

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

September 19, 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 September 19, 2007.

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

The minutes of the Board meetings of August 16, 2007 were moved for approval by Board Member Masterson and seconded by Board Member Gallucci and were unanimously approved.

### Guests:

### High Service Requests:

#### Pine Ridge Subdivision–Meeting follow up

The General Manager informed the Board that a letter was received requesting that the matter be rescheduled for the October, 2007 Board meeting.

### Villages at East Shore

Owner, John Assalone, was represented by Carmine Oliveri. The General Manager informed the Board that the owner is providing Kent County Water Authority with land for installation of a pressure reducing station. He further stated that approximately 20 homes will be built and that Phase I has been approved. Phase II could be approved on low service, however, pressure reduced high service is required.

It was moved by Board Member Inman and seconded by Board Member Masterson that the applicant be approved for pressure reduced high service for Phase II of the Villages at East Shore and subject to the high service gradient conditions of service contained in Section 1.14 of the Kent County Water Rules and Regulations and it was unanimously,

VOTED: To approve pressure reduced high service for Phase II of the Villages at East Shore and subject to the high service gradient conditions

of service contained in Section 1.14 of the Kent County Water Rules and Regulations.

Center of New England-Master Meters/Private System

Robert Raposa of Universal Properties/Center of New England appeared on behalf of the applicant. Mr. Raposa requested an extension to the stipulated approval for water service activation executed by the applicant on March 9, 2006. Specifically, Mr. Raposa requested the extension with respect to the applicant converting to its own water system. The applicant met with the General Manager and the applicant agreed to a master meter located near the Wendy's site.

The General Manager informed the Board that a commercial condominium project is being proposed on the West Greenwich (Route 95) side of the property which requires a master meter. The General Manager stated that if the applicant is unable to locate water, it will need to proceed with a master meter. The General Manager had reviewed previous Board action and suggested any approval be amended to reflect a one year extension along with a stipulation of a master meter and a stipulation of no intermixing of water if applicant locates water.

Mr. Raposa provided the Board with a plan depicting the proposed water location attached as "A". The General Manager stated that this project is similar to Bald Hill Commons whereby each store is a separate condominium therefore, one master meter is preferred. Kent County Water Authority would generate one bill.

The General Manager recommended that the applicant not intermix water with the Kent County Water Authority system in the event water is located. Mr. Raposa stated that the Marriott Hotel required waterline installation and once the meter is installed, Marriott can tie-in.

It was moved by Board Member Inman and seconded by Board Member Gallucci to approve the extension of the March 9, 2006 to September 30, 2008 provided a master meter is installed and that applicant can not intermix water with the Kent County Water Authority system in the event applicant locates water and it was unanimously,

VOTED: To approve the extension of the March 9, 2006 approval with stipulations (attached as "B" and incorporated herein by reference) to September 30, 2008 provided that a master meter is installed and that applicant can not intermix water with the Kent County Water Authority system in the event applicant locates water.

Town of East Greenwich–Sun Valley Water Main Replacement Request Town Manager

Joseph Duarte of the East Greenwich Public Works Department attended the meeting on behalf of the Town. The General Manager informed the Board that the subject Sun Valley development was originally serviced by the Kent County Water

Authority in the 1970's. Sewers have just been installed in the area and installation of storm drains are anticipated within the 2008 and 2009 time frame. In the spring of 2009, a water main should be installed and the cost of the road rehabilitation will be shared with the Town.

Mr. Duarte seeks to install storm drains and the Town will reconstruct and repave the road. The Town is seeking accelerating of Kent County Water Authority infrastructure improvement.

The General Manager stated that a rate filing and increase is needed and this improvement will fit into the 2008/2009 time frame however, this improvement is contingent upon the availability of funds.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve accelerating the infrastructure improvement in the Sun Valley area provided Kent County Water Authority acquires the requested funds from a PUC rate increase and it was unanimously,

VOTED: To approve accelerating the infrastructure improvement in the Sun Valley area provided Kent County Water Authority acquires the requested funds from a PUC rate increase.

### Spencer Grant

A request from the General Manager was made to add to the Agenda Spencer Grant for discussion only and it was moved by Board Member Gallucci and seconded by Board Member Inman to approve to add Spencer Grant to the Agenda for discussion only and it was unanimously:

VOTED: To approve to add Spencer Grant to the Agenda for discussion only.

The General Manager stated that the Town of East Greenwich has committed to provide labor and materials necessary to connect the existing dry line water system within the subdivision to the Kent County Water Authority system. The connection will be at the expense of the Town. The Town will require of each homeowner posting of surety with respect to connecting to the Kent County Water Authority system.

## **LEGAL MATTERS**

### 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.

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 maintenance, the Kent County Water Authority discovered the proposed drainage system was not installed and the existing system removed. On August 10, 2007, Legal Counsel for Amgen forwarded a proposed easement agreement to Legal Counsel for Kent County Water Authority. Legal Counsel and the General Manager have reviewed the proposed agreement and it extinguishes the pre-existing easement rights acquired in 1987. Therefore, Legal Counsel informed Legal Counsel for Amgen that the agreement is not acceptable as drafted as it extinguishes easement rights. Legal Counsel for Kent County Water Authority suggested to counsel that the new easement area be described and recorded in the West Greenwich Land Evidence Records.

#### 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 will provide the engineering to the applicant so that an appraisal can be performed.

#### 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 has reviewed the title and we are in a position to finalize the easement and are actively pursuing finalizing the easement documents with Legal Counsel for the land owner. The engineering is complete and a revised description and easement document will be finalized.

#### 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 actively pursuing finalizing the easement document with Legal Counsel for the Developer.

#### 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 has and will continue to contact the Department of Health until he receives an answer. This has been a frustrating issue in that the Department of Health has had these proposed regulations since April 9, 2007. Legal Counsel has sent two recent letters in an attempt to schedule a meeting with the General Manager and Department of Health officials.

#### 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 General Manager and Legal Counsel will draft a regulation on this matter.

#### 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 party. 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.

Legal Counsel for G-Tech prepared a proposed memorandum of agreement between the parties and forwarded this to Legal Counsel for the Authority on August 10, 2007. Legal Counsel for Kent County Water Authority and the General Manager have reviewed the proposed agreement and it conflicts with the regulations of Kent County Water Authority. Therefore, Legal Counsel will contact Legal Counsel for G-Tech as to this issue.

#### 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. The Taxation Division had requested an adjournment of the hearing on August 8, 2007 in order to have further discussion. Settlement discussion is ongoing.

#### Providence Water Supply Board

A 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. The normal discovery has been taking place and the matter is on schedule and there are other intervenors who have been added by Kent County Water Authority.

## Drug Policy

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

## DEM–Liquid Engineering

A notice of violation from the Department of Environmental Management regarding Tiogue Lake issue was received by KCWA on August 2, 2007 and a response and a request for hearing is being prepared for filing. It is the position of KCWA that it should not be included in this notice of violation since Liquid Engineering Corporation was in control of the project. Liquid Engineering forwarded a letter to Department of Environmental Management excluding Kent County Water Authority from the Notice of Violation.

## **Director of Finance Report:**

The Director of Finance is unavailable for the month due to vacation schedules.

## **Point of Personal Privilege and Communications:**

Board Member Masterson commended the General Manager on his correspondence to the Rhode Island Rivers Council in correcting erroneous information.

## **GENERAL MANAGER/CHIEF ENGINEER'S REPORT**

## **OLD BUSINESS:**

### PWSB Rate Case Filing Intervention Status

The General Manager informed the Board that the hearings have been completed. Briefs will be submitted on October 12, 2007 and on October 30, 2007, the public meeting is scheduled for the PUC for decision. The General Manager was of the opinion that the Kent County Water Authority case was very well presented by the attorney and the Rate Consultant.

### PWSB/KCWA Pass Through Filing Status

The General Manager stated that the matter will not be acted upon until completion of the Providence rate case.

### "Aid in Construction" Regulation

This matter was discussed in legal infra.

## 2002A Bond Refinancing Status

The General Manager informed the Board that the interest rate is improving and the Bond refunding will be addressed within the next two weeks.

## New Business

### Worker Compensation Request, Alan Angiolilli

Mr. Angiolilli was not in attendance. Legal Counsel presented the Board with its legal opinion attached as “**C**” with respect to the request of Mr. Angiolilli. Legal Counsel advised the Board that compensation to Mr. Angiolilli in addition to the workers compensation benefit was in contradiction of R.I.G.L. and the Rhode Island Supreme Court and could also jeopardize its coverage under the insurance contract.

### Approval Audit Contract for FY 2007

The General Manager presented the Board with the proposed amended KPMG audit contract for the fiscal year 2007 dated August 15, 2007 and attached as “**D**” in the amount of \$37,300.00 for auditing the financial statements of Kent County Water Authority for the year ended June 30, 2007.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve the amendment by KPMG with respect to the fees in the amount of \$37,300.00 as attached as “**D**” for the audit of the financial statements of Kent County Water Authority for the year ended June 30, 2007 and it was unanimously,

VOTED: To approve the amendment by KPMG with respect to the fees in the amount of \$37,300.00 as attached as “**D**” for the audit of the financial statements of Kent County Water Authority for the year ended June 30, 2007.

### Review of BCI Potential New Hire

The General Manager informed the Board that the BCI of an employment candidate indicated a 1979 felony conviction. Discussion ensued and Board Member Iman opined that the employment candidate not be excluded as the charge occurred almost 30 years ago when the candidate was very young. Board Member Gallucci suggested that the hiring of the candidate be continued and contingent upon expungement of the 1979 charge within 30 days.

## **Bid Approvals**

### **Hydrant Bid**

The General Manager stated there were two proposals and that Ti-Sales was the lowest respondent and the General Manager recommended Ti-Sales in that it was the lowest responsible bidder. It was moved by Board Member Gallucci and seconded by Board Member Masterson to award the proposal for the hydrant materials to Ti-Sales in the amount of \$6,031.20 as attached as “E” and it was unanimously,

VOTED: To award the proposal for the hydrant materials to Ti-Sales in the amount of \$6,031.20 as attached as “E”.

### **Service Materials**

The General Manager stated there were five proposals and that Winwater Works was the lowest respondent and the General Manager recommended Winwater Works in that it was the lowest responsible bidder. It was moved by Board Member Masterson and seconded by Board Member Inman to award the proposal for service materials to Winwater Works in the amount of \$31,866.00 as attached as “F” and it was unanimously,

VOTED: To award the proposal for service materials to Winwater Works in the amount of \$31,866.00 as attached as “F”.

## **Suggestion Box, Barbara Graham**

This mater will be continued to the October, 2007 Board meeting as Board Member Graham is away on vacation.

## **CAPITAL PROJECTS:** **INFRASTRUCTURE PROJECTS :**

A request from the General Manager was made to add to the Agenda Keith White for discussion only and it was moved by Board Member Inman and seconded by Board Member Masterson to approve to add Keith White to the Agenda for discussion only and it was unanimously:

VOTED: To approve to add Keith White to the Agenda for discussion only

### **Keith White**

Keith White appeared and requested that the Board permit him to discuss a high service gradient issue. Mr. White informed the Board that he owns residential real estate within the high service gradient and requests an irrigation system for the subject

property located at 136 Reservoir Avenue, Coventry, RI. The matter will be placed on the Agenda for the October, 2007 Board meeting.

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

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

VOTED: To adjourn the meeting at 4:50 p.m.

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Secretary Pro Tempore

# **EXHIBIT A**

September 19, 2007



# **EXHIBIT B**

September 19, 2007



Kent County Water Authority

March 9, 2006

Mr. Nicholas Cambio  
Universal Properties, LLC/Centre of New England  
207 Quaker Lane, Suite 300  
West Warwick, RI 02893

Re: Centre of New England and all of its entities (hereafter CNE)

Dear Mr. Cambio:

At the behest of your legal counsel, John A. Pagliarini, Jr., Esq., the Kent County Water Authority reviewed your request for a resolution regarding the activation of water service to the following projects within the above referenced site:

Grandville at Greenwich, LP (Lecesse Development: WG, A. P. 1, Lot 3-1);  
Shivai Nehal Realty, LLC (Wingate Hotel, Coventry, A. P. 7, Lot 2.1);  
Commerce Park Associates 13, LLC (Pad A, Coventry, A. P. 7, Lot 2.3);  
Commerce Park Associates 13, LLC (Pad B, Coventry, A. P. 7, Lot 2.10); and  
Wal-Mart Real Estate Business Trust (Wal-Mart, Coventry, A. P. 6, Lot 1)

During the February 27, 2006 Special Board Meeting, the Board voted to allow water service activation to the above referenced entities located in the Centre of New England under the stipulations as follows:

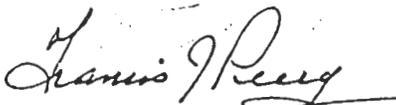
- 1) Receipt of approval by the appropriate governmental bodies for the private system of CNE for exclusive water supply via wells to the entire CNE real property or the private water system via wells must be operational to support water supply no later than one and one half years from the date of this approval.
- 2) With the exception of irrigation, all entities located within the CNE real property shall be serviced to one water supply system that being the CNE private supply or master meter connection to KCWA supply.
- 3) That if the CNE private water system via wells is in effect within the period of time as stated in (1) above, then the stipulations of October 2005 by KCWA for water service approval for projects within the CNE real property shall no longer be necessary regarding as-built drawings and easements, application, design, inspection and material requirements of the KCWA Rules and Regulations.
- 4) That in the event that the CNE private water system via wells is not approved by the appropriate governmental bodies or is not operational within one and one half years from the date of this approval then the master metering of the water system at New London Turnpike (KCWA Connection Point) and Hopkins Hill Road (KCWA Connection Point) shall be installed within 90

days of that event utilizing KCWA water at the two connection points stated and CNE shall notify KCWA no later than thirty (30) days of the approval or non-approval by the appropriate governmental bodies. The cost of said master meters and installation shall be the sole responsibility of CNE. If the master meters are not installed within 90 days of service or non-approval of governmental entities as stated in condition (3) above, service shall be terminated without notice.

- 5) CNE shall be responsible while being serviced by KCWA for the operation and maintenance of its system from the 16" valve on New London Turnpike (KCWA Connection Point) and the 16" valve on Hopkins Hill Road (KCWA Connection Point) and that if there is any internal operational malfunction and/or contamination identified, the KCWA shall shut off service at the 16" valves as described above until such time as all requirements of KCWA and the Rhode Island Department of Health are met to reactivate service at the 16" valve and CNE shall immediately notify KCWA of any such event.
- 6) CNE must comply with all Rules and Regulations of the KCWA and as subsequently amended including, but not limited to, application, design, inspection and installation of infrastructure and operation and maintenance of infrastructure until such time as its private water system is activated and the KCWA system has been disconnected and physically separated from the development infrastructure at the connection point in Hopkins Hill Road and New London Turnpike.
- 7) All future extensions shall be applied for as required in the KCWA Regulations and subject to the approval of the KCWA until such time as the full project water system producing water via wells is operational and the connections to the KCWA system that being the 16" valve on New London Turnpike and the 16" valve on Hopkins Hill Road have been deactivated and a physical separation between the valve and pipe is completed. This separation of service between the KCWA connection and CNE piping system shall be at the sole cost of CNE.
- 8) The KCWA shall have the right to enter upon all real property of CNE and its successors and assigns to terminate the service for any business entity located within the CNE which has not paid its water bill and in connection with any malfunction and/or contamination as stated in 5) above.
- 9) CNE accepts and shall comply with the above stipulations by executing the acknowledgement prior to activation of the approved service connections.

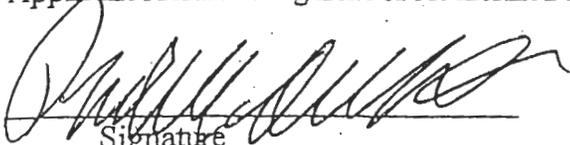
The owner and applicant must review and execute the acknowledgements and receipt of these stipulations and return the fully executed stipulated approval to the KCWA within 20 days in order to be effective.

Very truly yours,  
KENT COUNTY WATER AUTHORITY



Francis J. Perry, Jr., P.E.  
Chairman

Applicant Acknowledgment of Authorized Signature

  
Signature

3-9-2006  
Date

By execution of this stipulated approval for water service activation, applicant/owner, its successors and assigns shall fulfill all of the requirements/stipulations contained in this approval and conveyed to said applicant in this correspondence.

# **EXHIBIT C**

September 19, 2007



797 BALD HILL ROAD  
WARWICK, RI 02886

401-821-1330  
FAX 401-823-0970  
E-MAIL: [jjm@petrarcamcgair.com](mailto:jjm@petrarcamcgair.com)  
[www.petrarcamcgair.com](http://www.petrarcamcgair.com)

September 18, 2007

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

RE: Worker's Compensation  
Salaried Employees

Dear Tim:

This writing is in response to your correspondence dated September 14, 2007 requesting an opinion regarding the request of a salaried employee to receive the difference between the employee's Worker's Compensation benefits and salary while the employee was out of work and receiving worker's compensation benefits. The Worker's Compensation Act, specifically Title 28, Chapter 29, Section 20 of the Rhode Island General Laws, provides that the right to compensation for a work-related injury shall be in lieu of all rights and remedies to that injury existing at common law or otherwise against an employer. Section 28-29-17 of the Rhode Island General Laws further provides that an employee waives any right of action at common law to recover damages for personal injury against the employer unless the employee, at the time of hire, gives written notice to the employer that he or she is not waiving his or her common law right of action. In addition, the Worker's Compensation Act in defining employees does not differentiate between hourly employees and salaried employees.

The Rhode Island Supreme Court in reviewing Sections 28-29-17 and 28-29-20 of the Rhode Island General Laws has consistently ruled that acceptance of Worker's Compensation benefits by the employee results in forfeiture of all other rights of relief against the employer. Lopes v. G.T.E. Products Corp., 560 A2d 949,950 (RI 1989), Hornsby v. Southland Corp., 487 A2d 1069,1071 (RI 1985). The Worker's

Timothy J. Brown  
September 17, 2007  
Page 2

Compensation Act, specifically Sections 28-33-17, 28-33-18, and 28-33-20, provides the amount of benefits employees are entitled to receive based upon a percentage of the employee's average weekly wage. There is no provision in the Worker's Compensation Act which would allow an employer to compensate an employee for the difference between his or her Worker's Compensation benefits and his or her salary at the time of the injury.

It is clear that the granting of the salaried employee's request to receive the difference between his Worker's Compensation benefits and his salary at the time of the injury would be in contravention of the policy, spirit, and provisions of the Worker's Compensation Act. The compensation that has been requested by the salaried employee equals additional damages that the employee would have a right to receive at common law and is the type of damages that the employee specifically waived pursuant to Section 28-29-17, and Section 28-29-20 of the Rhode Island General Laws when he received his Worker's Compensation benefits. In addition, granting the request by the salaried employee could be considered a violation of the contract with your insurer and could result in a recovery action by the insured.

Yours truly,



Lewis J. Paras, Esq.

LJP: dd

# **EXHIBIT D**

September 19, 2007



**KPMG LLP**  
99 High Street  
Boston, MA 02110-2371

Telephone 617 988 1000  
Fax 617 507 8321  
Internet [www.us.kpmg.com](http://www.us.kpmg.com)

August 15, 2007

Timothy J. Brown, P.E.  
General Manager/Chief Engineer  
Kent County Water Authority  
P. O. Box 192  
West Warwick, Rhode Island 03892

Dear Mr. Brown:

This letter amends our engagement letter dated September 5, 2006 confirming our understanding to provide professional audit services to the Kent County Water Authority by substituting the attached Appendix I for the Appendix I originally attached to our engagement letter.

The attached Appendix I lists the services to be rendered and related fees to provide each specified service for the identified time period. Except as specified therein, all provisions of the aforementioned engagement letter remain in effect until either the Authority or KPMG terminate this agreement or mutually agree to the modification of its terms.

We shall be pleased to discuss this letter with you at any time. For your convenience in confirming these arrangements, we enclose a copy of this letter. Please sign in the space provided and return the copy to us.

Very truly yours,

KPMG LLP

Shawn Warren  
*Partner*

ACCEPTED:

**Kent County Water Authority**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



## Appendix I

### Fees for Services

Based upon our discussions with and representations of management, our fees for services we will perform are estimated as follows:

Audit of the financial statements of the Authority as of and for the year ended June 30, 2007.	<u>\$37,300.00</u>
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As outlined in the Request for Proposals ("RFP"), KPMG will conduct the audit in accordance with generally accepted auditing standards and will conduct an audit of the Water Protection Fund in accordance with the Rules of Procedures, R.I. Water Resources Board Corporate, The Public Drinking Water Protection Program, Section 2.4 g.ii and 2.4 g.iii. At the conclusion of our audit we will issue the following reports:

- An opinion on the Authority's financial statements;
- An agreed upon procedures report related to the Water Protection Fund reconciliation;
- An agreed upon procedures report relative to compliance with bond debt covenants; and
- A management letter containing our comments and recommendations regarding the Authority's internal control structure.

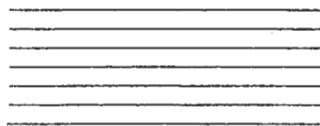
The above estimates are based on the level of experience of the individuals who will perform the services and include all routine expenses. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavor to notify you of any such circumstances as they are assessed.

Where KPMG is reimbursed for expenses, it is KPMG's policy to bill clients the amount incurred at the time the good or service is purchased. If KPMG subsequently receives a volume rebate or other incentive payment from a vendor relating to such expenses, KPMG does not credit such payment to the client. Instead, KPMG applies such payments to reduce its overhead costs, which costs are taken into account in determining KPMG's standard billing rates and certain transaction charges which may be charged to clients.

KPMG member firms located outside the United States and other third-party service providers operating under our supervision may also participate in providing the services described in this letter.

# **EXHIBIT E**

September 19, 2007



# OFFICE MEMO

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**To:** File  
**From:** Tim Brown  
**Subject:** Hydrant Bid  
**Date:** September 4, 2007

Attached is the bid tabulation for the hydrant bids that were opened on August 28, 2007. Two bids were received: Ti-Sales of Sudbury, MA and Winwater Works of Warwick, Rhode Island. The low bidder was Ti-Sales at a bid of \$6,031.20. This is based on estimated quantities for pricing of hydrants and hydrant repair materials for the upcoming year. Purchase will be for the quantities needed throughout the year. I recommend award to the low bidder, Ti-Sales of Sudbury, MA.

KENT COUNTY WATER AUTHORITY  
INVITATION FOR BID  
MATERIAL PURCHASE ONLY  
**HYDRANTS**  
GENERAL CONSTRUCTION THROUGHOUT SYSTEM  
BID OPENING – AUGUST 28, 2007

The Bid Opening for Material Purchase Only - **Hydrants** – General Construction throughout System was held at 10:00 a.m., August 28, 2007 per the requirements of the Bid Invitation advertised in the Providence Journal on Friday, August 3, 2007. Attendance at the Pre-Bid was not a mandatory requirement to submit a Bid.

The work consists of furnishing hydrants consistent with those normally used throughout the Kent County Water Authority system. A detailed description can be found in the bid packages.

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:

1. Ti-Sales  
Water and Waste Water Supplies  
36 Hudson Road (Route 27)  
Sudbury, MA 01776-2097

**Total Bid Items 1.1 – 1.5 - \$6,031.20**

2. Warwick Winwater Works  
62 Wyoming Avenue  
Warwick, RI 02888

**Total Bid Items 1.1 – 1.5 - \$6,079.00**

The Bids were made available for review and the Bid Opening meeting was closed at 10:15 a.m.

# **EXHIBIT F**

September 19, 2007

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# OFFICE MEMO

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**To:** File  
**From:** John Duchesneau  
**Subject:** Service Materials Bid  
**Date:** August 31, 2007

Sealed bids for material purchase regarding general construction materials were opened August 28, 2007 at 10:30 a.m. The following reflects review of the bids submitted:

1. Stiles Company provided a bid price of \$39,049.48 in response to the bid solicitation. Bid documents appear to be in order.
2. Ti-Sales provided a bid of \$39,693.80 in response to the bid solicitation. The bid pricing for line items 1.26 and 1.27, copper tubing, included conditional language "copper price good for two weeks due to unstable market pricing." The bid solicitation requires pricing for one year.
3. Winwater Works provided a bid price of \$31,866.00 in response to the bid solicitation. Pricing for line items 1.26 and 1.27, copper tubing, included conditional language "copper tubing (Item #'s 1.26 and 1.27) pricing firm for 60 days market volatility prevents us from holding pricing beyond that time." Bid solicitation requires pricing for one year.
4. EJP provided a bid price of \$38,602.76 in response to the bid solicitation. This bid did not include required model numbers for Bid Item's 1.1 through 1.6. All other items were complete with model numbers. Paragraph 4 of the bid form states where indicated in bid item bidder shall supply manufacturer and model number; referencing the proposed material for the bid price.
5. Ferguson Water Works provided a price of \$35,433.00 in response to the solicitation. The bid did not include the required model numbers for any of the bid items. Manufacturer name was provided. Paragraph 4 of the bid form states where indicated in bid item bidder shall supply manufacturer and model number; referencing the proposed material for the bid price.

KENT COUNTY WATER AUTHORITY  
INVITATION FOR BID  
MATERIAL PURCHASE ONLY  
**SERVICE MATERIALS**  
GENERAL CONSTRUCTION THROUGHOUT SYSTEM  
BID OPENING – AUGUST 28, 2007

The Bid Opening for Material Purchase Only – **Service Materials** – General Construction throughout System was held at 10:00 a.m., August 28, 2007 per the requirements of the Bid Invitation advertised in the Providence Journal on Friday, August 3, 2007. Attendance at the Pre-Bid was not a mandatory requirement to submit a Bid.

The work consists of furnishing service materials consistent with those normally used throughout the Kent County Water Authority system. A detailed description can be found in the bid packages.

At 10:30 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:

1. Stiles Company, Inc.  
Water Works Products  
922 Pleasant Street  
Norwood, MA 02062

Amount Not to Exceed \$39,049.48

2. Ti-Sales  
Water and Waste Water Supplies  
36 Hudson Road (Route 27)  
Sudbury, MA 01776-2097

Amount Not to Exceed \$39,693.80

3. Warwick Winwater Works  
62 Wyoming Avenue  
Warwick, RI 02888

Amount Not to Exceed \$31,866.00

4. EJP  
Everett J. Prescott, Inc.  
80 Gilbane Street  
Warwick, RI 02886

Amount Not to Exceed \$38,602.76

5. Ferguson Waterworks – Sumner & Dunbar  
1 Wellington Road  
Lincoln, RI 02865

Amount Not to Exceed \$35,443.00

The Bids were made available for review and the Bid Opening meeting was closed at 10:45 a.m.



**SERVICE MATERIALS  
BID TABULATION**

Item#	Description	STILES COMPANY, INC.		TISALES		WARRICK WINWATER WORKS		EJP		FERGUSON WATER WORKS	
		Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
1.1	100 ea, 3/4" Straight Meter Couplings By Male I.P. Thread, Length 2.5"	\$4.41	\$441.00	\$4.75	\$475.00	\$4.75	\$475.00	\$5.04	\$504.00	\$4.50	\$450.00
1.2	100 ea, 1" Straight Meter Couplings By Male 1. P. Thread Length 2.625"	\$6.80	\$680.00	\$7.30	\$730.00	\$6.75	\$675.00	\$7.77	\$777.00	\$6.85	\$685.00
1.3	100 ea, 3/4" Curb Stop	\$29.40	\$2,940.00	\$31.50	\$3,150.00	\$28.48	\$2,848.00	\$45.48	\$4,548.00	\$31.40	\$3,140.00
1.4	100 ea, 1" Curb Stop	\$44.19	\$4,419.00	\$47.30	\$4,730.00	\$42.98	\$4,298.00	\$55.98	\$5,598.00	\$47.25	\$4,725.00
1.5	100 ea, 3/4" Corporation Stop	\$28.24	\$2,824.00	\$23.00	\$2,300.00	\$20.98	\$2,098.00	\$34.11	\$3,411.00	\$22.20	\$2,220.00
1.6	100 ea, 1" Corporation Stop	\$28.24	\$2,824.00	\$30.25	\$3,025.00	\$27.48	\$2,748.00	\$42.00	\$4,200.00	\$29.20	\$2,920.00
1.7	15 ea, 6" x 3/4" CC Service Saddle, Range up to 7.60	\$38.38	\$575.70	\$41.10	\$616.50	\$28.00	\$420.00	\$28.00	\$420.00	\$27.50	\$412.50
1.8	15 ea, 6" x 1" CC Service Saddle, Range up to 7.60	\$38.38	\$575.70	\$41.10	\$616.50	\$28.00	\$420.00	\$28.00	\$420.00	\$27.50	\$412.50
1.9	15 ea, 6" x 2" CC Service Saddle, Range up to 7.60	\$41.29	\$619.35	\$44.20	\$663.00	\$33.00	\$495.00	\$34.00	\$510.00	\$33.00	\$495.00

**SERVICE MATERIALS  
 BID TABULATION**

Item#	Description	STILES COMPANY, INC.		TI-SALES		WARWICK WINWATER WORKS		EJP		FERGUSON WATER WORKS	
		Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
1.10	15 ea, 8" x 3/4" CC Service Saddle, Range up to 9.79	\$46.34	\$695.10	\$49.60	\$744.00	\$33.00	\$495.00	\$33.00	\$495.00	\$32.50	\$487.50
1.11	15 ea, 8" x 1" CC Service Saddle, Range up to 9.79	\$46.34	\$695.10	\$49.60	\$744.00	\$33.00	\$495.00	\$33.00	\$495.00	\$32.50	\$487.50
1.12	15 ea, 8" x 2" CC Service Saddle, Range up to 9.79	\$49.46	\$741.90	\$52.95	\$794.25	\$38.00	\$570.00	\$40.00	\$600.00	\$38.40	\$576.00
1.13	15 ea, 6" x 3/4" CC Repair Saddle, Range up to 7.60	\$65.95	\$989.25	\$70.60	\$1,059.00	\$32.00	\$480.00	\$30.00	\$450.00	\$27.50	\$412.50
1.14	15 ea, 6" x 1" CC Repair Saddle, Range up to 7.60	\$65.95	\$989.25	\$70.60	\$1,059.00	\$32.00	\$480.00	\$30.00	\$450.00	\$27.50	\$412.50
1.15	15 ea, 8" x 3/4" CC Repair Saddle, Range up to 9.79	\$68.25	\$1,023.75	\$73.05	\$1,095.75	\$36.00	\$540.00	\$35.00	\$525.00	\$32.50	\$487.50
1.16	15 ea, 8" x 1" CC Repair Saddle, Range up to 9.79	\$68.25	\$1,023.75	\$73.05	\$1,095.75	\$36.00	\$540.00	\$35.00	\$525.00	\$32.50	\$487.50
1.17	15 ea, 6" x 12.5" Repair, Clamp, Range up to 7.64	\$108.12	\$1,621.80	\$115.70	\$1,733.50	\$100.00	\$1,500.00	\$100.00	\$1,500.00	\$98.00	\$1,470.00

**SERVICE MATERIALS  
 BID TABULATION**

Item#	Description	STILES COMPANY, INC.		TJ-SALES		WARWICK WINWATER WORKS		EJP		FERGUSON WATER WORKS	
		Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount
1.18	15 ea, 8" x 12.5" Repair Clamp, Range up to 9/79	\$114.99	\$1,724.85	\$123.05	\$1,845.75	\$108.00	\$1,620.00	\$107.00	\$1,605.00	\$106.00	\$1,590.00
1.19	4 ea, 12" x 15" Repair Clamp, Range 13.65 - 14.45	\$146.48	\$585.92	\$162.40	\$649.60	\$197.00	\$788.00	\$199.00	\$796.00	\$195.00	\$780.00
1.20	4 ea, 12" x 20" Repair Clamp, Range 13.65 - 14.45	\$206.89	\$827.56	\$228.05	\$912.20	\$267.00	\$1,068.00	\$279.00	\$1,116.00	\$273.00	\$1,092.00
1.21	1000 ft, 3/4" CTS, 200 p.s.i., H.D.P.E. Service Tubing	\$0.21	\$210.00	\$0.23	\$230.00	\$0.19	\$190.00	\$0.24	\$240.00	\$0.24	\$240.00
1.22	500 ft, 1 1/2" CTS, 200 p.s.i., H.D.P.E. Service Tubing	\$0.40	\$400.00	\$0.35	\$350.00	\$0.29	\$290.00	\$0.32	\$320.00	\$0.37	\$370.00
1.23	500 ft, 2" CTS, 200 p.s.i., H.D.P.E. Service Tubing	\$0.87	\$435.00	\$0.79	\$395.00	\$0.62	\$310.00	\$0.67	\$335.00	\$0.80	\$400.00
1.24	6 ea, Metalized "Water" Tape, 2" Wide Roll (1000 ft)	\$1.40	\$700.00	\$1.34	\$670.00	\$1.03	\$515.00	\$1.16	\$580.00	\$1.30	\$650.00
1.25		\$16.25	\$97.50	\$15.00	\$90.00	\$13.00	\$78.00	\$15.46	\$92.76	\$15.00	\$90.00

**SERVICE MATERIALS  
 BID TABULATION**

Item#	Description	STILES COMPANY, INC.		T-SALES		WARWICK WINWATER WORKS		EJP		FERGUSON WATER WORKS			
		Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount	Unit Bid Price	Total Amount		
1.26	1000 ft. 3/4" K-Copper Service Tubing ANSI/ASTM B88	\$4.50	\$4,500.00	\$4.44	\$4,440.00	\$3.22	\$3,220.00	\$3.51	\$3,510.00	\$4.30	\$4,300.00		
1.27	1000 ft. 1" K-Copper Service Tubing ANSI/ASTM B88	\$5.89	\$5,890.00	\$5.48	\$5,480.00	\$4.21	\$4,210.00	\$4.58	\$4,580.00	\$5.65	\$5,650.00		
	<b>TOTAL</b>		<b>\$39,049.48</b>		<b>\$39,693.80</b>		<b>\$31,866.00</b>		<b>\$38,602.76</b>		<b>\$1,152.46</b>		<b>\$35,443.00</b>

# **EXHIBIT G**

September 19, 2007

**PLANNING DOCUMENT \$25,000/YEAR ALLOCATION**

<b>PROJECT</b>	<b>STATUS</b>
Water Supply System Management Plan WSSMP	Submitted for Review
Hunt River Interim Management & Action Plan	Implementing meeting with parties 9/20/2007
2007 CIP Program Plan	Under Development
<b>Clean Water Infrastructure Plan</b>	<b>Approval June 13, 2003. 5 year update due 2008</b>

**UPDATED CIP PROJECTS BOND FUNDING**

<b>PROJECT</b>	<b>STATUS</b>
Mishnock Well Field (new wells) CIP - 1A	Design Underway
Mishnock Transmission Mains CIP - 1B	Preliminary Design Underway
Mishnock Treatment Plant CIP - 1C	Design Underway
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 Underway
Read School House Road Main CIP 7c, 7d, 8a	Set a Bid Date - Final Review

**IFR FUNDED PROJECTS**

<b>PROJECT</b>	<b>STATUS</b>
IFR 2005	Tiogue Tank Re-service Separate Bid
IFR 2006 A	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 Ongoing
Hydraulic Tank Evaluation	Review Draft - Copies Need To Be Finalized
Quaker P. S. Evaluation/Preliminary Design	Design Underway Easement Review
<b>Tech Park Tank Recoating</b>	<b>Completed</b>