract documents:

<u>CATEGORY 1A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous repair. gravel base	1500 S.Y.	\$ <u>36.50</u>	\$ <u>54,750.00</u>

Fifty Four Thousand Seven Hundred A. P. Y.

Total Bid Price In Words

ITEM NO. 2: BITUMINOUS ROAD REPAIR (Rigid concrete road base). Two (2) inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder, for a total of four (4) compacted inches and eight (8) inches of portland cement concrete base complete and hot asphalt pressure seam seal per RIDOT specifications and contract documents:

<u>CATEGORY 2A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous repair Concrete base	1500 S.Y.	\$ <u>50.00</u>	\$ <u>75,000.00</u>

Seventy Five Thousand

Total Bid Price In Words

ITEM NO. 3: DRILL AND GROUT REINFORCING DOWELS (Rigid concrete road base). No. 5 rebar installed and grouted in drilled holes of the existing concrete base complete per RIDOT specifications:

<u>CATEGORY 3A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
No. 5 Dowels	100 EA.	\$ <u>150.00</u>	\$ <u>15,000.00</u>

Fifteen Thousand

Total Bid Price In Words

ITEM NO. 4: BITUMINOUS ROAD REPAIR Two inch compacted bituminous concrete base course lifts complete, placed upon request and prior approval of the Kent County Water Authority, when necessary to match existing surface of the bituminous concrete roadway, when the thickness of the

existing roadway exceeds the two inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder (total four 4 compacted inches) noted in Bid Items 1 and 2 above:

<u>CATEGORY 4A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous base. two inch course	300 S.Y.	\$ <u>26.00</u>	\$ <u>7800.00</u>

Seven thousand eight hundred

Total Bid Price In Words

ITEM NO. 5: BITUMINOUS SIDEWALK REPAIR (Flexible base). Match existing thickness of Class I-2 bituminous concrete surface complete (minimum 4 compacted inches) per RIDOT specifications and contract documents:

<u>CATEGORY 5A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous sidewalk	100 S.Y.	\$ <u>50.00</u>	\$ <u>5000.00</u>

FIVE thousand

Total Bid Price In Words

ITEM NO. 6: PORTLAND CEMENT CONCRETE SIDEWALK REPAIR Portland cement concrete placed at the same thickness as the existing adjacent sidewalk complete (Four inch minimum thickness), per RIDOT specifications and contract documents. Thickness of driveway areas shall be the same as existing adjacent driveway area (Four inch minimum thickness):

<u>CATEGORY 6A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Concrete sidewalk repair	50 S.Y.	\$ <u>150.00</u>	\$ <u>7500.00</u>

Seven thousand five hundred

Total Bid Price In Words

ITEM NO. 7: PORTLAND CEMENT CONCRETE (Sidewalk and driveway repair) Portland cement concrete placed per cubic yard in excess of the requirement amount identified in Bid Item No. 6 complete:

<u>CATEGORY 7A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Concrete driveway and sidewalk	50 C.Y.	\$ <u>25.00</u>	\$ <u>1250.00</u>

ONE thousand two hundred fifty

Total Bid Price In Words

KENT COUNTY WATER AUTHORITY
 ANNUAL BITUMINOUS CONCRETE AND PORTLAND
 CEMENT REPAIR SERVICES
 FOR SIDEWALKS AND ROADWAYS
 BID SHEET

ITEM NO. 1: BITUMINOUS ROAD REPAIR (gravel base). Two (2) inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder complete for a total of four (4) compacted inches with twelve inch gravel base and hot asphalt pressure seam seal per RIDOT specifications and contract documents:

<u>CATEGORY 1A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous repair. gravel base	1500 S.Y.	\$ <u>36.50</u>	\$ <u>54,750.00</u>

Fifty four thousand seven hundred fifty and 00/100

Total Bid Price In Words

ITEM NO. 2: BITUMINOUS ROAD REPAIR (Rigid concrete road base). Two (2) inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder, for a total of four (4) compacted inches and eight (8) inches of portland cement concrete base complete and hot asphalt pressure seam seal per RIDOT specifications and contract documents:

<u>CATEGORY 2A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous repair Concrete base	1500 S.Y.	\$ <u>40.00</u>	\$ <u>60,000.00</u>

Sixty thousand and 00/100

Total Bid Price In Words

ITEM NO. 3: DRILL AND GROUT REINFORCING DOWELS (Rigid concrete road base). No. 5 rebar installed and grouted in drilled holes of the existing concrete base complete per RIDOT specifications:

<u>CATEGORY 3A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
No. 5 Dowels	100 EA.	\$ <u>100.00</u>	\$ <u>10,000</u>

Ten thousand and 00/100

Total Bid Price In Words

ITEM NO. 4: BITUMINOUS ROAD REPAIR. Two inch compacted bituminous concrete base course lifts complete, placed upon request and prior approval of the Kent County Water Authority, when necessary to match existing surface of the bituminous concrete roadway, when the thickness of the

existing roadway exceeds the two inches of Class I-1 bituminous concrete (surface) and two (2) inches of binder (total four 4 compacted inches) noted in Bid Items 1 and 2 above:

<u>CATEGORY 4A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous base. two inch course	300 S.Y.	\$ 26.00	\$ 7,800.00

Seventy eight hundred and 00/100

Total Bid Price In Words

ITEM NO. 5: BITUMINOUS SIDEWALK REPAIR (Flexible base). Match existing thickness of Class I-2 bituminous concrete surface complete (minimum 4 compacted inches) per RIDOT specifications and contract documents:

<u>CATEGORY 5A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Bituminous sidewalk	100 S.Y.	\$ 40.00	\$ 4,000.00

Four thousand and 00/100

Total Bid Price In Words

ITEM NO. 6: PORTLAND CEMENT CONCRETE SIDEWALK REPAIR Portland cement concrete placed at the same thickness as the existing adjacent sidewalk complete (Four inch minimum thickness). per RIDOT specifications and contract documents. Thickness of driveway areas shall be the same as existing adjacent driveway area (Four inch minimum thickness):

<u>CATEGORY 6A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Concrete sidewalk repair	50 S.Y.	\$ 150.00	\$ 7,500.00

Seventy five hundred and 00/100

Total Bid Price In Words

ITEM NO. 7: PORTLAND CEMENT CONCRETE (Sidewalk and driveway repair) Portland cement concrete placed per cubic yard in excess of the requirement amount identified in Bid Item No. 6 complete:

<u>CATEGORY 7A</u>	<u>EST. QUANTITY</u>	<u>UNIT PRICE</u>	<u>TOTAL PRICE</u>
Concrete driveway and sidewalk	50 C.Y.	\$ 25.00	\$ 1,250.00

Twelve Hundred Fifty and 00/100

Total Bid Price In Words

EXHIBIT N

June 21, 2007



JAMES J. GEREMIA & ASSOCIATES, INC.
CONSULTING ENVIRONMENTAL ENGINEERS & SCIENTISTS

June 1, 2007

Mr. Timothy J. Brown
General Manager/Chief Engineer
Kent County Water Authority
P.O. Box 192
West Warwick, RI 02893-0192

Re: Water System Main Replacement on Greenwich Avenue
Warwick, RI

Dear Mr. Brown:

On Thursday (May 31, 2007) at 10:00 A.M., bids were received by the Kent County Water Authority and were opened and read for the Water System Main Replacement on Greenwich Avenue in Warwick, RI. The following general contractors submitted a sealed bid:

COMPANY	TOTAL BID
1. Parkside Utility Construction Corp. - 2229 Plainfield Pike, Johnston, RI 02919	\$ 1,555,970.00
2. D'Ambra Construction Co., Inc. - 800 Jefferson Blvd., Warwick, RI 02887	\$ 1,593,920.00
3. Boyle & Fogarty Const. Co., Inc. - 283 Farnum Pike, Smithfield, RI 02917	\$ 1,896,505.00
4. John Rocchio Corp. - 20 Lark Industrial Pkwy., Smithfield, RI 02828	\$ 2,096,710.00
5. C. B. Utility Co., Inc. - 99 Tupelo St., Bristol, RI 02809	\$ 2,292,460.00

James J. Geremia & Associates, Inc. (JGA) has evaluated the bids on the basis of a general review of the bidders. The following are details of our evaluation:

- A. **General Review of the Bidders:** We reviewed the bids submitted by the contractors to determine if they had provided all documentation required by the contract documents. Our evaluation indicated that the contractors complied with all requirements. A mathematical check of the bids were conducted and there were no mathematical errors (bid tabulation is enclosed).
- B. **Parkside Utility Construction Corp.'s Capability to Carry Out This Project:** Parkside Utility Construction Corp. has completed several projects for the Pawtucket Water Supply Board, Echo Lake Water District-Gloucester, RI, and Town of West Greenwich.

Mr. Fred Ramos of the Pawtucket Water Supply Board stated that the PWSB is satisfied with the work performed by Parkside Utility Construction Corp. He also stated that the projects have been completed on time. The most recent project that Parkside completed for the PWSB consisted of the replacement



Mr. Timothy J. Brown, P.E.
General Manager/Chief Engineer
Kent County Water Authority

June 1, 2007

Page 2

of 8" and 12" water mains at a cost of approximately \$3 Million. They are currently working on Contract MR-3 that has a value of approximately \$3 Million.

Mr. Tom Nicholson of C&E Engineering stated that the project for the Lake Water District consisted of the installation of a water system for 54 homes. He also stated that he was satisfied with their workmanship and the project was completed on time.

The West Greenwich water project consisted of the installation of a water main along Route 102 and Brown's Corner Road. JGA provided construction services to the Town for this project. The work was performed to the Town's and JGA's satisfaction.

In conclusion, based on the above, we have determined that Parkside Utility Construction Corp. submitted the lowest responsive and responsible bid. It is, therefore, JGA's recommendation that the KCWA award the contract for the Water System Main Replacement on Greenwich Avenue in Warwick, RI in the sum of One Million Five Hundred Fifty Five Thousand Nine Hundred Seventy and No/100 Dollars (\$1,955,970.00) to Parkside Utility Construction Corp.

If you have any questions, please call.

Very truly yours,

JAMES J. GEREMIA & ASSOCIATES, INC.

Richard M. Hencler, P.E.
Project Manager

Enclosures

EXHIBIT O

June 21, 2007



WARWICK SEWER AUTHORITY
 125 ARTHUR W. DEVINE BLVD., SUITE B
 WARWICK, RHODE ISLAND 02886
 TEL 401-739-4949



June 8, 2007

Mr. Timothy Brown
 Kent County Water Authority
 P.O. Box 192
 West Warwick, RI 02893-0192

Dear Mr. Brown,

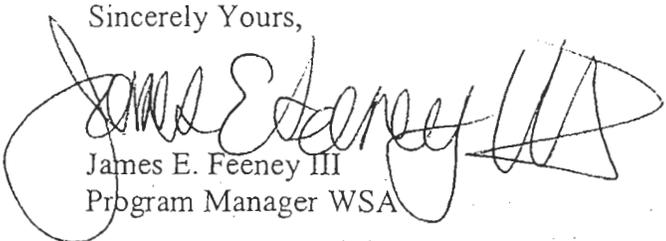
It has come to the attention of the WSA that KCWA is in the process of contracting for the replacement of you water lines on Greenwich Avenue in Warwick. Several of your contract items involve work on WSA lines. Specifically an item for replacement of six inch PVC laterals with 6 inch ductile iron and an item to cut and sleeve an existing 3 inch force main.

Please be advised that the only contractor allowed to perform work on WSA lines within public right of ways is D'Ambra Construction Co., Inc. D'Ambra Construction Co., Inc. currently holds WSA Contract "Z" that provides for sewer extensions, miscellaneous work and repair work as is anticipated in your contract.

We will need to establish a system in which D'Ambra is given notice of the need to perform this work and a purchase order to the WSA from KCWA to enable the WSA to pay D'Ambra. The anticipated work is not covered by existing Contract "Z" items, so D'Ambra would have to perform it on a time and materials basis.

Please contact the WSA at your earliest convenience to discuss this matter further. Thanking you in advance for your anticipated cooperation.

Sincerely Yours,



James E. Feeney III
 Program Manager WSA

CC: Frank Sylvia, WSA Executive Director
 Mathew Solitro, Program Engineer

COPY SENT TO	
BOARD MEMBERS	6/13/07
CHAIRMAN	
LEGAL COUNSEL	

EXHIBIT P

June 21, 2007



OFFICE MEMO

To: Board Members
From: Tim Brown
Subject: RFP to Develop Solicitation Documents Related to General Legal Services
Date: June 7, 2007

At 11:00 today the opening for the Request for Proposal for the above referenced was held. Unfortunately no one submitted a proposal, and therefore no opening occurred. This matter will be reviewed at the board meeting of June 21st for action.

EXHIBIT Q

June 21, 2007



797 BALD HILL ROAD
WARWICK, RI 02886

401-821-1330
FAX 401-823-0970

E-MAIL: jjm@petrarcamcgair.com
www.petrarcamcgair.com

LETTER OF ENGAGEMENT

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

PETRARCA and McGAIR, INC. will render legal services to KENT COUNTY WATER AUTHORITY at the hourly rate of charge of \$150.00 per hour for all work by firm attorneys, plus costs and expenses as may be incurred in connection with said legal services so rendered. Costs and expenses referenced above include travel, lodging, mileage, hotel/motel occupancy, long-distance telephone and telegraph charges, reproduction of documents, filing fees and witness fees.

The legal services to be rendered by PETRARCA and McGAIR, INC. will be those normally rendered by corporate general counsel in the everyday operations of KENT COUNTY WATER AUTHORITY. Court, agency and Public Utilities related matters including hearings, trials and depositions are chargeable at: \$400.00 minimum fee per appearance, \$800.00 per 1/2 day, \$1,200.00 3/4 day and \$1,600.00 for full day.

This Letter of Engagement is specifically exclusive of bonding services.

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

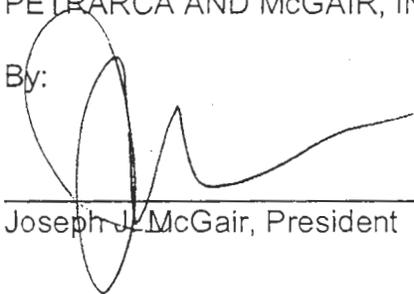
PETRARCA and McGAIR, INC. does herewith certify that the compensation for legal services and costs set forth is below the rate charged by PETRARCA and McGAIR, INC. to its preferred private clients.

PETRARCA and McGAIR, INC. does not service, at this date, any other public utility clients except as jointly for the current Providence Water Supply Board Public Utilities Commission Rate Intervention.

This Letter of Engagement covers the period of July 1, 2007 to June 30, 2008.

PETRARCA AND McGAIR, INC.

By:



Joseph J. McGair, President

Letter of Engagement is
accepted and approved:

KENT COUNTY WATER AUTHORITY
By:

Robert B. Boyer, Chairman

Dated: _____

EXHIBIT R

June 21, 2007

KENT COUNTY WATER AUTHORITY
FISCAL YEAR 2007 / 2008
ANNUAL BUDGET

APPROVED JUNE

MEMORANDUM

To: Board Members
From: Tim Brown
Subject: June 21, 2007
Date: Fiscal Year 2008 Budget

GENERAL:

The attached budget was prepared by utilizing actual Fiscal Year 2005 and 2006 expense and revenue line items, 2007 unadjusted line items with 10 months actual and two months estimated. Each individual account was reviewed based upon our past expenditures and our anticipated expenditures for this year. The operation revenue line item is based on conservative estimates with limited growth based on the current rate approved. This has been difficult due to the wet seasons we have had and the rate established based on higher water usage than is occurring. We do anticipate a rate case for this fiscal year, and do not expect to see an affect on our budget year. The earliest filing date is October of this year. The Providence Water Supply Board has filed a rate case in March of 2007 with an effective date this fiscal year. The affect will be neutral in that the expense incurred will be balanced by the revenue generated by the pass through rate case. The attached sheets will outline capital expenditures, revenues, payroll and outside services based upon anticipated operations. The summary sheet outlines the major categories. The anticipated infrastructure schedule and its projects are included. These projects are critical and their completion is extremely time sensitive. The Board should review these projects in detail, and to keep the schedule flexible if additional source water can be achieved from the existing system. Even though our review by the Joint Senate/House Committee has been completed, and the issues focused on the state water supply, we can't cease in our source acquisition goals.

FIXED ALLOTMENTS:

There are, again, fixed allotments or allocations placed within this budget as was in previous years. They are bond related capital and infrastructure-restricted accounts. The trustee funds the accounts as required from the revenue on a month-by-month basis. The infrastructure restricted account is under funded based on the approved plan and decrease in revenue derived from sales. In the proposed rate filing, we will request funding to meet the required \$6,000,000 per year as the program proposed.

SUMMARY OF BUDGET HIGHLIGHTS:

- 1) Salary increases are proposed in accordance with the salary structure approved by the board. Adjustments have been made as required. An adjustment to the salary structure will be needed by board vote to be included.

- 2) Insurance and Workers' Compensation have been established based on known information. The insurance premium is only proposed at this time.
- 3) Conservation Program (Residential Retrofit Program) is being carried at the usual regulated estimate of \$36,000. In the proposed rate case, we may wish to increase this amount, as it will be needed for demand management initiatives.
- 4) This year requires a minimum pension contribution of \$206,000.

CURRENT BUDGET POLICY:

The current budget policy in effect, unless modified, will control the outside budget expenses. The five aspects of the policy are:

- 1) Line item shifts of "excess" money will not occur during the budget year without Board approval.
- 2) All emergency uses of funds, as approved by the Board in advance, will be assigned to the proper line item of the budget year if funds are not available.
- 3) Emergency use of funds caused by failure of the system will be determined by the General Manager with concurrence of the Chairman and brought to the next regular scheduled Board meeting for review and approval.
- 4) It is the intention of the Board to review the budget monthly in regards to the monthly estimated budget and the yearly budget total.
- 5) The Board reserves the right to amend this policy at any time by majority vote.

QUESTIONS AND ACTIONS BY BOARD:

Supply is the largest and most complex question the Board needs to answer. As growth remains unchallenged, we are ever trying to catch up and resolve deficiency under maximum day demand conditions. The Board will need to find additional supply, or **reject future** proposals for service. This will most certainly affect the budget in regards to our capital financing, bonding and infrastructure funding. Any type of developer financing for system expansion will not affect the budget even if the Board does institute a developer financed aid in the construction program. All aid in construction would be segregated. It is recommended the Board develop a program specifically for this funding source. It will require Commission approval as revenue will be generated.

We have now formulated a supply source strategy for the company through the actions of this Board, and are now being implemented. It is a strong program which will need new funding. It is imperative that we continue to move forward with these programs. The new capital program will detail these programs and allow us to include them in our rate filing. The programs will be coordinated with the strategic plan for conformance.

The last question the Board may wish to consider during this budget process is the management structure of the Authority. No action has been taken on this in previous budget years. As we have discussed before, the company is growing at a rapid pace and has reached a point where management system should be implemented for this company based on the goals and mission of the Board. Management is at the regulatory allocated strength. Salary increases for key strategic

personnel is again included. The Board should look at internal vulnerabilities in regards to personnel. We are stretched very thin in key areas, and it will be difficult to fill them if an opening arises. The Board should secure its options and review a structure implementation to protect itself from any vulnerability. The rate filing will be an ideal time to implement this and expand on the regulated allocation.

DIRECTION:

The direction of the company this year will be:

- 1) Upgrade the Quaker Booster Station; seek bond funds for the high service pumping.
- 2) Finalize Route 2 transmission main and seek bond funding to build.
- 3) Finalize the Capital Improvement Program with emphasis on the following:
 - a. Added supply (maximum day is critical and the source of supply must be determined)
 - b. Transmission improvements to move “new” supply to the needed areas.
 - c. Implement the recommendation of the hydraulic storage tank analysis.
 - d. Bond implications of program adjustments. Bond council should be contacted to provide input.
 - e. Carry over of existing uncompleted program to new program.
- 4) Complete Tiogue Tank removal and re-pressurization of area under reduced high service.
- 5) Complete implementation of the proceeds from all bond sales (2002 Series A). This is critical prior to any future general rate filing.
- 6) Continue the annual implementation of our infrastructure programs at \$4.8 million dollars per year capped allocation. Seek the full \$6.0 million dollar infrastructure program requirements.
- 7) Complete (2006A IFR) the PWSB temporary bypass and activate the shut down of the Clinton Avenue Booster Station for the aqueduct valve installation.
- 8) Complete Greenwich Avenue replacement main.
- 9) Prepare and file a general rate case for the Authority needs.
- 10) Continue to operate and service our customers with courtesy, professionalism and a quality product. We will continue our emphasis on implementing customer service strategies.

This Authority continues to be responsive to the future needs of our customers. I know the Board feels the same as I do to improve and modernize to the benefit of our customers and to the quality of our product at reasonable prices that they are familiar with. As our infrastructure program continues, our customers are seeing the benefits of the everyday operation of the new system improvements. Our capital programs have made great strides in addressing poorly serviced areas and storage/supply needs. Its revision will reprioritize the supply and any additional programs needed. It will establish the programs needed for the proposed rate filing and the debt service requirements.

Our flushing program continues, which will also continue in this budget. We cannot forget how this program will benefit the public health and safety for many years to come. Our new GIS mapping is now available and we see great rewards from its implementation. Up to date credible system information is invaluable as we modernize and move forward. The Board's leadership and understanding have again this year been exemplary and customers owe a debt of gratitude to the Board for the programs that are being implemented and for the foresight into the many decades that these improvements will serve. I know I share with the members of the staff that we will continue to strive for these ideals of quality of service, quality of product and our unceasing dedication to the organization and the Board. The staff and I owe the Board a thank you for their support and direction each and every day through this past year and anticipation of the upcoming fiscal year. The implementation of this budget will continue this direction.

SUMMARY SHEET

OPERATING:

PROJECTED TOTAL REVENUES	\$17,740,000
PROJECTED TOTAL OPERATING EXPENSES	<u>\$11,334,100</u>

INCOME	\$6,405,900
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RESTRICTED DEBT SERVICE REQUIRED	\$3,901,644
IFR RESTRICTED	\$4,805,373
CASH CAPITAL RESTRICTED	<u>\$100,000</u>

TOTAL RESTRICTED REQUIRED	\$8,807,017
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2007/2008 BUDGET YEAR OPERATING REVENUE		FY 04-05	FY 05-06	FY 06-07 10+2	FY 07-08 BUDGET	%
ACCT. #						
461A	METERED SALES RESIDENTIAL	\$8,846,787	\$11,261,451	\$10,641,776	\$10,733,900	0.9%
461B	METERED SALES COMM / IND	\$3,217,069	\$3,343,907	\$3,627,200	\$3,934,400	8.5%
462	PRIVATE FIRE PROTECTION	\$146,415	\$180,684	\$180,819	\$172,200	-4.8%
463	PUBLIC FIRE PROTECTION	\$867,392	\$1,083,097	\$1,088,476	\$1,091,900	0.3%
464	SALES TO PUBLIC AUTHORITIES	\$415,624	\$548,131	\$560,637	\$563,900	0.6%
466	SALES FOR RESALE	\$78,325	\$92,102	\$86,830	\$96,700	11.4%
471	MISC. SERVICE REVENUE	\$97,622	\$350,888	\$102,837	\$77,100	-25.0%
474	OTHER WATER REVENUES	\$62,907	\$61,850	\$60,182	\$68,400	13.7%
415	PROFIT ON METER SALES	\$6,908	\$8,368	\$3,231	\$10,800	234.3%
416	PROFIT FOR MATERIAL & LABOR	\$14,369	\$11,549	(\$199)	\$4,900	-2562.3%
	TOTAL	\$13,753,418	\$16,942,027	\$16,351,789	\$16,754,200	2.5%
NON OPERATING INCOME						
419	INTEREST ON INVESTMENTS	\$700,262	\$1,279,251	\$1,735,738	\$985,500	-43.2%
421	DISCOUNT ON PURCHASE	\$145	\$367	\$305	\$300	-1.6%
434	MISC. CREDIT TO SURPLUS	\$0	\$65,000	\$0	\$0	
	TOTAL	\$700,407	\$1,344,618	\$1,736,043	\$985,800	-43.2%
	TOTAL REVENUE	\$14,453,825	\$18,286,645	\$18,087,832	\$17,740,000	-1.9%
OPERATING EXPENSES						
SOURCE OF SUPPLY						
601	OPERATION & LABOR	\$11,461	\$14,511	\$2,000	\$14,600	630.0%
602	PURCHASED WATER	\$3,820,113	\$3,834,661	\$3,670,202	\$3,622,100	-1.3%
614	MAINTENANCE/WELLS	\$0	\$20,983	\$1,600	\$2,000	25.0%
	TOTAL	\$3,831,574	\$3,870,155	\$3,673,802	\$3,638,700	-1.0%
PUMPING						
621	FUEL FOR PUMPING	\$1,202	\$1,535	\$8,750	\$2,000	-77.1%
623	POWER PURCHASED	\$459,165	\$511,431	\$511,108	\$535,600	4.8%
624A	PUMPING LABOR	\$58,643	\$71,623	\$66,119	\$69,100	4.5%
624B	PUMPING EXPENSE	\$2,516	\$2,882	\$2,390	\$2,100	-12.1%
631	MAINTENANCE/STRUCT/IMP.	\$33,220	\$41,952	\$36,544	\$35,800	-2.0%
633	MAINTENANCE PUMPING EQUIP.	\$58,272	\$32,602	\$34,487	\$34,500	0.0%
	TOTAL	\$613,018	\$662,025	\$659,398	\$679,100	3.0%
WATER TREATMENT						
641	CHEMICALS	\$67,497	\$69,118	\$92,040	\$109,600	19.1%
642A	OPERATION LABOR	\$67,643	\$72,078	\$74,380	\$80,100	7.7%
642B	OPERATION EXPENSE	\$41,679	\$51,956	\$29,469	\$33,500	13.7%
651	MAINTENANCE OF STRUCTURE	\$427	\$207	\$200	\$200	0.0%
652	MAINTENANCE OF WATER TR.	\$3,896	\$8,603	\$3,181	\$1,500	-52.8%
	TOTAL	\$181,142	\$201,962	\$199,270	\$224,900	12.9%
TRANSMISSION & DISTRIB.						
661	STORAGE FACILITIES	\$153	\$135	\$353	\$600	70.0%
662A	LABOR	\$15,120	\$25,398	\$19,498	\$29,300	50.3%
662B	SUPPLIES EXPENSE	\$35,561	\$43,500	\$40,719	\$39,000	-4.2%
663A	METER EXPENSE LABOR	\$12,319	\$16,496	\$30,672	\$34,800	13.5%
663B	METER EXPENSE MATERIAL	\$5,531	\$5,512	\$5,582	\$6,000	7.5%
664A	CUSTOMER INSTALLATION					
664B	CUSTOMER INSTALLATION SUP.					
665	MISCELLANEOUS	\$14,726	\$16,456	\$16,566	\$17,600	6.2%
671	MAINT. STRUCTURES & IMP.	\$3,963	\$11,240	\$2,323	\$300	-87.1%
672	MAINT. RESV. & STAND PIPES	\$11,130	\$17,706	\$55,534	\$49,500	-10.9%
673	MAINTENANCE MAINS	\$474,092	\$760,678	\$743,712	\$788,800	6.1%
675	MAINTENANCE SERVICES	\$160,464	\$129,035	\$161,871	\$170,200	5.1%
676	MAINTENANCE METERS	\$45,684	\$47,135	\$69,965	\$72,300	3.3%
677	MAINTENANCE HYDRANTS	\$94,181	\$88,307	\$78,576	\$77,400	-1.5%
679	TRAN. TO CONST. & CUST	(\$9,030)	(\$20,491)	(\$7,475)	(\$6,700)	-10.4%
	TOTAL	\$863,894	\$1,141,107	\$1,217,896	\$1,279,100	5.0%

	FY 04-05	FY 05-06	FY 06-07 10+2	FY 07-08 BUDGET	%	
<u>CUSTOMER ACCOUNTING</u>						
902A	METER READING LABOR	\$80,037	\$75,734	\$70,521	\$73,200	3.8%
902B	METER READING SUPPLIES	\$0	\$0	\$0	\$100	100.0%
903A	CUSTOMER RECORDS LABOR	\$145,463	\$151,565	\$157,541	\$159,300	1.1%
903B	CUSTOMER RECORDS SUPPLIES	\$59,817	\$51,924	\$56,245	\$57,000	1.3%
904	UNCOLLECTIBLE ACCOUNTS	\$0	\$0	\$0	\$0	
	TOTAL	\$285,317	\$279,223	\$284,307	\$289,600	1.9%
<u>ADMINISTRATIVE & GENERAL</u>						
920	ADMINISTRATIVE SALARIES	\$305,018	\$318,209	\$318,584	\$325,900	2.3%
921	OFFICE SUPPLIES & EXPENSE	\$109,103	\$128,765	\$120,809	\$121,200	0.3%
923	OUTSIDE SERVICES	\$134,396	\$168,514	\$133,706	\$147,100	10.0%
924	PROPERTY INSURANCE & WC	\$158,913	\$158,832	\$137,747	\$167,500	21.6%
925	INJURIES & DAMAGES	\$116	\$30	\$483	\$1,000	107.0%
926	EMPLOYEE PENSION & BENEFITS	\$814,528	\$795,548	\$678,519	\$752,000	10.8%
928	REGULATORY COMMISSION	\$92,411	\$81,630	\$54,916	\$155,500	183.2%
930	MISC. GENERAL EXPENSE			\$1,250	\$0	-100.0%
930A	FISCAL AGENT FEE	\$34,000	\$34,000	\$39,200	\$41,500	5.9%
930B	FEE & EXPENSE WATER	\$31,515	\$15,207	\$15,031	\$15,100	0.5%
930C	CONSERVATION PROGRAM	\$0	\$0	\$5,200	\$36,000	592.3%
932A	MAINTENANCE GENERAL PLANT	\$141,262	\$184,806	\$198,205	\$215,500	8.7%
932B	MAINTENANCE VEHICLES	\$83,975	\$99,668	\$106,423	\$102,400	-3.8%
933	UNASSIGNED TIME VAC. HOL. SICK	\$218,056	\$231,678	\$252,348	\$252,600	0.1%
	TOTAL	\$2,123,293	\$2,216,887	\$2,062,421	\$2,333,300	13.1%
	TOTAL O&M EXPENSES	\$7,898,238	\$8,371,359	\$8,097,094	\$8,444,700	4.3%
<u>OTHER EXPENSES</u>						
401	OPERATING EXPENSE	\$0	\$0	\$0	\$0	
403	DEPRECIATION	\$753,100	\$900,276	\$879,700	\$1,027,900	16.8%
408	TAXES OTHER THAN INCOME	\$151,339	\$159,670	\$163,082	\$169,600	4.0%
427	INTEREST LONG TERM DEBT	\$1,810,700	\$1,741,200	\$1,701,900	\$1,631,700	-4.1%
428	AMORTIZATION OF DEBT DISC	\$66,000	\$120,374	\$40,900	\$60,200	47.2%
	TOTAL	\$2,781,139	\$2,921,520	\$2,785,582	\$2,889,400	3.7%
	TOTAL EXPENSES	\$10,679,377	\$11,292,879	\$10,882,676	\$11,334,100	4.1%
	INCOME (LOSS)	\$3,774,448	\$6,993,766	\$7,205,156	\$6,405,900	-11.1%
DEBT SERVICE:						
	PRINCIPAL	\$116,500	\$2,120,000	\$2,200,000	\$2,270,000	
	INTEREST	\$175,700	\$1,775,931	\$1,701,900	\$1,631,644	
		\$292,200	\$3,895,931	\$3,901,900	\$3,901,644	

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CAPITAL ASSETS:

VEHICLES:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Replacement Van #15	\$27,000	Replace existing Van #15 2,500 HD
2	Replacement Truck #17 2Wd	\$25,000	Replace existing Truck 17 2WD
3	Replacement Van #16	\$25,000	Replace existing Van 16 2WD
	SUB TOTAL	\$77,000	
OFFICE EQUIPMENT:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Computer upgrades and replacements	\$8,000	Computer replacements as needed
2	GPS Receiver	\$5,000	For GIS Data Collection
3	Software for meter testing & backflow preventor testing	\$5,000	For computer intergration
4	Upgrade phone system*	\$25,000	New system
	SUB TOTAL	\$43,000	
MISCELLANEOUS CAPITAL:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Misc. hand / power tools	\$10,000	
2	Upgrade GPR System	\$35,000	Dig-Safe
	SUB TOTAL	\$45,000	
	TOTAL PROPOSED EXPENDITURES	\$165,000	
	Remaining FY 06-07 funds	\$85,200	
	For FY 07-08 funds	\$100,000	
		\$185,200	
	AVAILABLE	\$20,200	Need to set aside \$28,971 for 2007 truck purchase

*Estimate awaiting supplier proposal

PROPOSED IFR FUNDING
2008 PROGRAM

PAGE 5
FY 07-08
IFR FY 08

Funding as of 4/30/07 Restricted Account	\$	9,276,193.31
May 2007 Funding Deposit	\$	400,447.83
June 2007 Funding Deposit	\$	400,447.83
FY 07-08 Funding as of June 30, 2008	\$	<u>4,805,373.96</u>
Total	\$	14,882,462.93

07-08 Proposed Program Expenditures as of June 30, 2008 \$ 15,795,710.00

Deposits owed 4 @	\$400,447.83	=	\$1,601,791.32
2 @	\$283,333.00	=	<u>\$566,666.00</u>
			\$2,168,457.32

TOTAL CUSTOMERS
 FYB 2007 - 2008

	FY 06	AS OF 5/31/2007	EST. GROWTH	TOTAL FOR BUDGET
RESIDENTIAL	24,947	24,896	84	24,980
COMMERCIAL/INDUSTRIAL	1,491	1,619	3	1,622
A) PRIVATE FIRE	308	301	0	301
B) PUBLIC FIRE	2,298	2,298	7	2,305
PUBLIC AUTHORITIES	326	332	2	334
SALES FOR RESALE	1	1	0	1

- A) No Growth
- B) 7 New Hydrants

# Public Fire Customers	13
# Private Fire Customers	
Hydrants	150
Fire Lines	151

REVENUES

		FY 06-07	BASE REVENUE	NEW CUSTOMERS	BUDGET FY 07-08
461A	RESIDENTIAL	\$10,641,776	\$10,708,600	\$25,300	\$10,733,900
461B	COMMERCIAL/INDUSTRIAL	\$3,627,200	\$3,929,300	\$5,100	\$3,934,400
462	PRIVATE FIRE	\$180,819	\$172,200		\$172,200
463	PUBLIC FIRE	\$1,088,476	\$1,088,600	\$3,300	\$1,091,900
464	PUBLIC AUTHORITIES	\$560,637	\$561,500	\$2,400	\$563,900
466	SALES FOR RESALE	\$86,830	\$96,700		\$96,700
471	MISC SERVICE REVENUE	\$102,837	\$77,100		\$77,100
474	OTHER WATER REVENUE	\$60,182	\$68,400		\$68,400
415	PROFIT ON METERS	\$3,231	\$10,800		\$10,800
416	PROFIT ON SERVICE	(\$199)	\$4,900		\$4,900
		\$16,351,789	\$16,718,100	\$36,100	\$16,754,200

ADMINISTRATIVE & GENERAL
OUTSIDE SERVICES

	06-07 10+2	BUDGET ESTIMATE
PETRARCA & McGAIR	\$63,322.54	\$70,000
AMTEC	\$1,800.00	\$1,800
WOODCOCK & ASSOCIATES	\$525.00	\$1,000
KPMG	\$36,622.00	\$38,300
PARE ENGINEERING	\$15,014.68	\$0
C & E ENGINEERS	\$6,365.47	\$0
A. G. COURT REPORTING	\$1,000.00	\$0
ALLIED COURT REPORTERS	\$975.00	\$0
STARKWEATHER & SHEPLEY	\$1,000.00	\$1,000
	<hr/>	
	\$126,624.69	

WATER SUPPLY MANAGEMENT (PUC ALLOCATION \$25,000)	\$35,000
PLAN AND REPORTS	
	<hr/>
	\$147,100

EMPLOYEE & B.O.D. BENEFITS

BUDGET
ESTIMATE

MEDICAL - BLUE CROSS:

\$35,206.36/MO. X 12

\$422,476.32

\$422,500

DENTAL - DELTA DENTAL:

\$3,881.52/MO. X 12

\$46,578.24

\$46,600

GROUP P-65 RETIREES:

\$4246.32/MO. X 12

\$50,955.84

\$51,000

LIFE INSURANCE - MUTUAL OF OMAHA:

\$398.30/MO.X12

\$4,779.60

\$5,800

LONG TERM DISABILITY - MUTUAL OF OMAHA:

\$466.22/MO.X12

\$5,594.64

\$5,600

PENSION CONTRIBUTION - NATIONWIDE:

\$209,100.00

\$209,100

XMAS BONUS:

\$150.00 X 34

\$5,100.00

*

RIEAP:

\$1,300

EDUCATION:

\$5,000

* REFLECTED IN PAYROLL DISTRIBUTION

\$746,900

ADMINISTRATIVE & GENERAL
REGULATORY COMMISSION

	06-07 10+2	BUDGET ESTIMATE
PETRARCA & MCGAIR	\$2,560.00	\$35,000
WOODCOCK & ASSOCIATES	\$4,778.35	\$60,000
DIVISION OF PUBLIC UTILITIES		\$15,000
A - 1 COURT REPORTERS		\$2,500
DPU - ASSESSMENT	\$40,856.00	\$43,000
	<hr/>	<hr/>
	\$48,194.35	\$155,500

- A) PWSB - RATE FILING INTERVENTION
- B) WHOLESALE RATE - PASSTHRU
- C) GENERAL RATE FILING

PAYROLL BUDGET

	BASE PAY 7/1/2007	SCHEDULED OT	UNSCHEDULED OT	TOTAL	3.0%	BONUS	ADJUSTMENTS	07-08 BUDGET	07-08 BUDGET ROUNDED	06-07 ACTUAL 10+2
107 CWIP										
184A MJC - METERS	\$23,105.17			\$23,105.17	\$693.16			\$23,798.33	\$23,800	\$23,688.13
184D MJC - REPAIRS										
601 OPERATION - LABOR										
620 OPERATION - SUPERVISION										
624A PUMPING - LABOR	\$62,206.23	\$4,901.76		\$67,107.99	\$2,013.24			\$69,121.23	\$69,100	\$63,168.35
631 MAINTENANCE - STRUCTURES	\$30,214.46			\$30,214.46	\$906.43			\$31,120.89	\$31,100	\$30,268.17
633 MAINTENANCE - PUMPING EQ	\$24,882.49			\$24,882.49	\$746.47			\$25,628.96	\$25,600	\$25,004.14
642A OPERATION - LABOR	\$72,870.16	\$4,901.76		\$77,771.92	\$2,333.16			\$80,105.08	\$80,100	\$73,696.41
651 MAINTENANCE - STRUCTURES										
652 MAINTENANCE - TREATMENT EQ										
662A TRANS & DIST - LABOR	\$28,437.14			\$28,437.14	\$853.11			\$29,290.25	\$29,300	\$27,636.15
663A METER - LABOR	\$33,769.10			\$33,769.10	\$1,013.07			\$34,782.17	\$34,800	\$34,216.19
664A CUSTOMER INSTALLATION										
672 MAINTENANCE - TANKS	\$10,663.93			\$10,663.93	\$319.92			\$10,983.85	\$11,000	\$10,528.06
673 MAINTENANCE - MAINS	\$375,014.73		\$48,240.43	\$423,255.16	\$12,697.65			\$435,952.81	\$436,000	\$377,694.09
675 MAINTENANCE - SERVICES	\$88,866.05		\$11,331.65	\$100,197.70	\$3,005.93			\$103,203.63	\$103,200	\$89,488.49
676 MAINTENANCE - METERS	\$55,096.95			\$55,096.95	\$1,652.91			\$56,749.86	\$56,800	\$55,272.30
677 MAINTENANCE - HYDRANTS	\$40,878.38		\$5,180.18	\$46,058.56	\$1,381.76			\$47,440.32	\$47,400	\$40,796.23
902 METER READING	\$71,092.84			\$71,092.84	\$2,132.79			\$73,225.63	\$73,200	\$71,064.39
903 CUSTOMER ACCOUNTING	\$154,626.93			\$154,626.93	\$4,638.81			\$159,265.74	\$159,300	\$157,193.72
920 ADMINISTRATIVE SALARIES	\$316,363.14			\$316,363.14	\$9,490.89			\$325,854.03	\$325,900	\$323,847.57
926 EMPLOYEE BENEFITS						\$5,100.00		\$5,100.00	\$5,100	\$5,100.00
930C CONSERVATION										
932A MAINTENANCE - PLANT	\$124,412.47	\$9,803.52		\$134,215.99	\$4,026.48			\$138,242.47	\$138,200	\$126,336.70
932B MAINTENANCE - VEHICLES	\$19,550.53			\$19,550.53	\$586.52			\$20,137.05	\$20,100	\$19,740.11
933 NON-PRODUCTIVE - LABOR	\$245,270.30			\$245,270.30	\$7,358.11			\$252,628.41	\$252,600	\$247,409.37
TOTAL	\$1,777,321.00	\$19,607.04	\$64,752.26	\$1,861,680.30	\$55,850.41	\$5,100.00	\$0.00	\$1,922,630.71	\$1,922,600	\$1,802,148.57

**IFR FUNDING
CURRENT AND PROPOSED PROGRAM**

FUNDING:

FUNDING AS OF 4/30/07	\$9,276,193
MAY & JUNE, 2007 PAYMENT	\$800,896

FUNDING AVAILABLE AS OF JUNE 30, 2007	\$10,077,089
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FUNDING:

IFR 2007 CONSTRUCTION - JULY 2007 - JUNE 2008	\$4,805,373
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TOTAL FUNDING	\$14,882,462
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ESTIMATED ALLOCATED EXPENDITURES 2007/2008

IFR 2005 CONSTRUCTION (ESTIMATE TO COMPLETE)	(\$900,000)
IFR 2005 CONSTRUCTION SERVICES (ESTIMATE)	(\$100,000)
IFR 2005 CONSTRUCTION ADD ON TIOGUE RE-SERVICE	(\$2,500,000)
QUAKER BOOSTER REFURBISHMENT (SET ASIDE)	(\$3,000,000)
QUAKER BOOSTER REFURBISHMENT DESIGN & CONSTRUCTION SERVICES	(\$150,000)
TECH PARK TANK RECOATING (REMAINING FOR PROJECT)	(\$540,000)
IFR 2006A CONSTRUCTION (W.R.B. 50% INTERCONNECTION GRANT)	(\$6,669,740)
IFR 2006A CONSTRUCTION SERVICES	(\$300,000)
GREENWICH AVENUE REPLACEMENT	(\$1,555,970)
GREENWICH AVENUE CONSTRUCTION SERVICES	(\$80,000)

TOTAL EXPENDITURES AS OF JUNE 30, 2008	(\$15,795,710)
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2006A POSSIBLE W.R.B. INTERCONNECTION GRANT	\$3,000,000
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INCREASE IN IFR FUNDING	{	DEPENDS ON OCTOBER 2007 RATE FILING		\$200,000
	{	2 MONTHS - MAY 08 & JUNE 08		
	}	+ \$100,000 CASH EACH MONTH		

BUDGET EXPENDITURE AS OF JUNE 30, 2008	(\$12,595,710)
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<u>TOTAL FOR ALL CURRENT & APPROVED PROJECTS*</u>	\$2,286,752
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IFR PROJECTS ON HOLD DUE TO FUNDING:

IFR 2006B & IFR 2007 (DESIGNED AND READY FOR BIDDING)	(\$6,000,000)
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* IN ALL LIKELIHOOD, NOT ALL PROJECTS WILL BE COMPLETED BY JUNE OF 2008. CARRY OVER EXPENDITURES WILL BE INCLUDED IN FY 2009 ESTIMATED EXPENDITURES.

DEPOSIT SHORT FALL		
4 @ \$400,448	=	\$1,601,792
2 @ \$283,333	=	\$566,666
		\$2,168,458

MID YEAR ADVANCE IFR 2006B FROM HOLD TO ACTIVE AND BID IF INTERCONNECTION GRANT PROCEEDS @ 50% REIMBURSEMENT.
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EXHIBIT S

June 21, 2007

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	5 year update due 2007 - Draft Report Received Under Review
Hunt River Interim Management & Action Plan	Implementing
2007 CIP Program Plan	Under Development
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	Design Award 6/21/07
Mishnock Transmission Mains CIP - 1B	Preliminary Design Award 6/21/07
Mishnock Treatment Plant CIP - 1C	Design Award 6/21/07
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 Initiated
Read School House Road Main CIP 7c, 7d, 8a	Set a Bid Date - Final Review

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2005	Star-Up - Tiogue Tank Re-service
IFR 2006 A	Start-up - Construction Ongoing
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
Greenwich Avenue Replacement	Construction Award 6/21/07
Hydraulic Tank Evaluation	Review Draft - Copies Need To Be Finalized
Quaker P. S. Evaluation/Preliminary Design	Design Start-Up
Tech Park Tank Recoating	Complete and Tank Filling