

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

October 18, 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 October 18, 2007.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mrs. Graham, 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, Joseph J. McGair, and other interested parties.

The minutes of the Board meetings of September 19, 2007 were moved for approval by Board Member Masterson and seconded by Board Member Graham and were unanimously approved.

Guests:

High Service Requests:

Pine Ridge Subdivision – Recommend rescind water approval

William Landry, Esq. was in attendance for the developer. John R. Duchesneau, Technical Service Director, gave a report/time-line of events which is attached as "A". Joseph J. McGair, Legal Counsel, asked how to resolve not want to lose. Mr. Landry agreed that Mr. Hennesy, PE was out of time in his filing with Kent County Water Authority and did not proffer the stamped plan.

Mr. Landry stated that Picerne is a good client and did not allow sprinklers pursuant to the approval, the deed restrictions and the detailed landscaping plans and part of Town approvals. Mr. Landry stated that the Developer thought the landscaping was xeriscape and misinterpreted the definition of high retention soil.

Mr. Landry spoke with the architect at 2:55 p.m. this afternoon and told the Developer to accomplish this week and there will be a stamped copy. Mr. Duchesneau referred to July meeting which was without profiles, albeit it was discussed that there was a need for soil profiles. Mr. Hennesy is to have one week to accomplish the same. Board Member Boyer stated that the stamped plans must be provided to John R. Duchesneau as soon as possible.

The General Manager stated the initial work was not done in accordance with the approval concerning existing sold houses and it will be very difficult to correct the soil. Mr. Landry added that it will not be possible to correct.

The Chairman said that the most pressing issues are the new homes and the Town is no longer issuing building permits. The General Manager stated that the problem is in Mr. Landry's hands to correct.

Mr. Landry said he will work with the Authority to resolve outstanding issues before the November 15, 2007 Board meeting.

This was reiterated by Board Member Masterson and Board Member Graham.

136 Reservoir Road, Coventry, Keith White

Mr. White was not in attendance pursuant to written communication to the Kent County Water Authority.

160 Shippeetown Road, E.G. Christopher and Jill Saint

Christopher and Jill Saint request the Kent County Water Authority water system and they have a small child and the water test demonstrated elevated levels of barillium and radon which they believe creates a health issue. The Chairman stated the Authority should approve the water connection because of the emergency nature and health issues which create a hardship and it was moved by Board Member Masterson and seconded by Board Members Gallucci and Graham to conditionally approve the request for water supply for 160 Shippeetown Road, East Greenwich 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 conditionally approve the request for water supply for 160 Shippeetown Road, East Greenwich subject to the high service gradient conditions of service contained in Section 1.14 of the Kent County Water Rules and Regulations.

Gardens Office Park, W.W. Michael Integlia

Mr. Integlia was previously before the Board on August 16, 2007 to ask to tie into the High Service Gradient water main. Board Member Masterson said nothing has changed since his property is functional with the low service connection. The Chairman stated that all future project approvals are on hold because of the water shortage and the Board can not consider approval at this time. The Chairman proffered that if the State of Rhode Island financially assists the Board with the Route 2 extension of the High Service Gradient then there would be a possibility for High Service Gradient to the existing project. Mr. Integlia, as previously stated, would like to eliminate the pumps at the property which would save substantial maintenance costs. The Chairman stated

that it is not possible and that the Chairman owes a responsibility to the Authority. Board Member Gallucci admires the spirit of cooperation by Mr. Integlia with the various towns and agrees with the Chairman that there may be a way to address the High Service Gradient in the future.

## **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 Amgen revised the easement language and this instrument will be finalized.

### **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 letters and telephone calls in an attempt to schedule a meeting with the General Manager and Department of Health officials who do not seem to be motivated to address this serious issue. Legal Counsel know this issue is very important and especially for Board Member Graham and he will continue to pursue this issue.

#### 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. A settlement agreement has been reached with penalties and interest waived and will be finalized very shortly.

## 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 and the matter was heard on September 12, 2007 and September 13, 2007 by the PUC and briefs were filed on October 12, 2007 by the parties and a decision will follow on October 30, 2007.

## 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. The parties met on October 4, 2007 with the hearing officer in the absence of LEC Corp. who was not noticed by the DEM and the Department of Environmental Management and it was continued for DEM and LEC to settle.

## **Director of Finance Report:**

Arthur Williams, Finance Director, explained and submitted the financial report and comparative balance sheets, statements of revenues, expenditures, cash receipts, disbursements and comparative balance sheets and statements of revenue through September, 2007 and closing documents which is attached as “B” and after discussion, Board Member Masterson moved and seconded by Board Member Gallucci to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes and it was unanimously,

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

**Point of Personal Privilege and Communications:**

The Chairman applauded the use of E-news attached as “C” to those known e-addresses and the Board hopes to expand the use.

**GENERAL MANAGER/CHIEF ENGINEER’S REPORT**

**OLD BUSINESS:**

PWSB Rate Case Filing Intervention Status

This matter was discussed in legal infra.

PWSB/KCWA Pass Through Filing Status

This can not occur until after the hearing has been filed and will be done after the order.

“Aid in Construction” Regulation

This matter was discussed in legal infra.

2002A Bond Refinancing Status

The General Manager stated this needs to be filed to reach the resolution attached as “D” and it was moved by Board Member Gallucci and seconded by the entire Board to authorize the Chairman to execute all documents to this effect and that the proper documents be filed with the DPUC and it was unanimously,

VOTED: To authorize the Chairman to execute all documents to this effect and that the proper documents be filed with the DPUC.

Statement in Accordance with 39-3-17, Action Required

The General Manager read the Statement in Accordance with 39-13-17 as attached as “E” to the Board and it was moved by Board Member Gallucci and seconded by the entire Board to authorize the Chairman to execute the Statement in Accordance with 39-3-17 and it was unanimously,

VOTED: To authorize the Chairman to execute the Statement in Accordance with 39-3-1.

**New Business**

Suggestion Box, Barbara Graham

Board Member Graham believes that a suggestion box should be placed in a prominent place to better the company through sincere input whether signed or anonymous. Board Member Gallucci said it is always a good idea for positive input but not for labor related issues. Board Member Masterson believes that signed input may be productive. It was the sense of the Board to have staff implement the same.

#### Quonset Point, Water Service Correspondence for Action

The Chairman stated his strong feelings regarding Quonset point with regard to major improvements and that a letter should be sent to the State of Rhode Island regarding assistance for the improvements (Route 2 line) and for sharing for Quonset Point future supply and for legislative changes. The General Manager stated that there are many technical difficulties to be worked out between the agencies and the Chairman stated that a letter should be sent to the proper individuals and it was the sense of the Board that such a letter be sent.

#### **Bid Approval** **Vehicle Purchase**

The General Manager stated there were three proposals and that Liberty Chevrolet was the lowest respondent and the General Manager recommended Liberty Chevrolet in that it was the lowest responsible bidder. It was moved by Board Member Materson and seconded by Board Member Graham to award the proposal to Liberty Chevrolet in the amount of \$69,972.00 and a trade-in allowance of \$12,500.00 as attached as "F" and it was unanimously,

VOTED: To award the proposal to Liberty Chevrolet in the amount of \$69,972.00 and a trade-in allowance of 12,500 as attached as "F".

#### **Conservation Action Plan Revision October 2007 Approval**

The General Manager gave the Water Conservation Action Plan to the Board and the same is attached as "G" to discuss the drought conditions for the rest of the year. If there is a dry winter the level of the reservoir will be similar to 2002-2003 levels. It has been revised for the implementation by the Spring of 2008 to attempt to prevent emergency conditions. Board Member Masterson moved and it was seconded by the entire Board to approve the revised Conservation Action Plan and it was unanimously,

VOTED: To approve the revised Conservation Action Plan.

#### **Household Water Audit Distribution**

The General Manager stated that it will be distributed on October 19, 2007.

### **Review of BCI Potential New Hire, Action Requested**

The hire was confirmed subject to documents to the satisfaction of the General Manager.

### **Meter Replacement Program**

The General Manager spoke of the need for new metering system due to obsolescence of equipment. He prepared a memorandum attached as "H". This was to let the Board know that metering system will cost approximately \$6 million and will be sending out bills more frequently. There was a thorough discussion with the Board.

### **Seasonal Rate Discussion**

The General Manager spoke of the possibility of the PUC allowing for seasonal rates which would demand careful consideration in implementation.

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

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

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

VOTED: To adjourn the meeting at 5:30 p.m.

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Secretary Pro Tempore

# **EXHIBIT A**

October 18, 2007

Pine Ridge Subdivision, Coventry

March 16, 2005 Board minutes, William Landry, Esq. and Dennis DiPrete, P. E. representatives for Picerne Properties appeared before the Board and accepted special stipulations for Xeriscape Landscaping and no outdoor watering on behalf of the owner in order to acquire public drinking water for the Pine Ridge subdivision.

April 8, 2005 stipulated approval letter from the Kent County Water Authority signed and returned by Picerne Homes. This letter indicates that the approval automatically becomes void if the applicant fails to comply with any condition. Item No. 7 requires Xeriscape Landscaping techniques and proper planting bed (high water holding capacities) soil preparation to be employed throughout the subdivision.

April 4, 2005 letter to Kent County Water Authority from Christopher Duhamel, P. E., DiPrete Engineering indicating that the Pine Ridge subdivision will prohibit irrigation sprinkler systems and reduce the requirement for landscape watering, provide for Xeriscape where by the landscaping requires minimal irrigation. This letter references the March 16, 2005 Board meeting.

May 16, 2007 Kent County Water Authority memo memorializing that Kent County Water Authority representatives noted three homes were irrigating lawn areas in attempt to get seed to grow. Representative Scott of Picerne Homes stated that he was unaware of a moratorium of outside water use and that he was further unaware of the stipulated approval in which Picerne agreed to use high water holding capacity soil preparation and Xeriscape landscaping throughout the subdivision.

May 18, 2007 letter from Kent County Water Authority to Mike Hennessey of Picerne Real Estate Group notifying Picerne properties of the violation of the outside water use moratorium and non-compliance with the stipulated approval of the Board for water service as it relates to high water holding capacity soil preparation and Xeriscape Landscaping. This letter also notified Picerne that this matter will be a June 21, 2007 Board Agenda item.

June 14, 2007 letter to Michael Hennessey from the Kent County Water Authority notifying them of the June 21, 2007 agenda item regarding review of water service to this subdivision.

June 22, 2007 Kent County Water Authority memo outlining both Mr. Landry and Mr. Hennessey's statement, during a Board meeting, that the landscape plans had been provided to the Kent County Water Authority and approved as part of the water service approvals with regards to Xeriscape Landscaping within the subdivision. This memo also memorializes that Mr. Landry and Mr. Hennessey reviewed the Kent County Water Authority file record approved plan set while exiting the meeting and that the plan set did not contain any landscape sheets. Both Mr. Landry and Mr. Hennessey apologize for the statements made in front of the Board indicated and their remarks were based on misrepresentation made by the landscape representatives to Piceme Properties that the landscape plans had been forwarded to Kent County Water Authority for review. Mr. Hennessey also stated that they would assure landscape sheets would be forwarded to the Authority for review.

June 22, 2007 correspondence from Kent County Water Authority to Mike Hennessey memorializing that the Kent County Water Authority had never received any landscape design plans and that this was verified during the mutual review of the Kent County Water Authority approved design set at the Kent County Water Authority offices. This letter further indicates the need for Piceme to immediately resolve this matter so the Board could be afforded with the information required during the June 21, 2007 meeting as it pertains to Xeriscape Landscape plan.

July 3, 2007 letter from Joseph R. Langlois, landscape architect indicated that they had enclosed a set of the Town of Coventry approved landscape plans for the project for KCWA review.

July 9, 2007 letter from Kent County Water Authority to John R. Langlois indicating that the landscape plans had been reviewed and found not to meet the minimum stipulated requirements for water approval from the Kent County Water Authority Board of Directors.

July 18, 2007 meeting KCWA, Picerne property and landscape architect to discuss requirements for landscaping per Board approval.

August 8, 2007 letter to Mike Hennessey Picerne Real Estate Group indicating that the Pine Ridge subdivision approval was being discussed at the August 16, 2007 Board meeting.

August 14, 2007 receipt of an August 10, 2007 letter from Picerne Property. This correspondence contained existing I. S. D. S. soil condition information and proposed landscaping at Pine Ridge neighborhood.

August 23, 2007 Kent County Water Authority letter to Mike Hennessey indicating that the Kent County Water Authority had reviewed the landscaping information and found that did not embody the detail of information discussed during the July 18, 2007 meeting between the Kent County Water Authority, Picerne Properties and John C. Carter & Company landscape architects. Further that the information was incomplete and did not address what action would be taken regarding the existing occupied homes.

August 27, 2007 Kent County Water Authority representative, John Duchesneau, met onsite with Mike Hennessey to discuss what information was necessary for the Board to review the Picerne landscape submission and to also view the soils onsite. At this time, Mr. Hennessey committed to providing the updated detailed and stamped landscaping plan along with certified soil testing results for the loam within one week.

September 19, 2007 Picerne Property letter to Kent County Water Authority from Mike Hennessey noting that they had met onsite with Kent County Water Authority representative John Duchesneau to discuss the landscaping procedures/enhancements and that they were unable to deliver the updated landscape proposal information by the September 19, 2007 Board meeting, but would deliver the material within one week.

October 12, 2007, To date no information received from Picerne. Letter to Mike Hennessey indicated that rescinding of the water approval for non-compliance with the stipulated water approval will be discussed at the Board October 18, 2007 Board meeting.

October 16, faxed letter from Mr. Landry – indicating Picerne had been working with KCWA and that they need to move meeting to prepare to discuss with Board.

# **EXHIBIT B**

October 18, 2007

ACCOUNT DESCRIPTION	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
REVENUES	C U R R E N T	M O N E T H	ACTUAL OVER/ UNDER BUDGET	Y E A R	T O T A L	ACTUAL OVER/ UNDER BUDGET
1-4150	900.00	555.78	-344.22	11300.00	2659.72	-8640.28
MERCHANDISING & JOBBING						
1-4160	400.00	-113.53	-513.53	4700.00	-275.72	-4975.72
M & J COSTS & EXPENSES						
1-4190	109300.00	141241.36	31941.36	1309900.00	1794893.40	484993.40
INTEREST & DIVIDEND INC.						
1-4210	100.00	5.58	-94.42	400.00	249.91	-150.09
MISC. NON-OPER. INCOME						
TOTALS FOR OTHER INCOME	110700.00	141689.19	30989.19	1326300.00	1797527.31	471227.31
1-461A	987500.00	970900.42	-16599.58	12090200.00	10599979.56	-1490220.44
METERED SALES - GC						
1-461B	609900.00	427390.23	-182509.77	4107700.00	3428868.77	-678831.23
METERED SALES - IC						
1-4620	45800.00	44117.13	-1682.87	183000.00	179136.50	-3863.50
PRIVATE FIRE PROTECTION						
1-4630	273500.00	274389.58	889.58	1093800.00	1089365.93	-4434.07
PUBLIC FIRE PROTECTION						
1-4640	94800.00	81150.33	-13649.67	609900.00	544128.03	-65771.97
SALES - PUBLIC AUTHORITIES						
1-4660	20800.00	25905.27	5105.27	96200.00	91934.93	-4265.07
SALES FOR RESALE						
1-4710	4500.00	77266.43	72766.43	59300.00	179133.55	119833.55
MISC. SERVICE REVENUE						
1-4740	8200.00	5884.40	-2315.60	80500.00	56718.48	-23781.52
OTHER WATER REVENUES						
TOTALS FOR OPERATING REVENUE ACCTS.	2045000.00	1907003.79	-137996.21	18320600.00	16169265.75	-2151334.25
TOTALS FOR REVENUES	2155700.00	2048692.98	-107007.02	19646900.00	17966793.06	-1680106.94
EXPENDITURES						
1-6010	1000.00		1000.00	12000.00	14596.75	-2596.75
OPERATION & LABOR EXP.						
1-6020	380500.00	383528.37	-3028.37	4191800.00	3643939.32	547860.68
PURCHASED WATER						
1-6140	800.00		800.00	10000.00		10000.00
MAINTENANCE OF WELLS						
TOTALS FOR SOURCE OF SUPPLY EXPENSES	382300.00	383528.37	-1228.37	4213800.00	3658536.07	555263.93
1-6210	200.00		200.00	1400.00	8449.61	-7049.61
FUEL FOR PUMPING						
1-6230	39500.00	49212.98	-9712.98	434200.00	521284.08	-87084.08
POWER PURCHASED						
1-624A	5500.00	5643.10	-143.10	73700.00	64875.00	8825.00
PUMPING LABOR						
1-624B	200.00	83.53	116.47	2400.00	2187.34	212.66
PUMPING EXPENSES						

ACCOUNT DESCRIPTION	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
	C	U	R	R	E	N
	T	M	O	N	T	H
	Y	E	A	R	T	O
	D	A	T	E		
1-6310 MAINT STRUCT & IMPROVE	4100.00	2359.10	1740.90	40900.00	34807.76	6092.24
1-6330 MAINT PUMPING EQUIPMENT	2600.00	4895.63	-2295.63	32500.00	36264.14	-3764.14
TOTALS FOR PUMPING EXPENSES	52100.00	62194.34	-10094.34	585100.00	667867.93	-82767.93
1-6410 CHEMICALS	4600.00	10567.43	-5967.43	57400.00	102910.13	-45510.13
1-642A OPERATION LABOR	5900.00	5623.22	276.78	72000.00	74506.52	-2506.52
1-642B OPERATION EXPENSES	3700.00	3949.96	-249.96	52800.00	28803.75	23996.25
1-6510 MAINT STRUCT & IMPROVE	100.00		100.00	1000.00		1000.00
1-6520 MAINT WATER TREAT EQUIP	800.00	67.54	732.46	11500.00	1608.45	9891.55
TOTALS FOR WATER TREATMENT EXPENSES	15100.00	20208.15	-5108.15	194700.00	207828.85	-13128.85
1-6610 STORAGE FACILITIES EXP	100.00		100.00	200.00	520.27	-320.27
1-662A T & D LABOR	1700.00	3019.12	-1319.12	25700.00	29163.23	-3463.23
1-662B T & D SUPPLIES & EXP	4200.00	4138.62	61.38	54800.00	39804.16	14995.84
1-663A T & D METER LABOR	1400.00	1915.61	-515.61	20600.00	30774.52	-10174.52
1-663B T & D METER SUPP & EXP	100.00	396.49	-296.49	3800.00	5963.11	-2163.11
1-6650 T & D MISC	1100.00	114.79	985.21	14000.00	15388.73	-1388.73
1-6710 MAINT STRUCT & IMPROV	1300.00		1300.00	11300.00	222.98	11077.02
1-6720 MAINT RESERVOIR & STDPIPE	3900.00	2072.46	1827.54	46000.00	50798.77	-4798.77
1-6730 MAINT T & D MAINS	47500.00	147707.13	-100207.13	617200.00	849016.83	-231816.83
1-6750 MAINT SERVICES	10100.00	19528.03	-9428.03	131200.00	168421.22	-37221.22
1-6760 MAINT METERS	4000.00	10342.88	-6342.88	48300.00	80044.44	-31744.44
1-6770 MAINT HYDRANTS	6400.00	16740.17	-10340.17	84300.00	84307.34	-7.34
1-6790 TRANSFER TO CONSTRUCTION	-1000.00	-592.11	-407.89	-15000.00	-5866.68	-9133.32
TOTALS FOR TRANS. & DISTR. EXPENSES	80800.00	205383.19	-124583.19	1042400.00	1348558.92	-306158.92
1-902A METER READING LABOR	5400.00	8154.10	-2754.10	73700.00	74300.23	-600.23
1-902B METER READING SUPP & EXP				100.00		100.00
1-903A						

ACCOUNT DESCRIPTION	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
CUSTOMER RECORDS LABOR	11300.00	10139.73	1160.27	147900.00	155527.05	-7627.05
1-903B CUSTOMER RECORDS SUPP	3700.00	4015.43	-315.43	48000.00	56774.77	-8774.77
TOTALS FOR CUSTOMER ACCT. EXPENSES	20400.00	22309.26	-1909.26	269700.00	286602.05	-16902.05
1-9200 ADM & GENERAL SALARIES	24100.00	25490.06	-1390.06	315800.00	321593.23	-5793.23
1-9210 OFFICE SUPPLIES & EXP	9600.00	6591.32	3008.68	122600.00	119365.86	3234.14
1-9230 OUTSIDE SERVICES	11100.00	6022.20	5077.80	150300.00	126624.69	23675.31
1-9240 PROPERTY INSURANCE	2700.00	12782.29	-10082.29	160800.00	158684.05	2115.95
1-9250 INJURIES & DAMAGES	100.00	100.00	100.00	1000.00	282.94	717.06
1-9260 EMPLOYEE PENSION & BENEF	40600.00	43164.19	-2564.19	666100.00	683739.05	-17639.05
1-9280 REGULATORY COMM EXP	6500.00	3978.35	2521.65	87000.00	45694.35	41305.65
1-930A MISC GENERAL EXPENSE	2600.00	2600.00	2600.00	34000.00	34000.00	
1-930B MISC GENERAL EXPENSE	2100.00	1251.39	848.61	21300.00	13832.64	7467.36
1-930C MISC GENERAL EXPENSE	2400.00	2400.00	2400.00	36000.00	1000.00	35000.00
1-9300 MISC GENERAL EXPENSE	13700.00	16223.93	-2523.93	176900.00	198156.80	-21256.80
1-932A MAINT GENERAL PLANT	7500.00	7726.75	-226.75	96500.00	105367.82	-8867.82
1-932B MAINT VEHICLES	17500.00	14186.72	3313.28	229800.00	244044.44	-14244.44
1-9330 UNASSIGNED TIME VAC HOL	140500.00	137417.20	3082.80	2098100.00	2053635.87	44464.13
TOTALS FOR ADM. & GENERAL EXPENSES	67800.00	67800.00		879700.00	879700.00	
1-4030 DEPRECIATION EXPENSE	12400.00	11886.57	513.43	162300.00	161999.13	300.87
1-4080 TAXES OTHER THAN INCOME	131200.00	131200.00		1701900.00	1701900.00	
1-4270 INTEREST-LONG TERM DEBT	3600.00	3600.00		40900.00	40900.00	
1-4280 AMORTIZATION OF DEBT DISC	215000.00	214486.57	513.43	2784800.00	2784499.13	300.87
TOTALS FOR OTHER EXPENSES	906200.00	1045527.08	-139327.08	11188600.00	11007528.82	181071.18

REPORT DATE 09/06/2007  
 SYSTEM DATE 09/06/2007  
 FILES ID Z

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 Kent County Water Authority  
 AS OF 06/2007

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ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R - T O - D A T E	
	BUDGET	ACTUAL	BUDGET	ACTUAL
EXCESS OF REVENUE OVER EXPENDITURES				
FOR general	1249500.00	1003165.90	8458300.00	6959264.24
OTHER ADJUSTMENTS TO FUND BALANCE				0.00
FUND BALANCES - JULY 1			56651005.51	
FUND BALANCES - JUNE 30			63610269.75	
				-1499035.76

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
<b>ASSETS:</b>					
<b>CURRENT ASSETS</b>					
<b>UTILITY PLANT IN SERVICES</b>					
1-101A	SOURCE OF SUPPLY PLANT	1841540.53	1841540.53		
1-101B	PUMPING PLANT	2862163.71	2862163.71		
1-101C	WATER TREATMENT PLANT	141257.29	141257.29		
1-101D	TRANS. & DISTR. PLANT	59686194.90	59686194.90		
1-101E	GENERAL PLANT	1654172.65	1629349.63	24823.02	1.52%
1-101F	MISCELLANEOUS PHYS. PLANT	710.00	710.00		
1-101G	GENERAL STRUCTURES	148181.48	148181.48		
1-1070	CONSTR. WORK IN PROGRESS	22436553.68	17672173.76	4764379.92	26.96%
1-1110	ACCUM. DEPR. - PLANT	-11260827.55	-10381127.55	-879700.00	8.47%
TOTAL		77509946.69	73600443.75	3909502.94	5.31%
<b>UTILITY PLANT IN SERVICES</b>					
<b>CURRENT AND ACCRUED ASSET</b>					
1-131B	CASH - FLEET NAT BANK	90200.78	21283.69	68917.09	323.80%
1-131D	CASH - CITIZENS BANK	40000.00	40000.00		
TOTAL		130200.78	61283.69	68917.09	112.46%
<b>CURRENT AND ACCRUED ASSET</b>					
<b>OTHER SPECIAL DEPOSITS</b>					
1-134B	RESTRICTED DEBT RESERVE	3883383.35	3883383.35		
1-1340	SPECIAL DEPOSITS	34813825.05	33884077.87	929747.18	2.74%
1-1350	PETTY CASH	300.00	300.00		
1-1420	CUSTOMER ACCTS. RECEIVAB.	2351837.38	2161367.94	190469.44	8.81%
1-1430	OTHER A/R	-1691.98	1187.78	-2879.76	-242.45%
1-1440	PROV. FOR UNCOLLECTED ACT	-103683.30	-103683.30		
1-154A	SALVAGE MATERIALS	147.70	147.70		
1-1540	PLANT MATERIAL & SUPPLIES	410136.76	373769.35	36367.41	9.73%
1-165A	PREPAID INSURANCE	440.47	111.63	328.84	294.58%
1-165B	PREPAID PENSION	164.56	164.56		
1-1810	UNAMORTIZED DEBT DISCOUNT	478109.65	519009.65	-40900.00	-7.88%
TOTAL		41832969.64	40719836.53	1113133.11	2.73%
<b>OTHER SPECIAL DEPOSITS</b>					
<b>CLEARING ACCOUNTS</b>					
1-184A	NEW SERVICES CLEARING	449.39	449.39		
1-184D	CUSTOMER SRVCS - CLEARING	2189.49	5037.64	-2848.15	-56.54%
TOTAL		2638.88	5037.64	-2398.76	-47.62%
<b>CLEARING ACCOUNTS</b>					
TOTAL		119475755.99	114386601.61	5089154.38	4.45%
<b>CURRENT ASSETS</b>					
TOTAL		119475755.99	114386601.61	5089154.38	4.45%
<b>ASSETS</b>					

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
LIABILITIES AND FUND BALANCES:					
LIABILITIES:					
CURRENT LIABILITIES					
PROPRIETARY CAPITAL					
1-2160	UNAPPR. EARNED SURPLUS	56651005.51	56651005.51		
TOTAL		56651005.51	56651005.51		
PROPRIETARY CAPITAL					
1-2610	BONDS	38298479.00	40498479.00	-2200000.00	-5.43%
1-2630					
TOTAL		38298479.00	40498479.00	-2200000.00	-5.43%
CURRENT & ACCRUED LIAB.					
1-232A	ACCOUNTS PAYABLE- TRADE	695532.66	393883.67	301648.99	76.58%
1-2360	TAXES ACCRUED	53791.23	39013.84	14777.39	37.88%
1-237B	INTEREST ACCRUED	870515.09	870558.85	-43.76	-.01%
1-2610	ACCRUED INSURANCE	25062.37	25062.37		
1-2630	ACCRUED PENSION	189023.00	189023.00		
TOTAL		1833924.35	1517541.73	316382.62	20.85%
CURRENT & ACCRUED LIAB.					
TAX COLLECTION PAYABLE					
1-241C	ACCRUED FICA TAXES	5741.73	3997.98	1743.75	43.62%
1-241D	ACCRUED SALES TAX	26923.86	23908.18	3015.68	12.61%
1-241F	WATER PROTECTION CHARGE	121554.41	114500.24	7054.17	6.16%
1-241G	TDI WITHHELD	393.82	10	393.92	-393920.00%
1-242C	ACCRUED PAYROLL	14411.00	14411.00		
1-2520	CUSTOMER ADV. FOR CONSTR.	25000.00	25000.00	-25000.00	-100.00%
TOTAL		169024.82	181817.30	-12792.48	-7.04%
TAX COLLECTION PAYABLE					
OTHER DEFERRED CREDITS					
1-2710	CONTRIB. IN AID TO CONSTR	15564058.07	15537758.07	26300.00	.17%
TOTAL		15564058.07	15537758.07	26300.00	.17%
OTHER DEFERRED CREDITS					
CURRENT LIABILITIES					
TOTAL		112516491.75	114386601.61	-1870109.86	-1.63%
CURRENT LIABILITIES					
TOTAL		112516491.75	114386601.61	-1870109.86	-1.63%
CURRENT LIABILITIES					
FUND BALANCES:					
FUND BALANCE					
TOTAL					
FUND BALANCE					
TOTAL					
FUND BALANCES					

REPORT DATE 06/30/2007  
 SYSTEM DATE 09/06/2007  
 FILES ID Z

Kent County Water Authority  
 COMPARATIVE BALANCE SHEET  
 General AS OF 06/30/2007

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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
EXCESS OF REVENUE OVER EXPENDITURES		6959264.24		6959264.24	
TOTAL LIABILITIES AND FUND BALANCES		119475755.99	114386601.61	5089154.38	4.45%



KENT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSEMENTS  
FY 2007 - 2008

	AUGUST 2007	SEPTEMBER 2007	OCTOBER 2007	NOVEMBER 2007	DECEMBER 2007	JANUARY 2008	FEBRUARY 2008	MARCH 2008	APRIL 2008	MAY 2008	JUNE 2008	RATE REVENUE FY 07-08	RATE REVENUE FY 08-07
BEGINNING MONTH BALANCE	38,827,409	35,847,101	35,697,152										
<b>CASH RECEIPTS:</b>													
Water Collections	1,854,302	1,308,712	1,169,032										
Interest Earned	201,861	132,732	114,141										
Inspection Fees	4,330	150	200										
Contribution in Aid-Construction	-	-	-										
Other	-	-	-										
<b>TOTAL CASH RECEIPTS</b>	<b>40,889,922</b>	<b>37,288,695</b>	<b>36,980,525</b>										
<b>CASH DISBURSEMENTS:</b>													
Purchased Water	381,538	407,394	417,089										
Electric Power	50,999	60,327	24,494										
Payroll	135,134	162,708	146,070										
Operations	217,434	78,474	78,103										
Employee Benefits	43,868	43,886	43,395										
Legal	7,189	6,636	7,650										
Materials	20,391	9,570	17,796										
Insurance	4,003	4,606	4,002										
Sales Taxes	23,998	13,152	9,434										
Refunds	6,343	14,009	13,451										
Rate Care	3,331	-	-										
Flt/rd	8,322	-	-										
Capital Expenditures (Other)	29,666	6,384	-										
2004 Infrastructure	112,771	3,441	-										
Milbrook Well/Storage/Pump/Trams	-	-	-										
Clinton Avenue Pump Station	896	2,102	-										
E. G. Wall Upgrade	-	-	-										
OIS Development Mapping	-	-	-										
Red Schoolhouse Road - Mains	-	14,336	-										
Red Schoolhouse Road - Tank	-	-	-										
Milbrook Well - Flt/rd	972	27,087	3,981										
Greenwich Avenue - 8' & 12" Mains	-	-	-										
System Storage Evaluation	702,731	705,388	13,566										
2006A Infrastructure	-	-	-										
Quaker Lane Pump Station	89,091	6,500	-										
Tech Park Storage Tank	89,091	6,500	-										
Upland Avenue 600' 8"	7,461	1,573	168										
Arthur-Bleack-Jefferson X"	-	-	-										
U.S. Bank - Data Service (T & L)	3,101,365	18,212	119,110										
Water Protection	89,288	-	-										
<b>TOTAL DISBURSEMENTS</b>	<b>5,042,821</b>	<b>1,591,543</b>	<b>990,509</b>										
<b>BALANCE END OF MONTH</b>	<b>35,847,101</b>	<b>35,697,152</b>	<b>36,980,525</b>										
<b>PRIOR YEAR</b>	<b>35,079,271</b>	<b>34,873,735</b>	<b>34,931,810</b>	<b>36,413,831</b>	<b>37,448,306</b>	<b>37,702,561</b>	<b>37,846,468</b>	<b>37,939,405</b>	<b>38,023,414</b>	<b>39,202,338</b>	<b>39,340,305</b>	<b>38,827,409</b>	

# **EXHIBIT C**

October 18, 2007



**E-NEWS**  
**A Publication of KCWA**  
**Issue No. 3**  
**October 2007**

*Preparing for Winter*

This is a good time to begin preparing for the winter. Before the freezing temperatures arrive you should do the following:

- Drain and store garden hoses
- Shutoff outdoor faucets from the inside
- Drain automatic sprinkler systems
- Insulate any exposed water pipe that has the potential to freeze
- Check your main household shutoff valve to make sure it operates properly - repair if necessary
- Make sure your water meter is protected from freezing

Frozen pipes can burst and result in significant damage to property. Taking these simple steps will reduce the chances of this occurring. In the event of an emergency, closing the main water shutoff valve to your house can minimize damage.

*Lawn Watering Not Needed This Time of Year*

Unless you have just planted a new lawn there is no need to water your grass at this time of year. Because the temperature is considerably lower than it is

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during the “dog days of summer” your grass will remain healthy with less water and actually grow stronger roots. The natural rainfall that we receive should be sufficient for this. In addition, the grass will also be going dormant for the winter. Remember, the fall is the best time to apply fertilizer to your lawn. Use a high organic fertilizer designed for the fall. It will last through the spring in the northeast.

## *The Benefits of Tap Water*

Bottled water is becoming increasingly popular. The bottled water industry has waged a very successful marketing campaign to promote their product. Therefore, we think it is important to make a plug for good old-fashioned tap water.

KCWA delivers high-quality water right to your tap. This water meets or exceeds all standards set forth by the U.S. Environmental Protection Agency.

Tap water is also an incredible bargain when compared to bottled water. If you opted to get your recommended eight glasses a day from bottled water you might spend from \$200 up to \$1400 annually (depending on the brand and size of bottle purchased). The same amount of KCWA tap water would cost about one dollar (\$1.00)!

Tap water is also more environmentally-friendly than bottled water. Plastic water bottles are made from natural gas and petroleum. Fossil fuels are also required to ship the product. Finally, it is estimated that only about 23 percent of these bottles are recycled.

Drink your tap water! It's safe, you'll save money, not to mention all that space in the recycle bin. Fill up a bottle at home to take with you and enjoy it at work, school, shopping, or anywhere else you go!

## *Upcoming Rate Increase*

Providence Water is planning to raise their water rates in the near future. They are currently in the midst of a rate filing with the Rhode Island Public

Utilities Commission. As KCWA purchases water from Providence Water we will be paying more for our water and as such will need to increase our water rates accordingly.

KCWA and several other water suppliers that purchase water from Providence Water have participated in this process with the goal of minimizing the impact to our customers.

## *Household Water Audit*

We have prepared a new brochure outlining the steps to conduct a household water audit. A household water audit is a detailed review of water use in your household and an assessment of the potential for water savings. Conducting a water audit involves calculating water use and identifying simple ways for saving water in the home.

The Household Water Audit Brochure will be sent to all of our customers in the near future and will also be available on our website ([www.kentcountywater.org](http://www.kentcountywater.org)). While you are on the website don't forget to look at our Wise Water Use brochure and our 2006 Consumer Confidence Water Quality Report.

## *Current Construction Projects*

KCWA is continuously making improvements to our water system, in accordance with State law, to better serve our customers. KCWA currently has two major construction projects underway as discussed below.

Greenwich Avenue Water Main Replacement - KCWA is installing a new water main along Greenwich Avenue in Warwick between Veterans Memorial Drive and the Crown Plaza hotel. This is an important project and will improve water service in this area. Approximately, 5,600 linear feet of water main is being replaced. The original water main was installed in 1928 and is an unlined cast iron pipe. Unlined water mains are susceptible to buildup of tubercles on the interior of the pipe and can also result in discolored or

“rusty” water and flow restrictions. To correct this problem, the water main is either rehabilitated or replaced.

Emergency Interconnection with Providence Water - KCWA and Providence Water are each undertaking separate construction projects to install all of the system components necessary to result in a fully functional two-way emergency interconnection. The system components include a Providence Water pump station and approximately 16,000 linear feet of KCWA transmission mains and associate appurtenances. The water mains are located in West Warwick and Coventry.

This is a significant interconnection for both parties as it will provide for 8 Million Gallons per Day (MGD) of water in either direction. This represents approximately 80% of KCWA’s average daily water demand. The water that KCWA provides to Providence Water would ultimately be supplied to the City of Warwick. 8 MGD also represents approximately 80% of Warwick’s average daily demand. Therefore, we see this interconnection as extremely beneficial for both parties, as well as the City of Warwick

This project will be partially funded by a grant from the Rhode Island Water Resources Board.

If you have any questions or comments please feel free to call our offices at 821-9300 between 8 am and 4 pm or email us at [customerservice@kentcountywater.org](mailto:customerservice@kentcountywater.org).

Be sure to check out the new 2006 Water Quality Report (<http://www.kentcountywater.org/kcwauseruploads/forms/CCR06v4.pdf>) on our website along with our new Wise Water Use Tips Brochure (<http://www.kentcountywater.org/kcwauseruploads/forms/ConsBrocv4.pdf>.)

Watch for our next issue in November.

**Also: Coming soon, your own Household Water Audit Guide. Watch for it in the mail.**

# **EXHIBIT D**

October 18, 2007



Kent County Water Authority

KENT COUNTY WATER AUTHORITY

A RESOLUTION OF THE KENT COUNTY WATER AUTHORITY TO AUTHORIZE THE ISSUANCE OF BONDS FOR CAPITAL EXPENDITURES AND TO AUTHORIZE THE ISSUANCE OF REFUNDING BONDS TO REFINANCE ALL OR A PORTION OF THE AUTHORITY'S OUTSTANDING 2001A AND 2002 SERIES A ISSUES.

WHEREAS, the Kent County Water Authority a public corporation created by the State of Rhode Island under Title 39 Chapter 16 of the General Laws (the "Authority"), is an operator of a public water supply system; and

WHEREAS, the Authority desires to make certain capital improvements and upgrades to the system; and

WHEREAS, it is the intent of the Authority to borrow funds for the proposed capital improvements and upgrade of the system; and

WHEREAS, the Authority desires to issue bonds to refund all or a portion of the Authority's \$10,000,000 General Revenue Bonds, 2001 Series A of which \$7,885,000 remains outstanding and \$24,390,000 General Revenue Bonds, 2002 Series A of which \$20,575,000 remains outstanding in order to take advantage of the lower interest rates which currently are prevailing.

NOW, THEREFORE, BE IT RESOLVED:

1. This Resolution reaffirms the Authority's intention to authorize the issuance of bonds to finance capital improvements and upgrades to the system, and to reimburse expenditures from the proceeds of the bonds as provided in the Authority's Resolution adopted October 18, 2007.
2. That the Authority hereby authorizes the Authority's Bond Counsel, Financial Advisor and Rate Counsel to proceed with structuring one or more series of bonds to effectuate the borrowing for capital improvements and the refinancing of all or a portion of the Authority's \$10,000,000 General Revenue Bonds, 2001 Series A of which \$7,885,000 remains outstanding and \$24,390,000 General Revenue Bonds, 2002 Series A of which \$20,575,000 remains outstanding. The issuance of the refunding bonds shall be conditioned on the realization of a net present value benefit of at least 3% of the refunded principal.
3. This resolution shall take effect upon passage.

The above and foregoing was duly adopted and approved at the meeting of the Kent County Water Authority held on October 18, 2007 by vote of the members of the Kent County Water Authority present.

---

Arthur Williams, Secretary

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# **EXHIBIT E**

October 18, 2007

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: KENT COUNTY WATER AUTHORITY

Docket No. D-07 - \_\_\_\_\_

STATEMENT IN ACCORDANCE WITH R.I.G.L. §39-3-17

Robert B. Boyer, Chairman, Kent County Water Authority, after being duly sworn, hereby makes the following statement in accordance with R. I. G. L. §39-3-17:

1. Kent County Water Authority (KCWA) has filed with the Division of Public Utilities an application to refinance all or a portion of the existing revenue bonds 2001 Series A and 2002 Series A in the approximate aggregate amount not to exceed \$20,000,000. Said original debt issuance (\$10,000,000, 2001 Series A and 24,390,000, 2002 Series A) was authorized by the Public Utilities Commission in Docket Nos. 2860 and 3311 and Division Docket Nos. D-00-20 and D-02-03 respectively.
2. The bonds will be issued for the purpose of refinancing existing debts at lower interest rates and for the purpose of initiating and completing certain capital improvement projects specifically authorized by the Public Utilities Commission in Docket Nos. 2860 and 3311.
3. Any bonds issued will be secured by the revenues of the Kent County Water Authority.
4. By report and order of the PUC, the funds necessary to service the debt are already part of the rate structure of the Kent County Water Authority.

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# **EXHIBIT F**

October 18, 2007



# OFFICE MEMO

**To:** Timothy Brown  
**From:** John Duchesneau  
**Subject:** Vehicle Purchase  
**Date:** October 15, 2007

Three bids were received at the opening on October 11, 2007.

Fiore Pontiac provided a total bid price of \$70,830 and a trade-in allowance of \$8,000.

Liberty Chevrolet provided a total bid price of \$69,972 and a trade-in allowance of \$12,500. The color indicated on the specification sheet for the vans was Victory Red. This was determined to be a typo. According to Mr. Nugent, Summit White will be the color ordered if awarded purchase order.

Bald Hill Dodge provided an option for Diesel. The pricing was somewhat confusing because of various conflicts between the written and numerical values. Overall, Bald Hill Dodge was the highest with a bid price of \$110,524 with diesel vans. The gasoline version is \$109,440. In general, this bid was nonconforming as it did not provide the item by item or equal required specifications.

It appears that Liberty Chevrolet provides the best overall bid price and trade-in value

KENT COUNTY WATER AUTHORITY  
REQUEST FOR BID  
VEHICLE PURCHASE  
BID OPENING – OCTOBER 11, 2007

Bid Opening for Vehicle Purchase was held at 10:00 a.m., Thursday, October 11, 2007 per the requirements of the bid invitation advertised in the Providence Journal on Wednesday, September 26, 2007. Attendance at the Pre-Bid Conference was mandatory to submit a bid.

The work consists of furnishing the following vehicle with attachments:

1. Two (2) each 2WD, Model year 2008, 2500 series Express Cargo Van CG23405 or equal
2. One (1) each 2WD, Model Year 2008, 2500hd series Regular cab 133 "SRW, Silverado" Work Truck CC20903 with Knapheide model 796J, 8 foot utility body, or equal.

At 10:00 a.m. the Bid Opening began by Timothy Brown briefly describing what the Request for Bid entailed followed by the opening of the submitted bids listed below:

1. **Fiore, 525 Quaker Lane, West Warwick, RI 02893**

Item No. 1: \$28,128

Item No. 2: Unit Price \$21,351      Total: \$42,702  
*Delivery: 90 days (Free pick-up and return service)*

Total Bid Price: \$70,830

Trade-In:      Truck # 15: \$3,000      Truck # 16: \$3,000      Truck # 17: \$2,000

Total Trade-In Price: \$8,000

- No cut sheets were included
- Bid was signed and sealed
- Total Mileage: 5 miles

2. **Liberty Chevrolet, Inc., 90 Bay State Road, Suite 2, Wakefield, MA 01880**

Item No. 1: \$ 28,174

Item No. 2: Unit Price \$20,899      Total: 41,798  
*Delivery: 4 – 8 weeks (no free pick-up & return service)*

Total Bid Price: \$69,972

Trade-In:      Truck # 15: \$4,500      Truck # 16: \$4,500      Truck # 17: \$3,500

Total Trade-In Price: \$12,500.00

- Cut sheets included
- Bid was signed but not sealed
- Total Mileage: not listed

3. Bald Hill Dodge Chrysler, 1035 Bald Hill Road, Warwick, RI 02886

Item No. 1: \$36,320

ITEM NO. 2, OPTION 1 – DIESEL

Item No. 2: Unit Price \$37,120          Total: \$74,204

*Delivery: Sprinter Cargo Vans are 180-240 Days, 2500 Pick-up 90-180 Days  
(Free pick-up, 3 year warranty)*

Total Bid Price for Diesel: \$110,524

Item No. 2, Option 1, Total - \$74,240 Bid indicated a total of \$74,204

Written unit amount stated \$74,220

Attached spec sheet provided indicated a unit price of \$37,102

Bid indicated a total bid price of \$110,524 (\$36,320 + \$74,240 = \$110,560)

All pricing is unclear.

ITEM NO. 2, OPTION 2 – GASOLINE

Item No. 2: Unit Price \$36,560          Total: \$73,120

*Delivery: Sprinter Cargo Vans are 180-240 Days, 2500 Pick-up 90-180 Days  
(Free pick-up, 3 year warranty)*

Total Bid Price for Gasoline: \$109,440

Item No. 2, Option 2, Written unit amount states \$73,560

Trade-In:      Truck # 15: \$2,000      Truck # 16: \$2,000      Truck # 17: \$2,500

Trade-In written amounts not provided

Total Trade-In Price: \$6,500

- Specs for vehicles were included
- Bid was signed but not sealed
- Total Mileage: not listed

There were no attendees at the Bid opening. The Bid opening meeting was closed at 10:13 a.m.

# **EXHIBIT G**

October 18, 2007

# KENT COUNTY WATER AUTHORITY

## WATER CONSERVATION ACTION PLAN



OCTOBER 2007

(Approved October 18, 2007)

*1072 Main Street  
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# KCWA Water Conservation Action Plan

## 1.0 Introduction

This action plan is intended to outline opportunities for the future development of a comprehensive water conservation program to reduce demand and the inefficient use of water throughout our system. The intent is to utilize existing techniques and technologies that are cost effective and readily available for customer implementation. A second element of the plan is a Public Awareness Program that will educate and encourage wise use of water supplies within our service area. Support from the cities and towns we serve is an instrumental component to the success of this endeavor.

Several potential conservation programs are presented in this plan. Some of them are designed to encourage conservation on a year round basis while others focus on the high demand period (summer). KCWA will conduct some initial research in order to better define the overall water conservation goals. This is necessary to select and implement those programs that would best allow KCWA to meet envisioned goals.

## 2.0 Goals

Water is a finite natural resource that must be protected and used wisely. KCWA Regulations encourage conservation. KCWA must develop quantifiable goals for this program (i.e. water use reduction). These goals will be based on consumption along with the research and analyses. One of the primary areas of focus will be the reduction of outdoor water use to reduce overall twofold seasonal demand experienced each summer. This influence is particularly important as overall demand is projected to increase significantly due to economic, residential growth and changes in usage patterns.

## 3.0 Water-Use Profile

An annual water use profile will be developed by analyzing water use by customer category (residential, commercial/industrial, government). Based on historical water billing records, approximately 69% of water use is residential, 26.5% is commercial/industrial, and 3.5% is governmental.

Seasonal production records demonstrate that outdoor water usage has the most impact on overall demand. A preliminary examination of seasonal demands over the past several years indicates that an estimated 3-5 Million Gallons per Day (MGD) is used for outdoor water use on a typical summer day. On days of maximum demand, the estimated outdoor water use increases to 6-9 MGD. Therefore, it is clear that a program(s) that results in outdoor water use reduction will reduce maximum day demands.

## 4.0 Research

KCWA will review State Guide Plans and Conservation Programs that other water suppliers have implemented for guidance and examples of successful and unsuccessful

programs. This will allow us to focus our efforts in areas that have the greatest potential for success. Cohesive implementation of a Conservation Plan with state and local officials is key to overall success.

## **5.0 Existing Programs**

KCWA currently has several water saving initiatives including ongoing leak detection, a residential retrofit program and a year round odd/even outdoor water use policy. These programs will be reviewed as part of this action plan.

Leak Detection – Currently KCWA conducts leak detection on one quarter of the system annually using in-house forces. We will review what type of program progress has historically been accomplished and measure the successes that can be quantified. Based on these efforts and a review of unaccounted-for water use, we will develop a plan for future efforts.

Residential Retrofit Program – Complete system mailing of conservation kits was done in 1999. Kits are still available and provided upon request of any customer. Review of newer technology to further our conservation goals will be undertaken.

Odd/Even Outdoor Water Use Program – To the extent possible, review water use patterns before and after this program was implemented to determine if there was any impact on water usage. Consider modifying with more effective program if required. It is anticipated that KCWA will follow the state’s lead regarding outdoor watering. At this time, the state does not have any guidance documents or policies in place.

## **6.0 Proposed Programs**

Several water conservation programs will be considered in this plan. The programs are designed to reduce both indoor water usage (year round) and outdoor water usage (high demand season). Some programs may have the potential for greater water use reduction than others. In addition, the time to implement each program varies. Public participation is a key element to any successful program.

### **Primary Water Conservation Programs**

1. *Water Conserving Plumbing Devices* – Upon review of current technology, develop strategy to implement plumbing device retrofit program. Essentially, KCWA would be encouraging customers to make the same type of improvements that are part of the Residential Retrofit Program. These retrofits include:
  - a) Low-flow Shower Heads
  - b) Low-flow Toilets
  - c) Low-flow Faucet Aerators
  - d) Pressure Reducers for High Pressure Areas-KCWA to identify areas and send letter suggesting installation of device.

2. *Outdoor Water User Restriction Program* – As discussed above, the effectiveness of the current Odd/Even program will be assessed. We will also review other outdoor water use restriction programs to determine if there is one that may be more effective. It is anticipated that KCWA will follow the state’s lead regarding outdoor water use restrictions. Once a program is selected, it will be promoted through press releases and information printed on bills. An enforcement strategy must be available as a part of this program.
3. *Outdoor Water Use Devices* – Devices exist that have been shown to reduce outdoor water use. KCWA will review the availability of these devices and if desirable encourage their use. Current technology is as follows:
  - a) Automatic shutoff nozzle on hand-held hose.
  - b) Shutoff device activated by rainfall on automatic irrigation systems – *required on new irrigation systems.*
  - c) Soil moisture probes and sensors used to adjust irrigation schedules on automatic irrigation systems – *required on new irrigation systems.*
  - d) “SMART” controllers (i.e. ET Controllers)
  - e) Rain Gauge
4. *Major Appliances* – Encourage KCWA customers to install energy-wise appliances (i.e. clothes washer, dishwasher, water heaters) when they replace existing appliances. KCWA will provide some general guidance regarding available technologies via a public awareness program.
5. *Rainwater Harvesting* – KCWA will review the viability of this technology to encouraging natural rainfall reuse. Initially KCWA will provide general guidance regarding these technologies via a public awareness program.
6. *Landscaping/Plants* – KCWA to promote the use of drought tolerant native low water-use plantings. In addition, encourage customers and town planning officials to restrict turf areas, enhance soil and replace with landscaping that does not require as much water (i.e. Xeriscape, native plantings).

These changes represent a departure from current landscaping practice and thus a change in philosophy. Assistance from the state and educational institutions will also be sought.

7. *Customer Self Audit* – KCWA to promote a self water audit. Program components to include:
  - a) Meter Check – Customer to check meter to determine if there may be a household leak.
  - b) Leak Detection – Provide simple approach for customers to check toilets for leaks (i.e. toilet leak tablets).

- c) Audit List – KCWA has developed a Household Water Audit Guide and will distribute to customers for their use.

8. *Water Rates* – Implementation of conservation water rates is a measure that can lead to more efficient use of water. We will review available rate structures to determine if KCWA could potentially reduce water demand. Currently, the state legislature is considering legislation that will require the RIPUC and water suppliers to make modifications to billing frequency and water rates.

A summary of the proposed water conservation programs under consideration is presented in the table below. A preliminary assessment of the conservation potential has been made.

#### **Conservation Programs to be Reviewed**

<b>Program</b>	<b>Conservation Potential</b>	<b>Target Conservation Period</b>
Water Conserving Plumbing Devices	Major	Year Round
Outdoor Water Restrictions	Major	High Demand Season
Outdoor Water Use Devices	Major	High Demand Season
Major Appliance Replacement	Difficult to quantify	Year Round
Rainwater Harvesting	Minor	High Demand Season
Landscaping/Plants	Major	High Demand Season
Customer Self Audit	Minor	Year round
Water Rate Structure Change	Major	High Demand Season

#### **Program Support Elements**

1.) *Public Education/Awareness* – The success of any program is largely dependent on customers understanding the need and value. Therefore, it is imperative that public education/awareness efforts be included. These efforts will include some or all of the following:

- Web Page – Keep KCWA web page maintained and up-to-date and provide water conservation tips and demand management strategies. KCWA recently began publishing E-News on a bimonthly basis and posting on our website. E-news provides various water-related articles and will include water conservation articles.
- Brochures
  1. KCWA recently developed and distributed our own water conservation brochure. It is also posted on our website.
  2. KCWA recently developed and distributed a customer water audit brochure and distributed to all customers.

3. Speaker's Bureau – Representatives of KCWA and potentially other volunteers could speak at public events, neighborhood groups, etc.
- 2.) *Revision of KCWA Regulations* – Elements of KCWA's Rules and Regulations will need to be reviewed and revised to address the potential of permitted outdoor water use and the need for moratorium protocols:
- 3.) *Local Government Involvement* – Coordinate with local government support of KCWA initiatives regarding outdoor water use. Support from local governments will be important.
- 4.) *State/Legislative Action* – KCWA has written to the Rhode Island Water Resources Board indicating a need for new or amended legislation and/or policies regarding water conservation. The objective would be to have certain water conservation programs required on a statewide basis.

KCWA could lead by example and use of our programs as a statewide model may encourage their acceptance.

### **7.0 Analyze Benefits & Costs**

To the extent possible, estimate the short-term and long-term water savings that can be achieved by each program function under consideration. Estimate conservation benefits, as well as program costs such as administration, marketing, education, revenue reductions, etc.

### **8.0 Prioritize Programs**

Prioritize the various water conservation programs. Identify programs that are anticipated to be more beneficial in helping us reach our goals. Consider the time to implement programs and their ranked priority. Identify any legal issues that must be addressed prior to implementing a particular measure.

### **9.0 Develop a Program Schedule**

Develop a Program schedule for implementation.

### **10.0 Funding**

Identify potential funding sources for this plan.

### **11.0 Create Partnerships**

KCWA should explore the possibility of developing partnerships in our efforts. These partnerships could help us in promoting our programs and demonstrating the impacts of

conservation, as well as showing that KCWA policies are consistent with and/or supported by others in the state and the industry.

## **12.0 Enforcement**

Enforcement is a significant issue related to outdoor water use restrictions. KCWA will need to be creative in this area. Enforcement would likely be easier if statewide restrictions were in place, thus eliminating differences between different communities and water suppliers.

# **EXHIBIT H**

October 18, 2007

## KCWA Need for New Metering System

### Need:

Metering of water is required. Efficient metering of water reduces waste. Savings in wasted water produces surplus supply, desired by the Kent County Water Authority.

### Current Situation:

- Is our metering efficient? No.
- Is our communicating of usage efficient to the customers? No.
- Are we able to implement seasonal billing? No.

### Goal:

We need to be very efficient in metering, in reading consumption and in turn communicating that to our customers in a form of efficient and timely billing. Lagging approximately three weeks in bill reading verses bill printing and a week in mail delivery does not make for an efficient communication of actual water usage to the customers. Furthermore, quarterly billing of 90 day cycle adds to that inefficiency and lack of water use/cost understanding. In particular, during high demand periods as to how much water the customer is using. If that could be modified with monthly billing, efficient and timely reading and efficient bill processing "real time" consumption reporting would be available. It is important for customers during the high demand period to realize how much water they are using and to reduce usage prior to large billings. That would then put them directly responsible for their usage and ultimate billings. Wasted water and/or the potential of leaks can also be realized sooner. Currently, there exists technology that provides for statistical leak detection and backflow analysis as an important add-on tool for water suppliers. This alone would be justification enough, but coupled with real time billing, reading and the potential of seasonal rates only enhances the value of a new metering program to the Authority. It is crucial to read meters monthly and to efficiently process the billing to communicate to the customers their usage and associated cost. Today, that is the sole purpose of electronics in the meter reading/billing field. Lack of using those tools efficiently lends to waste and decrease in supply which can spiral to the point of excessive demand during summer periods and the misunderstanding by the customers of the ultimate cost. This alone is enough to justify replacement of our meters to the current technology whereby reading can be accomplished within a weeks time and billing within a few days time to our customers. This is "real time" in the water metering field. Then there is the need for seasonal billing. Seasonal billing would have limitations based on cost of service, customer's recognition of its implementation and achievable goals as well as the true reduction in demand during the summer period. Seasonal rates with increasing blocks have shown promise and should be considered in a rate design for water utilities. However, without the electronics and "real time" metering, it is difficult to directly relate consumption and block rates to seasonal demand. It is imperative for the Authority to have a new metering system and then explore the use and desire for seasonal rates for future demand management.

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# **EXHIBIT I**

October 18, 2007

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

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

**UPDATED CIP PROJECTS BOND FUNDING**

PROJECT	STATUS
Mishnock Well Field (new wells) CIP - 1A	Design Underway
Mishnock Transmission Mains CIP - 1B	Preliminary Design Underway, Modeling Required
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**

PROJECT	STATUS
IFR 2005	Tiogue Tank Re-service Separate Bid, Paving Issue to Discuss
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, PWSB Concern/Interconnection Agreement
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
<del>Tech Park Tank Recoating</del>	<del>Completed</del>
Tiogue Tank Re-Service	Ready for Bid
Hydrant Painting	Color Selection/Coding/Need

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