

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

November 15, 2007

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on November 15, 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, Maryanne Pezzullo, and other interested parties.

The minutes of the Board meetings of October 18, 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

Michael Hennessey appeared on behalf of Picerne Homes with Mr. John Carter, Landscape Architect. Mr. Hennessey stated that site meetings were conducted and that low flow faucets and toilets were installed and the seed mix is now conforming and site preparation modified. Picerne is currently preparing a plan with Mr. Carter and soil samples have been taken with respect to soil elevations. He stated that the results to date meet the requirements with respect to low water use of the Kent County Water Authority and Mr. Carter will submit verification documentation to the Kent County Water Authority. The Chairman suggested that Kent County Water Authority designate an employee to conduct site inspections for these matters. This matter was continued pending receipt of subsequent documentation and further review.

Gansett Associates- Request to Appear

The General Manager informed the Board that Legal Counsel for the Petitioner requested a continuance of review of this matter.

West Warwick Business Park, Angilly Engineers

Robert Angilly of Angilly Engineers was in attendance as well as the owner of the property, Stephen Soscia. Mr. Angilly informed the Board that the current proposed use

is “office warehouse” and the Department of Environmental Management model is being used for waste water generation and a 1” service is required and that no fire service is required. The General Manager reminded the Board that this is a high service request and that the current policy with respect to high service is in place and that Kent County Water Authority has not reached the maximum quota therefore, there is no moratorium and it is the decision of the Board whether or not to grant the approval.

The Chairman stated that the Board will continue to review and discuss high service and that Kent County Water Authority needs to obtain information from the Petitioner and will review the information and that the matter be continued until the December 13, 2007 Board Meeting.

Mr. Soccia stated that there is no designated, specific use for the site at this time and it may be office warehouse or an indoor recreation area and that there will be minimal difference with respect to water usage between the two proposed uses.

The General Manager informed Mr. Soccia that the Board needs to know the specific use of the property and that any change in use requires the Petitioner to come before the Board because it is a high service request. This matter was continued to the December 13, 2007 Board meeting.

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 Legal Counsel for Amgen anticipates the executed easement document in the near future.

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. Legal Counsel for Kent County Water Authority has forwarded to the owner the engineering and Kent County Water Authority has offered to rehabilitate the retaining wall (the integrity of which is compromised and in need of repair) in lieu of paying a fee to the owner for expansion of the easement area.

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 recently been rendered by the Hearing Officer, Lanni which was in favor of Mr. Petrarca. Legal Counsel and the General Manager determined that the decision is contrary to the Kent County Water Authority Rules and Regulations and an appeal was taken.

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 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 knows 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 have drafted the regulation on this matter and it has been sent to the Board and is attached as "A".

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, Kent County Water Authority has forwarded correspondence to Amgen directing compliance by Amgen of installation of separate services.

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. The Pass Through motion was approved on November 8, 2007 by the PUC.

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.

835 Bald Hill Road, Warwick, RI encroachment

Maracap Realty Associates, owner of 835 Bald Hill Road, recently installed an electrical sign with concrete footings and electrical conduit above the water line and easement area of Kent County Water Authority. The General Manager and Legal Counsel met with the contractor for the owner at the site. Legal Counsel for Kent County Water Authority has directed the owner to remove the sign. Legal Counsel for the owner forwarded a request to the Kent County Water Authority requesting that this matter be considered by the Board. The owner is required by the City of Warwick to install a 6' fence between the site of the future carwash and the residential district. The owner has provided Kent County Water Authority with a plan depicting the proposed location of the fence. Legal Counsel for Kent County Water Authority has requested the specifications of the fence. Kent County Water Authority will view the site to determine whether or not the proposed location of the fence will be within the easement area.

This matter will be placed on the Agenda for the December 13, 2007 meeting.

James P. Murphy Highway

The owner for the project known as "Shipwreck Falls" located off of James P. Murphy Highway in Warwick, Rhode Island filed a petition for abandonment of a portion of James P. Murphy Highway in connection with the project. The proposed area of abandonment included infrastructure and a hydrant of Kent County Water Authority. The General Manager and a representative of DiPrete Engineering met with Legal Counsel for Kent County Water Authority and the owner and the area of abandonment was revised to exclude the infrastructure and hydrant of Kent County Water Authority.

River Point Lace Works

The Company has gone into receivership and owes Kent County Water Authority approximately \$50,000. Legal Counsel will prepare the correct court forms for claim purposes.

East Shore Drive Coventry Paving Issue:

On November 9, 2007, a letter was sent to the Town of Coventry to be discussed further in meeting relative to having the paving completed prior to end of season after a stop order by the Town which is attached as "B". The Board will review and consider this matter at a subsequent meeting.

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 October, 2007 which is attached as “C” and after discussion, Board Member Gallucci moved and seconded by Board Member Masterson to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes and it was unanimously,

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

Point of Personal Privilege and Communications:

The Chairman informed the Board of the November 14, 2007 passing of the wife of Bruce Emery. The Board will make a donation to the charity in the memory of Mrs. Emery.

The Chairman stated that he received a November 13, 2007 communication from Green Hill Properties, LLC with respect to a new location for the Kent County Water Authority offices to wit, property located at Green Hill and Market Streets, West Warwick, Rhode Island. The Chairman stated that the office building site was a good site and perhaps the Board consider this at a future date.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

OLD BUSINESS:

PWSB Rate Case Filing Intervention Status and PWSB/KCWA Pass Through Filing Status

The General Manager informed the Board that the case was completed on November 18, 2007. The Kent County Water Authority was successful with the majority of its filing. The purpose was to ensure that wholesale rate was devised for wholesale expenses only and that the rates are effective at November 1, 2007 which will be an increase of 4.6% for the customers of Kent County Water Authority. He further stated that leak rates will be considered at the next filing.

“Aid in Construction” Regulation

The General Manager referred the Board to the draft regulation. The General Manager stated that the proposed regulation incorporates and addresses design and construction. Paragraph no. 3 addressed aid in construction with respect to a tank site. The Chairman inquired as an example how aid in construction would be addressed with respect to the project in Village of Phenix (Coventry/West Warwick). Would aid in construction be applicable to Route 2? The General Manager stated that aid in construction would be applicable if there is a direct benefit to the project. Board Member Masterson then inquired whether or not there has to be a direct correlation if the project is in the CIP or IFR. The General Manager responded in the affirmative, meaning that there has to be a benefit to the project. The General Manager further stated that a project has to be approved before aid in construction can be accepted.

Board Member Inman suggested Legal Counsel redraft paragraphs nos. 1 and 3 of the draft regulation for consideration at the December 13, 2007 Board meeting.

2002A Bond Refinancing (S & P Rating Call)

The General Manager informed the Board that this bond will refinance the 2001 and 2002 Bonds. Approximately \$22 to 23 million will be refinanced. There will be no rating until the preliminary offering statement is in place. The bond documents will not be compiled until a few weeks after the November 16, 2007 hearing.

New Business

Bid Approval Pipe/Fittings

The General Manager stated there were four proposals as attached as “D” and that it was the recommendation of the General Manager to reject all bids which is in the best interest of Kent County Water Authority and to rebid as all of the proposals were deficient. It was moved by Board Member Masterson and seconded by Board Member Gallucci to reject all proposals set forth in “D” in the best interest of Kent County Water Authority and rebid the RFP and it was unanimously,

VOTED: To reject all proposals set forth in “D” in the best interest of Kent County Water Authority and rebid the RFP.

Valves, Thrust Restraint & Service Boxes

The General Manager stated that there were four proposals as attached as “E” and that it was the recommendation of the General Manager to reject all bids which is in the best interest of Kent County Water Authority and rebid as all of the proposals were deficient. It was moved by Board Member Masterson and seconded by Board Member Gallucci to reject all proposals set forth in “E” in the best interest of Kent County Water Authority and rebid the RFP and it was unanimously,

VOTED: To reject all proposals set forth in “E” in the best interest of Kent County Water Authority and rebid the RFP.

Revised Drug Policy for Approval

The General Manager referred the Board to the revised Drug Policy attached as “F”. He stated that there were minor changes to the policy. The policy was revised to meet federal requirements. The General Manager recommended approval of the drug policy as revised. It was moved by Board Member Masterson and seconded by Board Member Graham to approve the drug policy as revised.

National Grid Gas Company conflicts on locations

The General Manager stated that he was disappointed in the response from National Grid with respect to the request of the Kent County Water Authority to the DPUC to have spacing regulations for utilities in the roadways. More specifically, a meeting with the gas company was held to address this issue and post meeting, a gas line was being installed above a water line located in Providence Street. The gas line is within 3’ of a Kent County Water Authority line. The DPUC is reluctant to institute a regulation which might cause a regulation for every utility. The General Manager has great concern over this situation as additional labor is used in the event of a utility line compromise due to the close proximity of the lines.

CAPITAL PROJECTS: **INFRASTRUCTURE PROJECTS :**

IFR 2005 Construction/Paving Issue

The General Manager showed the Board members photographs of the drain work being performed by the Town of Coventry and informed the Board of the delay in paving. Kent County Water Authority is about to pave the area and the Town is asking Kent County Water Authority to perform “cut backs” and repave areas that Kent County Water Authority has already paved properly. The General Manager stated that “curb to curb” paving is required by different localities and that Kent County Water Authority is not responsible for paving residents’ driveways and parking areas and delay will increase costs because of asphalt escalation costs.

The General Manager and Kevin J. Fitta met with the Town of Manager to resolve the issue of paving and the Director of the Department of Public Works was not available to attend this meeting.

Legal Counsel for the Kent County Water Authority drafted a letter to the Manager on November 9, 2007 (attached infra as “B”) which was hand delivered to the Town Manager. Subsequently, the General Manager contacted the Town Manager to verify if the letter was received and the Town Manager stated that the matter would be looked into. The General Manager had not received a further response from the Town

Manager as of November 15, 2007. The General Manager has concerns that the subject roadways will be in disrepair in the winter due to the Town delay and plans of the Kent County Water Authority were originally submitted to the Department of Public Works for the Town in 2006 with no Town objections or modifications. Both Legal Counsel and the Town Solicitor have been working on the issue as well. This matter will be further considered at the December Board meeting with the hopes that the matter will be settled by the next 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 Masterson made a Motion to adjourn, seconded by Board Member Graham and it was unanimously,

VOTED: To adjourn the meeting at 5:15 p.m.

Secretary Pro Tempore

EXHIBIT A

November 15, 2007

DRAFT

AID IN CONSTRUCTION

Purpose: Provide a methodology by which a person or a public or private entity can contribute money, services or property to the Kent County Water Authority (KCWA) to the extent that the purpose of the contribution is to aid in the expansion, improvement or replacement of KCWA water facilities in conjunction with documented and planned capital (CIP) or infrastructure (IFR) projects.

Acronyms:

CIP: KCWA approved and current Capital Improvement Program

IFR: KCWA approved and current Clean Water Infrastructure Program

Eligible Projects: Subject to funding and initiation, only those projects identified in the current CIP or IFR programs including but not limited to actual construction and associated administrative, legal, scientific, design and engineering services or evaluations.

Participation Agreement: Engaging in an Aid in Construction Participation Agreement (ACPA) shall require prior approval from the KCWA Board of Directors (Board). Upon approval by the Board, the ACPA shall outline the need for the project, Board synopsis of the overall benefits to the system, amount or value of the contribution, the named restricted receipt project account and any terms as to contribution acceptance.

Forms of Aid in Construction:

1. All government agencies and private persons, as Cost sharing for CIP/IFR- design and construction subject to project funding and initiation.
2. Voluntary in-kind contribution by a person or a public or private entity governmental design services to advance CIP/IFR by KCWA and subject to KCWA funding and initiation.
3. Voluntary cash or real property contribution by a person or entity shall only be accepted if current CIP/IFR project is under design and/or construction, or if current CIP/IFR project is to be advanced for design and/or construction.
4. No other form of aid in construction shall be allowed.

EXHIBIT B

November 15, 2007



797 BALD HILL ROAD
WARWICK, RI 02886

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

November 9, 2007

Paul K. Sprague, Esq.
Town Manager
Town of Coventry
COBLEIGH, SPRAGUE & GIACOBBE
70 Jefferson Boulevard
Warwick, RI 02888

Re: East Shore Drive area of paving/
Kent County Water Authority 2005 IFR Project

Mr. Sprague:

I am writing this letter as a last resort to prevent protracted litigation between Kent County Water Authority and the Town of Coventry. As you know, Timothy J. Brown, General Manager, and Kevin J. Fitta, System Engineer, have previously met with you in an attempt to resolve the issues of paving for the following streets:

Mead Street
East Shore Road
Rawlinson Drive
Mohawk Street
Seneca Street
Darton Street
Elton Street

The Kent County Water Authority had on November 22, 2004 presented design plans to the Director of Public Works which was prior to the project going out to bid and comments were solicited of the Director and none were forthcoming. After the installation of the pipes was completed, a letter was received on October 15, 2007 from the Director of Public Works to Richard Hencler, Project Manager for James J. Geremia & Associates, Inc. which stated for the first time that the paving limits should extend to all paved areas, even though some of these areas extend beyond the curb line. This requirement is not customary or required and has now resulted in a controversy.

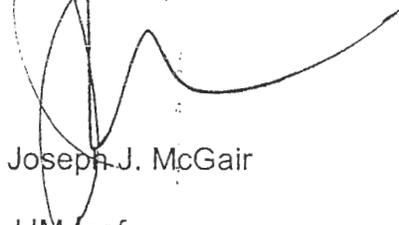
Additionally, without notice to Kent County Water Authority, on October 17, 2007 the pavement project was unilaterally terminated by the Director of Public Works in a letter to the paving subcontractor (Cardi Corp.). Because of this unilateral action of the Director of Public Works, the job was shut down and the subcontractor ceased his preparation for final paving and moved any and all equipment out of the area and terminated the scheduled paving.

This unilateral action engaged certain events within the contract with Kent County Water Authority/C.B. Utility which will cause Kent County Water Authority to expend substantially more monies, including stop work claims and asphalt price escalation. Adding to the emergent situation is that the asphalt production facilities will cease operation in the middle of December and the roads will remain in a "ground preparation" state which will undoubtedly cause undue hardship to area residents e.g. road conditions in combination with winter weather conditions could potentially result in damage to vehicles and/or personal injury which Kent County Water Authority will not be responsible for.

Inexplicably, KCWA personnel have observed the Town conducting drainage construction work over the past couple days on East Shore Drive including markings.

Please contact me immediately upon receipt of this letter in order to avert protracted and costly litigation to resolve this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Joseph J. McGair', with a long, sweeping horizontal stroke extending to the right.

Joseph J. McGair

JJM:maf

cc: Kent County Water Authority
Patrick Sullivan, Esq.

EXHIBIT C

November 15, 2007

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

| | JULY 2007 | 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 08-09 |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------------------|--------------------------|
| BEGINNING MONTH BALANCE | 38,827,409 | 35,847,101 | 35,697,132 | 36,080,016 | | | | | | | | | JUL \$ 1,275,904.00 \$ 1,259,148.50 | |
| CASH RECEIPTS: | | | | | | | | | | | | | AUG \$ 1,107,888.24 \$ 1,225,472.61 | |
| Water Collections | 1,854,302 | 1,308,712 | 1,169,032 | 2,605,185 | | | | | | | | | SEP \$ 2,657,394.59 \$ 2,630,984.60 | |
| Interest Earned | 203,861 | 132,732 | 114,141 | 115,014 | | | | | | | | | OCT \$ - \$ 1,235,628.04 | |
| Inspection Fees | 4,350 | 150 | 200 | 26,810 | | | | | | | | | NOV \$ - \$ 955,676.38 | |
| Contribution in Aid-Construction | - | - | - | - | | | | | | | | | DEC \$ - \$ 1,780,198.72 | |
| Other | - | - | - | - | | | | | | | | | JAN \$ - \$ 900,939.08 | |
| TOTAL CASH RECEIPTS | 40,889,922 | 37,288,693 | 36,986,525 | 38,827,025 | | | | | | | | | FEB \$ - \$ 806,979.39 | |
| | | | | | | | | | | | | | MAR \$ - \$ 1,563,687.27 | |
| | | | | | | | | | | | | | APR \$ - \$ 894,619.92 | |
| | | | | | | | | | | | | | MAY \$ - \$ 886,221.81 | |
| | | | | | | | | | | | | | JUN \$ - \$ 1,823,813.96 | |
| CASH DISBURSEMENTS: | | | | | | | | | | | | | | |
| Purchased Water | 383,528 | 407,394 | 417,089 | 362,626 | | | | | | | | | | |
| Electric Power | 50,999 | 60,327 | 24,494 | 67,234 | | | | | | | | | | |
| Payroll | 135,134 | 162,708 | 146,070 | 161,620 | | | | | | | | | | |
| Operations | 217,434 | 78,474 | 78,103 | 95,254 | | | | | | | | | | |
| Employee Benefits | 45,868 | 43,886 | 43,595 | 45,839 | | | | | | | | | | |
| Legal | 7,189 | 6,636 | 7,650 | 2,714 | | | | | | | | | | |
| Materials | 20,391 | 9,520 | 17,796 | 34,054 | | | | | | | | | | |
| Inventory | 4,003 | 4,606 | 4,002 | 4,003 | | | | | | | | | | |
| Sales Taxes | 25,998 | 13,112 | 9,434 | 58,517 | | | | | | | | | | |
| Refunds | - | 1,168 | - | 18,248 | | | | | | | | | | |
| Rate Case | 6,343 | 14,000 | 13,451 | 18,248 | | | | | | | | | | |
| Conservation | 3,331 | - | - | 6,244 | | | | | | | | | | |
| Pilot | 8,322 | - | - | 12,813 | | | | | | | | | | |
| Capital Expenditures (Other) | 29,666 | 6,384 | - | 14,956 | | | | | | | | | | |
| 2004 Infrastructure | 112,771 | 3,441 | - | 14,072 | | | | | | | | | | |
| Mishock Well/Storage/Pump/Trans | - | - | - | 4,856 | | | | | | | | | | |
| Clinton Avenue Pump Station | 896 | 2,102 | - | 1,478 | | | | | | | | | | |
| E. G. Well Upgrade | - | - | - | - | | | | | | | | | | |
| GIS Development Mapping | - | - | - | - | | | | | | | | | | |
| Read Schoolhouse Road - Mains | - | 14,356 | - | - | | | | | | | | | | |
| Read Schoolhouse Road - Tank | - | - | - | - | | | | | | | | | | |
| Mishock Well - Pilot | - | - | - | 4,931 | | | | | | | | | | |
| Greenwich Avenue - 8" & 12" Mains | 972 | 27,087 | 3,981 | 438,284 | | | | | | | | | | |
| System Storage Evaluation | - | - | - | 1,600 | | | | | | | | | | |
| 2006A Infrastructure | 702,751 | 705,388 | 13,566 | 1,833,394 | | | | | | | | | | |
| Quaker Lane Pump Station | 3,679 | - | - | 30,443 | | | | | | | | | | |
| Leach Park Storage Tank | 59,091 | 6,500 | - | 113,290 | | | | | | | | | | |
| Opland Avenue 600" E | 7,461 | 1,573 | 168 | 3,835 | | | | | | | | | | |
| Arthur-Bleeker Station 8" | - | - | - | 9,560 | | | | | | | | | | |
| U.S. Bank - Debt Service (1" & 1") | 3,101,185 | - | - | - | | | | | | | | | | |
| Water Protection | 89,288 | 18,712 | 119,110 | 32,713 | | | | | | | | | | |
| TOTAL DISBURSEMENTS | 5,042,821 | 1,891,543 | 900,509 | 3,372,058 | | | | | | | | | | |
| BALANCE END OF MONTH | 33,887,101 | 35,697,132 | 36,080,016 | 35,151,907 | | | | | | | | | | |
| PRIOR YEAR | 35,079,279 | 34,873,758 | 34,933,810 | 36,415,831 | 37,448,306 | 37,702,761 | 37,846,468 | 38,039,405 | 38,333,414 | 39,302,338 | 39,340,305 | 38,827,025 | | |

EXHIBIT D

November 15, 2007

[Faint, illegible text]

OFFICE MEMO

To: Files
From: Timothy Brown and John Duchesneau
Subject: Bid Solicitation, Piping and Fittings, October 30, 2007
Date: November 7, 2007

1. E. J. Prescott Provided a total not-to-exceed price of \$267,000. An error in the total amount was noted in Item No. 1.49. The unit price was \$300 and the total price indicated was \$1,476. The actual total for the quantity of 3 should have been \$900. The total bid price of \$267,000 reflects an amount of \$900 in this block.
2. Vellano Brothers, Inc. provided a total bid price of \$253,142. It was noted that the total bid price was not written in words. Also, the bid was not sealed with the corporate seal.
3. Ferguson Water provided a total bid price of \$263,729. Review of the bid revealed that Page 18 of 21 reflecting Bid Item No's. 1.56 thru 1.62 was not included in the bid documents. This bid should be considered nonconforming because these items were not bid and subsequently not included in the total bid price.
4. Winwater Works provided a total bid price of \$268,866.

Vellano Brother's bid was signed, but did not bear the corporate seal. I contacted Vellano Brothers and they stated that it may have been inadvertently overlooked, but all the prices were valid and they would provide the materials at that price. Article 9.3 provides the Kent County Water Authority with the right to reject any and all bids or parts thereof or to waive any informality if it is in the Kent County's best interest to do so and the right to disregard all nonconforming, non-responsive stipulated and conditional bids or portions thereof. The two discrepancies in the Vellano bid, corporate seal and total written in words. The corporate seal is, however, very important as it binds the corporation to the bid. The second bidder had a page missing so the true bid is questionable. Recommend rejecting all bids.

KENT COUNTY WATER AUTHORITY
REQUEST FOR BID
PIPING/FITTINGS
BID OPENING – OCTOBER 30, 2007

The Bid Opening for Piping/Fittings was held at 10:00 a.m., October 30, 2007 per the requirements of the Bid Invitation advertised in the Providence Journal on Monday, October 15, 2007. Attendance was not a mandatory requirement to submit a Bid.

The work consists of furnishing pipings/fittings 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. E. J. Prescott
Signed and Sealed

Total Bid Price = \$267,000.00

Error: Item No. 1.49

Unit Price \$300, Quantity 3 = \$900.00 - Bid form displayed an incorrect amount of:
\$1,476.00

2. Vellano Brothers, Inc.
Not sealed with corporate seal

Total Bid Price = \$253,142.00 (Note: Total Bid Price not written in words)

3. Ferguson Water
Signed and Sealed (Note: not original raised seal copy)

Total Bid Price = \$263,729.00

Error: Page missing, Item No's. 1.56 – 1.62 missing

Total Bid Price = \$263,729.00 without Item No's. 1.56 – 1.62

4. Warwick Winwater Works
Signed and Sealed

Total Bid Price = \$268,866.00

Submitted bids were made available for all attendees to review. Bid Opening closed at 10:15 a.m.

**PIPING/FITTINGS
 BID TABULATION**

E. J. PRESCOTT

VALLANO BROS., INC.

FERGUSON WATER WORKS

War. Winwater Works

| Item# | Description | Unit Bid Price | Total Amount |
|-------|--|----------------|--------------|----------------|--------------|----------------|--------------|----------------|--------------|
| 1.1 | 4" Push-On (Tyton Style) CL 52 Double Cement Lined | \$9.68 | \$9,680.00 | \$10.36 | \$10,360.00 | \$10.34 | \$10,340.00 | \$9.40 | \$9,400.00 |
| 1.2 | 4" MJ DI Pipe CL 52 Double Cement Lined | \$12.86 | \$6,430.00 | \$14.32 | \$7,160.00 | \$14.32 | \$7,160.00 | \$13.16 | \$6,580.00 |
| 1.3 | 6" Push-On (Tyton Style) CL 52 Double Cement Lined | \$10.14 | \$10,140.00 | \$9.95 | \$9,950.00 | \$9.93 | \$9,930.00 | \$9.88 | \$9,880.00 |
| 1.4 | 6" MJ DI Pipe CL 52 Double Cement Lined | \$13.70 | \$6,850.00 | \$13.52 | \$6,760.00 | \$13.51 | \$6,755.00 | \$13.60 | \$6,800.00 |
| 1.5 | 8" Push-On (Tyton Style) CL 52 Double Cement Lined | \$13.96 | \$13,960.00 | \$13.68 | \$13,680.00 | \$13.67 | \$13,670.00 | \$13.60 | \$13,600.00 |
| 1.6 | 8" MJ DI Pipe CL 52 Double Cement Lined | \$18.89 | \$9,445.00 | \$18.54 | \$9,270.00 | \$18.55 | \$9,275.00 | \$18.70 | \$9,350.00 |
| 1.7 | 10" Push-On (Tyton Style) CL 52 Double Cement Lined | \$17.79 | \$17,790.00 | \$17.90 | \$17,900.00 | \$17.89 | \$17,890.00 | \$17.80 | \$17,800.00 |
| 1.8 | 10" MJ DI Pipe CL 52 Double Cement Lined | \$23.83 | \$11,915.00 | \$24.28 | \$12,140.00 | \$24.28 | \$12,140.00 | \$24.35 | \$12,175.00 |
| 1.9 | 12" Push-On (Tyton Style) CL 52 Double Cement Lined | \$23.07 | \$23,070.00 | \$22.60 | \$22,600.00 | \$22.60 | \$22,600.00 | \$22.50 | \$22,500.00 |

**PIPING/FITTINGS
 BID TABULATION**

| E. J. PRESCOTT | | | VALLANO BROS., INC. | | | FERGUSON WATER WORKS | | | War. Winwater Works | | |
|----------------|--|----------------|---------------------|----------------|--------------|----------------------|--------------|----------------|---------------------|----------------|--------------|
| Item# | Description | 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 | 12" MJ DI Pipe CL 52 Double Cement Lined 16" Push-On (Tyton Style) CL 52 Double | \$30.91 | \$15,455.00 | \$30.42 | \$15,210.00 | \$30.48 | \$15,240.00 | \$30.60 | \$15,300.00 | | |
| 1.11 | Cement Lined | \$34.18 | \$34,180.00 | \$33.82 | \$33,820.00 | \$33.81 | \$33,810.00 | \$33.50 | \$33,500.00 | | |
| 1.12 | 16" MJ DI Pipe CL 52 Double Cement Lined | \$44.73 | \$22,365.00 | \$45.72 | \$22,860.00 | \$45.74 | \$22,870.00 | \$51.60 | \$25,800.00 | | |
| 1.13 | 20" Push-On (Tyton Style) CL 52 Double Cement Lined | \$44.70 | \$22,350.00 | \$44.25 | \$22,125.00 | \$44.24 | \$22,120.00 | \$44.00 | \$22,000.00 | | |
| 1.14 | 20" MJ DI Pipe CL 52 Double Cement Lined | \$59.85 | \$11,970.00 | \$25.68 | \$5,136.00 | \$61.21 | \$12,242.00 | \$69.50 | \$13,900.00 | | |
| 1.15 | 4" 11 1/4° Bends MJ DI w/acc. Less Glands | \$51.00 | \$306.00 | \$44.00 | \$264.00 | \$52.00 | \$312.00 | \$52.00 | \$312.00 | | |
| 1.16 | 6" 11 1/4° Bends MJ DI w/acc. Less Glands | \$69.00 | \$414.00 | \$60.00 | \$360.00 | \$70.00 | \$420.00 | \$66.00 | \$396.00 | | |
| 1.17 | 8" 11 1/4° Bends MJ DI w/acc. Less Glands | \$99.00 | \$594.00 | \$84.00 | \$504.00 | \$100.00 | \$600.00 | \$95.00 | \$570.00 | | |
| 1.18 | 10" 11 1/4° Bends MJ DI w/acc. Less Glands | \$140.00 | \$840.00 | \$120.00 | \$720.00 | \$137.00 | \$822.00 | \$148.00 | \$888.00 | | |

**PIPING/FITTINGS
 BID TABULATION**

| E. J. PRESCOTT | | | VALLANO BROS., INC. | | | FERGUSON WATER WORKS | | | War. Winwater Works | | |
|----------------|--|----------------|---------------------|----------------|--------------|----------------------|--------------|----------------|---------------------|----------------|--------------|
| Item# | Description | 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 |
| 1.19 | 12" 11 1/4° Bends MJ DI w/acc. Less Glands | \$175.00 | \$1,050.00 | \$154.00 | \$924.00 | \$179.00 | \$1,074.00 | \$171.00 | \$1,026.00 | | |
| 1.20 | 16" 11 1/4° Bends MJ DI w/acc. Less Glands | \$410.00 | \$2,460.00 | \$380.00 | \$2,280.00 | \$438.00 | \$2,628.00 | \$425.00 | \$2,550.00 | | |
| 1.21 | 4" 22 1/2° Bends MJ DI w/acc. Less Glands | \$35.00 | \$210.00 | \$40.00 | \$240.00 | \$45.00 | \$270.00 | \$48.00 | \$288.00 | | |
| 1.22 | 6" 22 1/2° Bends MJ DI w/acc. Less Glands | \$72.00 | \$432.00 | \$64.00 | \$384.00 | \$70.00 | \$420.00 | \$68.00 | \$408.00 | | |
| 1.23 | 8" 22 1/2° Bends MJ DI w/acc. Less Glands | \$100.00 | \$600.00 | \$88.00 | \$528.00 | \$100.00 | \$600.00 | \$98.00 | \$588.00 | | |
| 1.24 | 10" 22 1/2° Bends MJ DI w/acc. Less Glands | \$140.00 | \$840.00 | \$120.00 | \$720.00 | \$136.00 | \$816.00 | \$148.00 | \$888.00 | | |
| 1.25 | 12" 22 1/2° Bends MJ DI w/acc. Less Glands | \$179.00 | \$1,074.00 | \$160.00 | \$960.00 | \$179.00 | \$1,074.00 | \$176.00 | \$1,056.00 | | |
| 1.26 | 16" 22 1/2° Bends MJ DI w/acc. Less Glands | \$405.00 | \$2,430.00 | \$375.00 | \$2,250.00 | \$437.00 | \$2,622.00 | \$425.00 | \$2,550.00 | | |
| 1.27 | 4" 45° Bends MJ DI w/acc. Less Glands | \$48.00 | \$288.00 | \$42.00 | \$252.00 | \$48.00 | \$288.00 | \$49.00 | \$294.00 | | |

**PIPING/FITTINGS
 BID TABULATION**

| E. J. PRESCOTT | | | VALLANO BROS., INC. | | | FERGUSON WATER WORKS | | | War. Winwater Works | | |
|----------------|--|----------------|---------------------|----------------|--------------|----------------------|--------------|----------------|---------------------|----------------|--------------|
| Item# | Description | 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 |
| 1.28 | 6" 45° Bends MJ DI w/acc. Less Glands | \$69.00 | \$414.00 | \$62.00 | \$372.00 | \$70.00 | \$420.00 | \$68.00 | \$408.00 | | |
| 1.29 | 8" 45° Bends MJ DI w/acc. Less Glands | \$100.00 | \$600.00 | \$86.00 | \$516.00 | \$102.00 | \$612.00 | \$97.00 | \$582.00 | | |
| 1.30 | 10" 45° Bends MJ DI w/acc. Less Glands | \$140.00 | \$840.00 | \$120.00 | \$720.00 | \$138.00 | \$828.00 | \$150.00 | \$900.00 | | |
| 1.31 | 12" 45° Bends MJ DI w/acc. Less Glands | \$179.00 | \$1,074.00 | \$150.00 | \$900.00 | \$183.00 | \$1,098.00 | \$176.00 | \$1,056.00 | | |
| 1.32 | 16" 45° Bends MJ DI w/acc. Less Glands | \$478.00 | \$2,868.00 | \$350.00 | \$2,100.00 | \$430.00 | \$2,580.00 | \$418.00 | \$2,508.00 | | |
| 1.33 | 4" 90° Bends MJ DI w/acc. Less Glands | \$51.00 | \$306.00 | \$44.00 | \$264.00 | \$51.00 | \$306.00 | \$52.00 | \$312.00 | | |
| 1.34 | 6" 90° Bends MJ DI w/acc. Less Glands | \$78.00 | \$468.00 | \$68.00 | \$408.00 | \$79.00 | \$474.00 | \$75.00 | \$450.00 | | |
| 1.35 | 8" 90° Bends MJ DI w/acc. Less Glands | \$114.00 | \$684.00 | \$92.00 | \$552.00 | \$116.00 | \$696.00 | \$109.00 | \$654.00 | | |
| 1.36 | 10" 90° Bends MJ DI w/acc. Less Glands | \$152.00 | \$912.00 | \$150.00 | \$900.00 | \$170.00 | \$1,020.00 | \$160.00 | \$960.00 | | |
| 1.37 | 12" 90° Bends MJ DI w/acc. Less Glands | \$215.00 | \$1,290.00 | \$175.00 | \$1,050.00 | \$221.00 | \$1,326.00 | \$210.00 | \$1,260.00 | | |
| 1.38 | 16" 90° Bends MJ DI w/acc. Less Glands | \$500.00 | \$3,000.00 | \$425.00 | \$2,550.00 | \$557.00 | \$3,342.00 | \$535.00 | \$3,210.00 | | |

**PIPING/FITTINGS
BID TABULATION**

| E. J. PRESCOTT | | | VALLANO BROS., INC. | | | FERGUSON WATER WORKS | | | War. Winwater Works | | |
|----------------|--|----------------|---------------------|----------------|--------------|----------------------|--------------|----------------|---------------------|----------------|--------------|
| Item# | Description | 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 |
| 1.39 | 6" x 6" Tees MJ DI w/acc. Less Glands | \$104.00 | \$624.00 | \$100.00 | \$600.00 | \$111.00 | \$666.00 | \$105.00 | \$630.00 | | |
| 1.40 | 8" x 6" Tees MJ DI w/acc. Less Glands | \$138.00 | \$828.00 | \$125.00 | \$750.00 | \$145.00 | \$870.00 | \$137.00 | \$822.00 | | |
| 1.41 | 10" x 6" Tees MJ DI w/acc. With Glands | \$190.00 | \$1,140.00 | \$150.00 | \$900.00 | \$188.00 | \$1,128.00 | \$180.00 | \$1,080.00 | | |
| 1.42 | 12" x 6" Tees MJ DI w/acc. Less Glands | \$221.00 | \$1,326.00 | \$185.00 | \$1,110.00 | \$235.00 | \$1,410.00 | \$225.00 | \$1,350.00 | | |
| 1.43 | 8" x 8" Tees MJ DI w/acc. Less Glands | \$154.00 | \$924.00 | \$135.00 | \$810.00 | \$157.00 | \$942.00 | \$147.00 | \$882.00 | | |
| 1.44 | 10" x 8" Tees MJ DI w/acc. With Glands | \$200.00 | \$1,200.00 | \$150.00 | \$900.00 | \$194.00 | \$1,164.00 | \$198.00 | \$1,188.00 | | |
| 1.45 | 12" x 8" Tees MJ DI w/acc/ Less Glands | \$253.00 | \$1,518.00 | \$200.00 | \$1,200.00 | \$257.00 | \$1,542.00 | \$225.00 | \$1,350.00 | | |
| 1.46 | 6" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$148.00 | \$888.00 | \$125.00 | \$750.00 | \$152.00 | \$912.00 | \$152.00 | \$912.00 | | |
| 1.47 | 8" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$181.00 | \$1,086.00 | \$162.00 | \$972.00 | \$187.00 | \$1,122.00 | \$182.00 | \$1,092.00 | | |
| 1.48 | 10" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$246.00 | \$1,476.00 | \$190.00 | \$1,140.00 | \$247.00 | \$1,482.00 | \$254.00 | \$1,524.00 | | |

**PIPING/FITTINGS
BID TABULATION**

| E. J. PRESCOTT | | VALLANO BROS., INC. | | | FERGUSON WATER WORKS | | | War. Winwater Works | |
|----------------|---|---------------------|-------------------------|----------------|----------------------|----------------|--------------|---------------------|--------------|
| Item# | Description | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount |
| | | | Bid Total \$1,476.00 | | | | | | |
| 1.49 | 12" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$300.00 | \$900.00 | \$265.00 | \$795.00 | \$310.00 | \$930.00 | \$300.00 | \$900.00 |
| 1.50 | 16" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$625.00 | \$3,750.00 | \$630.00 | \$3,780.00 | \$665.00 | \$3,990.00 | \$650.00 | \$3,900.00 |
| 1.51 | 20" x 6" Anchor Tees MJ DI w/acc. Less Glands | \$1,214.00 | \$3,642.00 | \$900.00 | \$2,700.00 | \$1,167.00 | \$3,501.00 | \$1,025.00 | \$3,075.00 |
| 1.52 | 4" MJ DI Caps w/acc. Less Glands | \$23.00 | \$138.00 | \$18.00 | \$108.00 | \$23.00 | \$138.00 | \$23.00 | \$138.00 |
| 1.53 | 6" MJ DI Caps w/acc. Less Glands | \$32.00 | \$192.00 | \$26.00 | \$156.00 | \$32.00 | \$192.00 | \$30.00 | \$180.00 |
| 1.54 | 8" MJ DI Caps w/acc. Less Glands | \$46.00 | \$276.00 | \$38.00 | \$228.00 | \$47.00 | \$282.00 | \$45.00 | \$270.00 |
| 1.55 | 10" MJ DI Caps w/acc. Less Glands | \$65.00 | \$390.00 | \$52.00 | \$312.00 | \$68.00 | \$408.00 | \$63.00 | \$378.00 |
| 1.56 | 12" MJ DI Caps w/acc. Less Glands | \$83.00 | \$498.00 | \$75.00 | \$450.00 | | | \$80.00 | \$480.00 |
| 1.57 | 16" MJ DI Caps w/acc. Less Glands | \$341.00 | \$2,046.00 | \$235.00 | \$1,410.00 | | | \$255.00 | \$1,530.00 |
| 1.58 | 6" X 4" MJ DI Reducer w/acc. Less Glands | \$61.00 | \$366.00 | \$42.00 | \$252.00 | | | \$59.00 | \$354.00 |

**PIPING/FITTINGS
 BID TABULATION**

| | | E. J. PRESCOTT | | VALLANO BROS., INC. | | FERGUSON WATER WORKS | | War. Winwater Works | |
|-------|--|----------------|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| Item# | Description | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount |
| 1.59 | 8" x 4" MJ DI Reducer w/acc. Less Glands | \$72.00 | \$432.00 | \$60.00 | \$360.00 | | | \$72.00 | \$432.00 |
| 1.60 | 8" x 6" MJ DI Reducer w/acc. Less Glands | \$79.00 | \$474.00 | \$65.00 | \$390.00 | | | \$76.00 | \$456.00 |
| 1.61 | 6" MJ Solid Sleeve | \$57.00 | \$570.00 | \$65.00 | \$650.00 | | | \$56.00 | \$560.00 |
| 1.62 | 8" MJ Solid Sleeve | \$75.00 | \$750.00 | \$75.00 | \$750.00 | | | \$73.00 | \$730.00 |
| 1.63 | 12" MJ Solid Sleeve | \$122.00 | \$732.00 | \$130.00 | \$780.00 | \$150.00 | \$900.00 | \$119.00 | \$714.00 |
| 1.64 | 16" MJ Solid Sleeve | \$310.00 | \$1,240.00 | \$300.00 | \$1,200.00 | \$365.00 | \$1,460.00 | \$310.00 | \$1,240.00 |
| | TOTAL | | \$267,000.00 | TOTAL | \$253,142.00 | TOTAL | \$263,729.00 | TOTAL | \$268,866.00 |

Bid Indicated Total \$267,576.00

EXHIBIT E

November 15, 2007

OFFICE MEMO

To: Files
From: Timothy Brown and John Duchesneau
Subject: Valve, Thrust Restraint and Service Box Bid Opening
Date: November 13, 2007

Four bids were received.

1. E. J. Prescott, Inc. provided a total bid price of \$132,250 to provide the materials. The bid appeared to be in order.
2. Vellano Brothers, Inc. indicated a total bid price of \$150,700. The bid was signed but did not bear the corporate seal and the total bid price was not provided in writing. Upon tabulating the bid prices it was noted that the bid price should have reflected \$150,600. A number of the bid line items provided the manufacturer, but did not provide the model number. Bid items 1.33 and 1.34 did not provide manufacturer or model number.
3. Winwater Works provided a total bid price of \$136,722. These bid line items reflected manufacturer, but did not provide the required model number for any of the bid items.
4. Ferguson Water provided a bid price of \$143,308. It appears that the bid submission was a photo copy as a corporate seal was not a raised imprint.

After the opening, the Kent County Water Authority received a letter from Timothy Whall of Winwater Works disputing whether or not the E. J. Prescott AFC 2500 Valve met the specification of the bid. On November 1, 2007 Kent County Water Authority forwarded correspondence requesting that E. J. Prescott review this matter and respond in writing. On November 9, 2007, we received a response from E. J. Prescott with documentation of their I S O 9000 certificates and documentation from American Flow Control dated November 9, 2006 supporting that the American A. F. C. Series 2500 gate valves meet or exceed the A. W. W. A. C509 Specifications.

After reviewing the supporting documentation from E. J. Prescott it appears that the A. W. W. A. C515 Specification valves would meet or exceed the C509 Standard except the wall thickness. It does not comply with our specifications that were part of the bid documents. The second bidder also did not comply with the instruction to bid. Recommend rejecting all bids.

Pipeline Specialists



Everett J. Prescott, Inc.

80 Gilbane Street
Warwick, RI 02886

Telephone (401) 738-7611
FAX (401) 738-3834

Website: <http://www.EJPrescott.com>
E-mail: ejp@EJPrescott.com



November 9, 2007

Timothy J. Brown, P. E.
General Manager Chief Engineer
Kent County Water Authority
West Warwick, RI. 02893

RE: Bid for Valve, Thrust Restraint and Service Boxes

Dear Mr. Brown:

In response to your inquiry concerning American Flow Control Valves, we have enclosed information regarding the AWWA Standards and a short explanation thereof that American Flow Control currently meets. We have also enclosed copies of American Flow Control's ISO 9000 certificates. We at E. J. Prescott trust this information will fulfill your needs and answer any questions you may have, however please feel free to contact us as you deem necessary to resolve this matter.

Regards,

A handwritten signature in black ink, appearing to read 'Jason P. Normandin, Sr.'.

Jason P. Normandin, Sr.
E. J. Prescott, Inc.



AMERICAN FLOW CONTROL

Jerry T. Mann • Valve Engineer • 1501 31st Avenue North • Birmingham, AL 35207 • (205) 325-7064 • Fax 1-800-610-3569 •
jmann@acipco.com

November 9, 2006

Everett J. Prescott, Inc.
Warwick Division
80 Gilbane Street
Warwick, RI 02885

Reference: Kent County Water Authority

Subject: AFC Series 2500 Resilient Wedge Gate Valve – ANSI/AWWA C515 vs. ANSI/AWWA C509

This letter discusses how the ANSI/AWWA C515 AWWA Standard For Reduced-Wall, Resilient-Seated Gate Valves For Water Supply Service meets or exceeds the ANSI/AWWA C509 AWWA Standard For Resilient-Seated Gate Valve For Water Supply Service.

The ANSI/AWWA C509 standard was the first resilient wedge gate valve standard issued in 1980. As with gray iron to ductile iron pipe and gray iron to ductile iron fittings, the gray iron ANSI/AWWA C509 standard progressed to the ANSI/AWWA C515 reduced wall, ductile iron standard.

The introduction of ductile iron, because of its inherent superior strength to gray iron, allowed for the reduction of the product wall thickness with the added benefit of yield strength and elongation properties not found in gray iron for the pipe, fittings and now the valve industry.

The only difference between the ANSI/AWWA C515 and ANSI/AWWA C509 standards is the wall thickness and material requirements. The ANSI/AWWA C515 standard allows for a slightly reduced wall thickness because of the material strength of ductile iron. The ANSI/AWWA C509 standard allows for gray iron or ductile iron material requirements. The ANSI/AWWA C515 standard only allows for ductile iron material requirements.

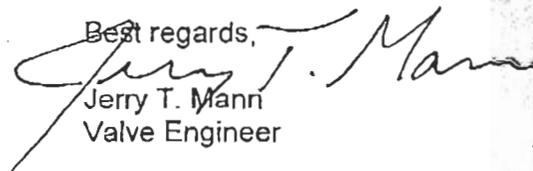
With regard to pressure ratings, the ANSI/AWWA C509 standard requires a working pressure of 200 psi up to 12" and 150 psi from 14" to 30". The ANSI/AWWA C515 standard requires a minimum working pressure of 200 psi for sizes 3"-36". The AFC Series 2500 RWGV has a rated working pressure of 250 psi. The valve is seat tested and shell tested to 500 psi for valve sizes up to 12". Valves 14"-48" are seat tested to 250 psi and shell tested to 500 psi. With regard to strength of materials and pressure ratings, the AWWA C515 standard exceeds the requirements of AWWA C509.

American Flow Control no longer manufactures a valve in accordance with ANSI/AWWA C509. The Series 2500 RWGV is manufactured in sizes 2" through 48" (soon to include 54"-66") and complies with ANSI/AWWA C515 for the 3"-36" sizes. The ANSI/AWWA C515 standard will soon include sizes up to 48". American Flow Control will comply with ANSI/AWWA C515 for sizes up to 48" when the standard is revised.

This letter is to also advise that our manufacturing plants, American Valve & Hydrant in Beaumont, Texas and Waterous Company in South St. Paul, Minnesota are ISO registered. Attached you will find a copy of our ISO 9000 certification issued by Underwriters Laboratories Inc. for both plant locations. Manufacturing at each plant includes machining, coating, assembly and testing.

Thank you for the opportunity to address this topic and your use of American Flow Control products.

Best regards,


Jerry T. Mann
Valve Engineer

ABR
ccs: C515vsC509 EJP / Kent County / 11-9-07

Waterous Company

125 Hardman Avenue South
South St. Paul, MN 55075-1191

Underwriters Laboratories Inc.® (UL) issues this certificate to the Firm named above, after assessing the Firm's quality system and finding it in compliance with

ISO 9001:2000

EN ISO 9001:2000; BS EN ISO 9001:2000; ANSI/ASQ Q9001:2000

for the following scope of registration

- 3491 (US) : Industrial Valves
- 3581 (US) : Pumps and Pumping Equipment

The design and manufacture of industrial valves, pumps/transmissions and hydrants.

Further clarifications regarding the scope of this certificate and the applicability of ISO 9001:2000 requirements may be obtained by consulting the organization.

This quality system registration is included in UL's Directory of Registered Firms and applies to the provision of goods and/or services as specified in the scope of registration from the address(es) shown above. By issuance of this certificate the firm represents that it will maintain its registration in accordance with the applicable requirements. This certificate is not transferable and remains the property of Underwriters Laboratories Inc.®.

File Number: A6110

Volume: 1

Original Certification Date: February 25, 1998

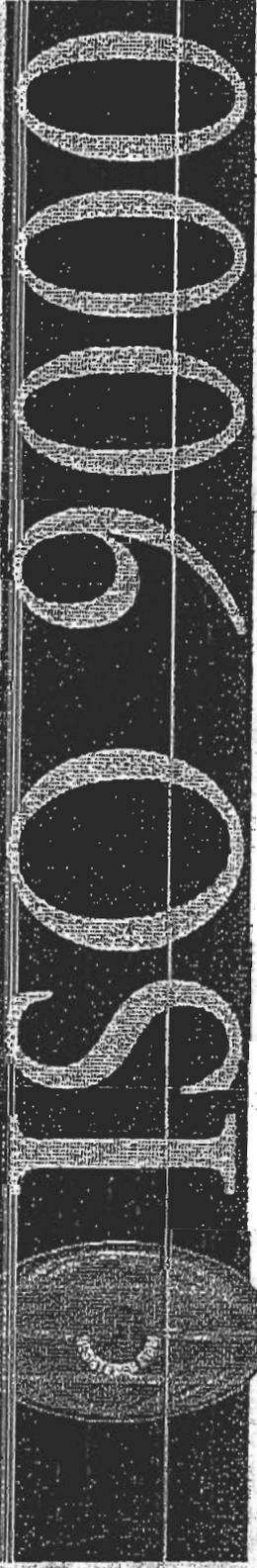
ISO 9000 2000 Issue Date: May 13, 2003

Revision Date: March 23, 2006

Recertification Date: May 13, 2006

Renewal Date: May 12, 2009

John H. Schmidt
Vice President and Chief Development Officer



American Valve & Hydrant Manufacturing Company, LP

3350 Hollywood Avenue
Beaumont, TX 77701

Underwriters Laboratories Inc.® (UL) issues this certificate to the Firm named above, after assessing the Firm's quality system and finding it in compliance with

ISO 9001:2000

EN ISO 9001:2000; BS EN ISO 9001:2000; ANSI/ASQ Q9001:2000

for the following scope of registration

3491 (US) : Industrial Valves

The design and manufacture of fire hydrants, swing check valves, resilient seated gate valves, and accessories to specifications agreed upon with American Flow Control.

Further clarifications regarding the scope of this certificate and the applicability of ISO 9001:2000 requirements may be obtained by consulting the organization.

This quality system registration is included in UL's Directory of Registered Firms and applies to the provision of goods and/or services as specified in the scope of registration from the address(es) shown above. By issuance of this certificate the firm represents that it will maintain its registration in accordance with the applicable requirements. This certificate is not transferable and remains the property of Underwriters Laboratories Inc. ®.

File Number: A5002

Volume: 1

Original Certification Date: April 10, 1997

ISO 9001:2000 Issue Date: April 4, 2003

Revision Date: April 21, 2006

Recertification Date: April 10, 2006

Renewal Date: April 9, 2009



John H. Schmidt
Vice President and Chief Development Officer





November 1, 2007

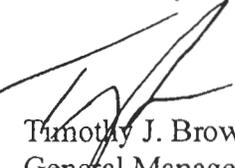
Alfred D'Ambrosca
E. J. Prescott, Inc.
38 Albion Road, Rt. 123
Lincoln, RI 02865

Re: Bid for Valve, Thrust Restraint and Service Boxes

Dear Mr. D'Ambrosca:

The Kent County Water Authority has received correspondence from Winwater Works alleging that materials identified in the E. J. Prescott Bid do not meet the requirements of the specifications. Enclosed is a copy of the correspondence. We request that you please review this matter and respond in writing to us as to how the referenced materials meet the Kent County Water Authority Bid requirements. A detailed written response is required within five (5) business days so that your comments can be included as part of the overall Bid evaluation. Your immediate attention to this matter is required. Please feel free to call us if you have any questions.

Very truly yours,
Kent County Water Authority



Timothy J. Brown, P.E.
General Manager Chief Engineer

Enclosure

cc: Board Members

TB/lms



62 Wyoming Ave., PO Box 81062, Warwick RI 02888
Phone: 401-732-5151 • Fax 401-732-5212



Mr. Tim Brown
General Manager
Kent County Water Authority

October 30, 2007

Re: Bid for Valves, Thrust Restraint & Service Boxes

Dear Mr. Brown,

EJ Prescott was the apparent low bidder on the above referenced bid opened today. However, the AFC 2500 valves, bid by Prescott, do not comply with your specifications as furnished with the bid documents (page 7-21. *All valves shall be manufactured to meet or exceed AWWA C509 and ISO 9000 . . .*) The AFC 2500 is a thin-walled valve that does not meet or exceed AWWA C509. (In addition I found no mention of ISO certification in their literature).

As the next apparent low bidder, and having all our bid products in compliance with the Kent County Water specifications, it is my belief that Warwick Winwater Works as 'the low bidder that meets specifications' should be awarded the bid.

I thank you for the opportunity to bid and look forward to working with your personnel in supplying materials to the Kent County Water Authority.

Sincerely,

Tim Whall
President

KENT COUNTY WATER AUTHORITY
REQUEST FOR BID
VALVES, THRUST RESTRAINT & SERVICE BOXES
BID OPENING CONFERENCE – OCTOBER 30, 2007

The Bid Opening for Valves/Thrust Restraint began at 11:00 a.m., October 30, 2007 per the requirements of the Bid Invitation advertised in the Providence Journal on Monday, October 15, 2007. Attendance was not a mandatory requirement to submit a Bid.

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

At 11:00 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. E. J. Presott, Inc.

Total Bid Price = \$132,250
Signed and Sealed

2. Vellano Brothers, Inc.

Total Bid Price = \$150,700
Signed but not Sealed

(Note: Error in Total Bid Price – should have been \$150,600, Total Bid Price was not written out).

3. Warwick Winwater Works
Signed and Sealed

Total Bid Price = \$136,772

4. Ferguson Water = \$143,308
Signed and Sealed (note not original sealed copy)

Submitted bids were made available for all attendees to review. Bid Opening closed at 11:15 a.m.

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
BID TABULATION**

| | | E. J. PRESCOTT | | | VELLANO BROS., INC. | | | WAR. WINWATER WORKS | | | FERGUSON WATER WORKS | | |
|-------|--|----------------|--------------|----------------|---------------------|----------------|--------------|---------------------|--------------|----------------|----------------------|----------------|--------------|
| Item# | Description | 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 | Unit Bid Price | Total Amount |
| 1.1 | 4" M. J. Resilient Seated Valve W/acc. With Glands, Open Left | \$275.00 | \$1,650.00 | \$305.00 | \$1,830.00 | \$296.00 | \$1,776.00 | \$270.00 | \$1,620.00 | | | | |
| 1.2 | 4" M. J. Resilient Seated Valve W/acc. With Glands, Open Right | \$275.00 | \$1,650.00 | \$305.00 | \$1,830.00 | \$296.00 | \$1,776.00 | \$270.00 | \$1,620.00 | | | | |
| 1.3 | 6" M. J. Resilient Seated Valve W/acc. With Glands, Open Left | \$372.00 | \$4,464.00 | \$395.00 | \$4,740.00 | \$380.00 | \$4,560.00 | \$354.00 | \$4,248.00 | | | | |
| 1.4 | 6" M. J. Resilient Seated Valve W/acc. With Glands, Open Right | \$372.00 | \$4,464.00 | \$395.00 | \$4,740.00 | \$380.00 | \$4,560.00 | \$354.00 | \$4,248.00 | | | | |
| 1.5 | 8" M. J. Resilient Seated Valve W/acc. With Glands, Open Left | \$579.00 | \$6,948.00 | \$595.00 | \$7,140.00 | \$592.00 | \$7,104.00 | \$552.00 | \$6,624.00 | | | | |
| 1.6 | 8" M. J. Resilient Seated Valve W/acc. With Glands, Open Right | \$579.00 | \$6,948.00 | \$595.00 | \$7,140.00 | \$592.00 | \$7,104.00 | \$552.00 | \$6,624.00 | | | | |

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
 BID TABULATION**

| | | E. J. PRESCOTT | | | VELLANO BROS., INC. | | | WAR. WINWATER WORKS | | | FERGUSON WATER WORKS | | |
|-------|--|----------------|--------------|----------------|---------------------|----------------|--------------|---------------------|--------------|----------------|----------------------|----------------|--------------|
| Item# | Description | 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 | Unit Bid Price | Total Amount |
| 1.7 | 10" M. J. Resilient Seated Valve W/acc. With Glands, Open Left | \$860.00 | \$1,720.00 | \$922.00 | \$1,844.00 | \$920.00 | \$1,840.00 | \$868.00 | \$1,736.00 | | | | |
| 1.8 | 10" M. J. Resilient Seated Valve W/acc. With Glands, Open Right | \$860.00 | \$1,720.00 | \$922.00 | \$1,844.00 | \$920.00 | \$1,840.00 | \$868.00 | \$1,736.00 | | | | |
| 1.9 | 12" M. J. Resilient Seated Valve W/acc. With Glands, Open Left | \$1,100.00 | \$6,600.00 | \$1,180.00 | \$7,080.00 | \$1,170.00 | \$7,020.00 | \$1,073.00 | \$6,438.00 | | | | |
| 1.10 | 12" M. J. Resilient Seated Valve W/acc. With Glands, Open Right | \$1,100.00 | \$6,600.00 | \$1,180.00 | \$7,080.00 | \$1,170.00 | \$7,020.00 | \$1,073.00 | \$6,438.00 | | | | |
| 1.11 | 16" M. J. Butterfly Valve Class 150 W/acc. With Glands, Open Left | \$1,650.00 | \$9,900.00 | \$2,850.00 | \$17,100.00 | \$1,700.00 | \$10,200.00 | \$1,770.00 | \$10,620.00 | | | | |
| 1.12 | 16" M. J. Butterfly Valve Class 150 W/acc. With Glands, Open Right | \$1,650.00 | \$9,900.00 | \$2,850.00 | \$17,100.00 | \$1,700.00 | \$10,200.00 | \$1,770.00 | \$10,620.00 | | | | |

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
 BID TABULATION**

| E. J. PRESCOTT | | VELLANO BROS., INC. | | | WAR. WINWATER WORKS | | | FERGUSON WATER WORKS | | |
|----------------|---|---------------------|--------------|----------------|---------------------|----------------|--------------|----------------------|--------------|--|
| Item# | Description | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | |
| 1.13 | 4" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Left | \$353.00 | \$2,118.00 | \$385.00 | \$2,310.00 | \$370.00 | \$2,220.00 | \$354.00 | \$2,124.00 | |
| 1.14 | 4" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Right | \$353.00 | \$2,118.00 | \$385.00 | \$2,310.00 | \$370.00 | \$2,220.00 | \$354.00 | \$2,124.00 | |
| 1.15 | 6" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Left | \$496.00 | \$2,976.00 | \$530.00 | \$3,180.00 | \$514.00 | \$3,084.00 | \$491.00 | \$2,946.00 | |
| 1.16 | 6" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Right | \$496.00 | \$2,976.00 | \$530.00 | \$3,180.00 | \$514.00 | \$3,084.00 | \$491.00 | \$2,946.00 | |
| 1.17 | 8" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Left | \$757.00 | \$4,542.00 | \$785.00 | \$4,710.00 | \$755.00 | \$4,530.00 | \$728.00 | \$4,368.00 | |
| 1.18 | 8" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Right | \$757.00 | \$4,542.00 | \$785.00 | \$4,710.00 | \$755.00 | \$4,530.00 | \$728.00 | \$4,368.00 | |

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
BID TABULATION**

| E. J. PRESCOTT | | | VELLANO BROS., INC. | | | WAR. WINWATER WORKS | | | FERGUSON WATER WORKS | | |
|----------------|--|----------------|---------------------|----------------|--------------|---------------------|--------------|----------------|----------------------|----------------|--------------|
| Item# | Description | 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 |
| 1.19 | 10" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Left | \$1,055.00 | \$6,330.00 | \$1,185.00 | \$7,110.00 | \$1,139.00 | \$6,834.00 | \$1,089.00 | \$6,534.00 | | |
| 1.20 | 10" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Right | \$1,055.00 | \$6,330.00 | \$1,185.00 | \$7,110.00 | \$1,139.00 | \$6,834.00 | \$1,089.00 | \$6,534.00 | | |
| 1.21 | 12" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Left | \$1,610.00 | \$9,660.00 | \$1,820.00 | \$10,920.00 | \$1,725.00 | \$10,350.00 | \$1,648.00 | \$9,888.00 | | |
| 1.22 | 12" M. J. Resilient Seated Tapping Valve w/acc. With glands Open Right | \$1,610.00 | \$9,660.00 | \$1,820.00 | \$10,920.00 | \$1,725.00 | \$10,350.00 | \$1,648.00 | \$9,888.00 | | |
| 1.23 | 4" Multiple Wedge Restraint Gland All in one self-contained kit only | \$18.70 | \$224.40 | \$13.50 | \$162.00 | \$19.00 | \$228.00 | \$20.00 | \$240.00 | | |
| 1.24 | 6" Multiple Wedge Restraint Gland All in one self-contained kit only | \$22.95 | \$550.80 | \$21.00 | \$504.00 | \$23.00 | \$552.00 | \$24.00 | \$576.00 | | |

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
BID TABULATION**

| | | E. J. PRESCOTT | | VELLANO BROS., INC. | | WAR. WINWATER WORKS | | FERGUSON WATER WORKS | |
|-------|--|----------------|--------------|---------------------|--------------|---------------------|--------------|----------------------|--------------|
| Item# | Description | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount |
| 1.25 | 8" Multiple Wedge Restraint Gland All in one self-contained kit only | \$31.60 | \$758.40 | \$29.00 | \$696.00 | \$32.00 | \$768.00 | \$34.00 | \$816.00 |
| 1.26 | 10" Multiple Wedge Restraint Gland All in one self-contained kit only | \$45.70 | \$548.40 | \$34.00 | \$408.00 | \$44.50 | \$534.00 | \$48.00 | \$576.00 |
| 1.27 | 12" Multiple Wedge Restraint Gland All in one self-contained kit only | \$62.00 | \$1,488.00 | \$58.00 | \$1,392.00 | \$61.00 | \$1,464.00 | \$64.00 | \$1,536.00 |
| 1.28 | 16" Multiple Wedge Restraint Gland All in one self-contained kit only | \$110.00 | \$660.00 | \$110.00 | \$660.00 | \$110.00 | \$660.00 | \$117.00 | \$702.00 |
| 1.29 | 20" Multiple Wedge Restraint Gland All in one self-contained kit only | \$184.00 | \$1,104.00 | \$175.00 | \$1,050.00 | \$180.00 | \$1,080.00 | \$195.00 | \$1,170.00 |
| 1.30 | Cast Iron Valve Box with Top Flange Minimum length 26 inches Top Sections with Covers Marked Water | \$28.00 | \$2,800.00 | \$30.00 | \$3,000.00 | \$38.50 | \$3,850.00 | \$87.00 | \$8,700.00 |

**VALVES, THRUST RESTRAINT AND SERVICE BOXES
 BID TABULATION**

| | | E. J. PRESCOTT | | VELLANO BROS., INC. | | WAR. WINWATER WORKS | | FERGUSON WATER WORKS | |
|-------|--|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Item# | Description | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount | Unit Bid Price | Total Amount |
| 1.31 | Cast Iron Valve Box Bottom Section Minimum length 36 inches | \$21.00 | \$2,100.00 | \$20.00 | \$2,000.00 | \$22.00 | \$2,200.00 | \$39.00 | \$3,900.00 |
| 1.32 | Cast Iron Valve Box Bottom Section Minimum length 48 inches | \$34.00 | \$3,400.00 | \$2,400.00 | \$2,400.00 | \$17.00 | \$1,700.00 | \$57.00 | \$5,700.00 |
| 1.33 | Cast Iron Curb Box 95-E, Length 24 inches Top Sections with Covers Marked Water | \$21.00 | \$2,100.00 | \$11.50 | \$1,150.00 | \$20.00 | \$2,000.00 | \$22.00 | \$2,200.00 |
| 1.34 | Cast Iron Curb Box 95-E Bottom Section Minimum Length 47 inches | \$27.00 | \$2,700.00 | \$12.50 | \$1,250.00 | \$27.00 | \$2,700.00 | \$29.00 | \$2,900.00 |
| | TOTAL | | \$132,250.00 | TOTAL | \$150,600.00 | TOTAL | \$136,772.00 | TOTAL | \$143,308.00 |

EXHIBIT F

November 15, 2007

KENT COUNTY WATER AUTHORITY
POLICY 94-1
SUBSTANCE ABUSE
APPROVED: FEBRUARY 16, 1994, EFFECTIVE: APRIL 1, 1994
REVISED: SEPTEMBER 17, 1997
REVISED: NOVEMBER 15, 2007

STATEMENT OF POLICY ON DRUG ABUSE

In order to assure a safe, efficient and drug free workplace, the following policy has been adopted by Kent County Water Authority. This policy covers all supervisors and employees. This policy may be updated and changed without notice in order to maintain compliance with changing law and regulations. Notwithstanding this policy, the rights of the employee are not abridged. This policy shall become effective November 15, 2007.

DEFINITIONS

"Alcohol" means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols including methyl and isopropyl alcohol.

"Controlled substance" for the purpose of testing includes amphetamines, heroin, morphine, cocaine, opiates, phencyclidine (PCP), and marijuana. Testing may be extended as well to other prescription medications listed on the DEA (Drug Enforcement Agency) schedule of controlled substances in a separately taken sample.

"Employee Assistance Program", hereinafter referred to as E.A.P. will consist for all employees, in need if referred by the Medical Review Officer and who will direct the employees to the proper agency or agencies for medical treatment or assistance. This will be at the expense of the employee. First time voluntary and mandatory participants in the E.A.P. will be on unpaid medical leave of absence with fringe benefits to continue pursuant to the contract for no more than 90 days. Currently, Kent County Water Authority uses the Resource International Employee Assistance Services, telephone number 732-9444 or 1-800-445-1195.

"Medical Review Officer", hereinafter referred to as M.R.O., means a licensed doctor of medicine (MD) or Osteopathy (DO) with knowledge of drug abuse disorders that is employed by or used by Kent County Water Authority. Currently, Kent County Water Authority uses staff doctors at The Warwick Medical Walk-In Room, 1131 Warwick Avenue, Warwick, Rhode Island, telephone number 785-9333.

"Possess" means to have upon the employee's person, in his or her personal effects, motor vehicle or areas substantially entrusted to the employee. Any violation of

this policy may result in summary discipline up to and including dismissal.

"Work site" shall be deemed to include any motor vehicle, office, building, yard or other property operated by Kent County Water Authority or any location, public or private, at which the employee is to perform work.

USE PROHIBITED

Employees will not consume or use any alcohol unless specifically authorized by the management or controlled substances at any time for a period of six (6) hours before the beginning of the work shift or during the work shift including dinner and coffee breaks, with the exception of those substances legally prescribed to them by a physician. Any violation of the policy may result in discipline, including discharge. Employees shall not report for work or work in a condition unfit for duty.

IMPAIRMENT PROHIBITED

Employees may use either over the counter medication or medication legally prescribed for them by a physician provided the physician has advised that the medication will not interfere with the employee's job performance.

Employees may use either over the counter medication or medication legally prescribed for them by a physician provided the physician has advised that the medication will not affect the employee's ability to safely perform employment.

Employees will not report for work, nor will they drive impaired by the use of alcohol or any other medication, over the counter medication or prescription medication, or any controlled substance which would impair their performance of their job functions. Any violation of the policy may result in summary discipline, up to and including immediate discharge of the employee.

POSSESSION PROHIBITED

No employee at any work site will possess any alcohol or controlled substance capable in sufficient quantity of impairing performance. The sole exception is possession of medication prescribed by a physician to the employee possessing it.

SUBSTANCE SCREENING

1. All final applicants for employment must be tested for use of controlled substances prior to employment. The test shall consist of a urine specimen and conform to standards set below. The standards shall be updated as required under future revisions of any applicable law.
2. Applicants who fail the drug test are medically ineligible for employment. Upon

obtaining appropriate medical evidence that the substance abuse problem has been resolved, the rejected applicant is eligible to reapply, and must be retested and pass the screening in order to obtain employment. It is to be understood that the initial failure shall be seen as reasonable cause for future testing for a period of sixty (60) months. Notwithstanding these provisions, applicants are free to pursue their own independent testing at their own expense.

3. All employees shall submit to testing for controlled substance abuse when there are reasonable grounds to believe it is impairing job performance. The employer's determination must be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, speech or body odors of the employee. Employees who fail the drug test are medically ineligible for continued employment. The conditions and standards of testing which apply shall be carried out pursuant to Rhode Island General Laws Title 28, Chapter 6.5, and Section 1.
4. A. All employees are required to attend a one (1) hour per year employee training seminar upon the drug free policy. This seminar shall cover:
 1. The effect of drugs;
 2. Expected standards of employee conduct under the policy including the consequences of their violation;
 3. General procedures for specimen collection including the confidentiality aspect; and
 4. What services are available as part of the Employee Assistance Program.
- B. Supervisors and managers are additionally required to attend at least one hour yearly of training necessary to implement the policy, including training concerning the following issues:
 1. Explaining the policy and its necessity to employees;
 2. The resources available to employees; and
 3. The ability to detect and confront alcohol and drug usage including initiation of drug testing under the reasonable basis portion of the policy.

MEDICAL REVIEW OFFICER

A Medical Review Officer (M.R.O.) is a required component of a drug screening program and serves two critical functions. Those functions are:

1. Evaluation of collection, transportation and laboratory procedures by virtue of chain of custody to ensure correct matches of sample to employees, and
2. Investigating possible legitimate causes of drug presence in the urine samples.

Responsibilities of the M.R.O. shall include:

1. Conducting a medical interview;
2. Receiving and reviewing test results;
3. Ordering re-analysis of original test samples;
4. Determining scientific validity of results;
5. Reviewing medical history, records, and biomedical factors and
6. Storing samples testing negative for one (1) year and positive samples for five (5) years.

CONSEQUENCES OF POSITIVE TEST FOR ALCOHOL AND CONTROLLED SUBSTANCES

1. A blood alcohol level of 0.02-0.04 mandates the employee be removed from any work site until the start of the employee's regular scheduled duty period, but not less than twenty-four (24) hours following the test.
2. A blood alcohol level of 0.04 or above mandates removal from duty, evaluation, rehabilitation, if necessary and to return-to-duty and follow-up testing. If an employee of Kent County Water Authority tests positive on the Blood Alcohol Test at a level of 0.04 or greater:
 - a. The employee will be suspended from work without pay until re-certified to Return to work by the Medical Review Officer.
 - b. When an employee tests positive, the employee will be referred to the EAP for mandatory assessment of alcohol or drug use. An employee cannot return to work until there has been a negative alcohol breath test or negative drug test and the Medical Review Officer has certified that he/she may return to the job. Failure to enter program or pass a subsequent test is grounds for immediate dismissal. Any employee who successfully completed EAP rehabilitation and returned to work and subsequently tests positive

for a second time will be referred to an EAP for further treatment at the expense of the employee and a third positive test shall be grounds for immediate dismissal.

- c. Any expense subsequent to testing positive on the initial alcohol or drug screen will be the responsibility of the employee.
- d. Employee Assistance Program. The Authority recognizes that personal problems such as drug use, problem drinking, and/or alcoholism may affect the employee's health and the employee's ability to safely perform on the job. It is the Authority's policy to offer assistance to employees and the Authority has provided an Employee Assistance Program to provide this help. Employees may call RIEAS themselves to set up an appointment or may be referred by their supervisor if there are job performance problems. In these situations, the EAP is voluntary for the employee. If an employee fails a breath alcohol test with a level above 0.04 and is referred to the EAP, the employee is mandated to attend the EAP assessment. Failure to attend may result in disciplinary action up to and including termination.
- e. Further information regarding the Drug Abuse Program is available upon request from RIEAS. Phone (401) 732-9444 or 1-800-445-1195.

TESTING

1. REPORTS AND TESTING FACILITIES:

Testing will be done by a laboratory certified by the Department of Health and Human Services and the National Institute on Drug Abuse. The results will be reviewed by a qualified Medical Review Officer (M.R.O.), who shall be the sole custodian of individual test results. Records shall be confidential and individual test results for any employee shall not be released by the Medical Review Officer to any person without first obtaining written permission from the tested employee. Exceptions include disclosure to:

- a. Any government agency required by law to examine all records related to the administration and results of controlled substance testing or;
- b. Other employees with job-related need to know or;
- c. Other employees, agents or lawyers for any legal action brought by

employee against employer.

2. EMPLOYEE'S QUALIFICATIONS FILE:

The only information to be retained in the employee's qualification file is that (1) the employee submitted to testing; (2) specifying the date tested; (3) the location at which tested; (4) the identity of the persons or entity performing the test; and (5) whether the finding was "positive".

3. URINE SAMPLES:

The employee shall arrive for testing at the time designated with positive identification. Urine testing shall be done in such a manner that the employee will have privacy during the taking of the sample. The employee will not be allowed to bring bags, pocketbooks, coats or other outer clothing with him or her while giving the sample. The employee will be allowed to possess his or her wallet during the test. The water in toilets in the testing area shall have a bluing agent added to them, and only cold water shall be available in the testing area. Samples will be tested for temperature (90° - 100° F), creatinine and specific gravity. Employees suspected of submitting doctored samples shall be required to give a second sample.

4. NOTIFICATION:

The Authority shall notify:

1. A final applicant of the results of a pre-employment controlled substance test provided the applicant requests the result within sixty (60) days of notification of the disposition of his or her application.
2. The employee in the event the results of a for cause test is positive. The company shall notify the employee what drug the positive result was returned for together with a copy of said results as soon as practicable. The employee shall have a reasonable opportunity to rebut or explain the results.

5. TESTING PROCEDURES:

A primary screening test shall be done utilizing Enzyme Multiplied Immunoassay Technique-type (EMIT) or Radio Immunoassay-type (RIA) immunoassay testing. The follow up or confirmatory test in cases where a positive result is registered in the screening shall consist of Gas Chromatography or Mass Spectrometry (GC/MS) testing of the sample. This follow up test is to be performed at the expense of the employer.

The employee shall be informed and shall have the opportunity to have the sample tested or evaluated by an independent testing facility at the employer's expense. A multiple part carbonless custody and control form shall be utilized during the taking of the urine sample. Part 1 shall accompany the specimen to the laboratory. Parts 2, 3, 4 and 5 shall go respectively to the Medical Review Officer, employee, the collection site (if distinct from the employer) and the employer representative. The information to be included in the form is:

1. A unique preprinted Specimen Identification Number;
2. The employee's employee identification number or social security number, to be entered by the employee;
3. Type of test (pre-employment, reasonable cause, periodic) conducted, to be entered by the employer representative or collector;
4. A block providing "Collector must note temperature of specimen has been read and record here if not within the range of 32° - 38° C/ 90° - 100° F";
5. A chain of custody block providing areas to mention:
 - a. Purpose of change;
 - b. Who released by (sign and print);
 - c. Who received by (sign and print); and
 - d. Date of transfer.

Pre-printed on initial spaces for (a) and (b) shall be "provide specimen for testing" and "Donor", respectively;

6. A portion of the form to be filled out by the collection site person as to person, date, identification number and unusual circumstances surrounding the test, to be signed by the collection site person, a statement by the collection site person stating:

"I certify that the specimen identified on this form is the specimen presented to me by the employee providing the certification below, that I have verified that it bears the same identified verification number as that set forth above, and that it has been collected, labeled and sealed as required by the instructions provided."

7. A portion of the form to be filled out by the laboratory after analysis shall include the following notation:

"I certify that the specimen identified by this assessment number is the same specimen that bears the identification number set forth above, that the specimen has been examined upon receipt, handled and analyzed in accordance with applicable Federal requirements, and that the results attached are for that specimen."

8. The employee shall sign a portion of the form stating:

"I specify the urine specimen identified on this form is my own; that it is fresh and has not been adulterated in any manner, and that the identification information provided on this form and collection bottle is correct. I consent to the submission of this specimen to the certified laboratory designated by my employer to the analysis of the specimen for controlled substances and/or alcohol as provided by legal requirements, and to the release of test results from that analysis to the Medical Review Officer designated by my employer."

(A copy of the form shall be attached at the end of this document.)

A tamper proof sealing system shall be used upon specimen containers, and the container shall be numbered identically to the chain of custody form.

The threshold allowable levels shall be as follows:

| Drug | EMIT or RIA | C or MS |
|---------------------|--|-----------|
| Amphetamines | 1000 ng/ml | 500 ng/ml |
| Opiate metabolites | 300 ng/ml | 300 ng/ml |
| Cocaine metabolites | 300 ng/ml | 150 ng/ml |
| Phencyclidine | 25 ng/ml | 25 ng/ml |
| Marijuana | 50 ng/ml | 15 ng/ml |
| Alcohol | Levels prescribed by Title 31, Chapter 27 of RIGL and Department of Transportation Regulations | |

Samples above these levels shall be seen as a positive. The Medical Review Officer upon the finding of positive results shall attempt to interview the employee regarding circumstances such as medications which may result in false positives. Upon two (2) unsuccessful attempts to speak with the employee, the M.R.O. shall contact the employer representative. The employer representative shall arrange two (2) times when such contact may take

place. Should no contact take place, the M.R.O. shall list the test as "Positive - NC", meaning positive with no contact. This shall be seen as a conclusive positive result for the purposes of the E.A.P. program and discipline as listed above.

Statement of Kent County Water Authority revised policy on drug abuse to become effective November 15, 2007.

Substance Abuse

I, _____, have read this Statement referring to substance abuse, I am fully aware of its contents and understand all aspects of the policy. I am aware that it becomes effective November 15, 2007 and as an employee of the Kent County Water Authority will adhere to all requirements of that policy as stated.

I hereby certify to the above statement as true and correct.

(Name)

(Date)

(Witness)

Drug Consent Form

DATE: _____
(month/day/year)

I, _____, _____, _____
(name of person) (address) (city/town)

specify the urine specimen identified on this form is my own; that it is fresh and has not been adulterated in any manner, and that the identification information provided on this form and collection bottle is correct. I consent to the submission of this specimen to the certified laboratory designated by my employer to the analysis of the specimen for controlled substances and/or alcohol as provided by legal requirements, and to the release of test results from that analysis to the Medical Review Officer designated by my employer.

WITNESS:

EXHIBIT G

November 15, 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 |
| Clean Water Infrastructure Plan 2008 | RFP Issued |

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, Pump Effectiveness |
| Read School House Road Tank CIP - 7B | Design Underway 75% Review Set |
| Read School House Road Main CIP 7c, 7d, 8a | Bid Date - January 3, 2008 |

IFR FUNDED PROJECTS

| PROJECT | STATUS |
|--|--|
| IFR 2005 | Tiogue Tank Re-service Separate Bid, Paving Issue to Discuss |
| IFR 2006 A | Construction Ongoing and is ready for PWSB Interconnection |
| 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 Approval and Chairman Signature |
| Greenwich Avenue Replacement | Construction Ongoing |
| Hydraulic Tank Evaluation | Copies Need To Be Finalized and ready for Final Acceptance |
| Quaker P. S. Evaluation/Preliminary Design | Design Underway Easement Review |
| Tech Park Tank Recoating | Completed |
| Tiogue Tank Re-Service | Ready for Bid and need to set bid date |
| Hydrant Painting | Color Selection/Coding/Need |