

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

June 19, 2008

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on June 19, 2008.

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 Bevans, and other interested parties.

The minutes of the Board meeting of April 24, 2008 and May 15, 2008 were moved for approval by Board Member Graham and seconded by Board Member Gallucci and were unanimously approved.

Guests:

High Service Requests

3740 Division Road, Robert Siple III

Robert Siple III informed the Board that his home is currently serviced by a well which runs dry in the summer months. He and his wife have developed skin rashes from the water despite his costly improvements to wit, installing a filter on the well due to the high mineral content in the water. It was moved by Board Member Masterson and Board Member Graham to conditionally approve water supply to service a single family home due to hardship for health issues subject to the following conditions in lieu of a moratorium:

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

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

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

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

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

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

And it was unanimously,

VOTED: To conditionally approve water supply to service a single family home due to hardship for health issues subject to the following conditions in lieu of a moratorium:

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

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

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

4. The applicant shall file a formal single family home application. The applicant/customer understands that any undetected error in the

application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.

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

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

Hopkins Hill Commerce Park, Building 6, DiPrete Engineering

K. Joseph Shekarchi, Esq. was in attendance on behalf of the applicant, Joseph Barbera, along with Kevin Morin of DiPrete Engineering. Mr. Shekarchi stated that the site is now serviced by Kent County Water Authority for fire only. The proposed use is an indoor recreational facility for children and would be primarily used on the weekends and not use a significant amount of water and would be service for this site only. He stated that well service can not be used because a public well service is required and there would be many restrictions imposed and easements would be required. Mr. Morin showed the Board site plans and stated that the Town of West Greenwich approved the use for this site. He stated that the size of the building is 9,900 square feet and peak water use would be 1,530 gallons/day with a peak number of six employees on the weekend. Mr. Morin said that the water use for this site was verified by comparing it to a similar project in Connecticut and that the Rhode Island Department of Environmental Management 2008 figures/calculations were used. The General Manager inquired of the applicant if another line would be brought in from Hopkins Hill Road. Mr. Morin replied in the negative. The General Manager reminded Mr. Morin that the approved line is for fire service only and no domestic use is permitted because there is insufficient flow for domestic use. Therefore, there is a risk for contamination if domestic tie-in were permitted. The applicant agreed to bring in a separate service for domestic use.

It was moved by Board Member Gallucci and seconded by Board Member Graham to conditionally approve the request for domestic water supply subject to applicant installing a separate service for domestic use and subject to design approval by the General Manager/Chief Engineer, as necessary to service Building No. 6 of the Hopkins Hill Commerce Park, with the following conditions in lieu of a moratorium:

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

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

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

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

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

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

And it was unanimously,

VOTED: To conditionally approve the request for domestic water supply subject to applicant installing a separate service for domestic use and subject to the design approval by the General Manager/Chief Engineer, as necessary to service Building 6 of the Hopkins Hill Commerce Park, with the following conditions in lieu of a moratorium:

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

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

unavailable or unable to produce water sufficient to service the customers of KCWA.

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

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

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

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

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. The executed easement document from Amgen legal counsel was received however, the description for the easement area was omitted. A plan was received, however, it is not clear as to the situs of the easement area. Therefore, Legal Counsel has requested from Amgen another plan that clarifies the easements area, however, Amgen was unable to provide Kent County Water Authority counsel with another plan. Kent County Water Authority further reviewed the easement matter and Legal Counsel will advise Amgen Legal Counsel to correct the legal description and provide a plan with an engineering stamp for recording.

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. Legal Counsel contacted the owner and he stated that the real estate may be under sales contract. Legal Counsel for the owner of the property met with the General Manager and Legal Counsel with respect to historical easements on the site. The owner will grant Kent County Water Authority additional easement area for the renovations to the station and Kent County Water Authority will extinguish an easement no longer utilized by Kent County Water Authority for ingress/egress to the station. Kent County Water Authority has obtained the legal descriptions for the respective easement areas and Legal Counsel has forwarded the easement deeds to Legal Counsel for the owner for their review. Legal Counsel has received from Legal Counsel for the owner an instrument to extinguish the former easement. The instrument was approved by Legal Counsel and Kent County Water Authority. The owner requested indemnification from Kent County Water Authority for maintenance of the retaining wall post construction. Legal Counsel has informed owner that Kent County Water Authority can not indemnify owner during or after construction of the retaining wall as it is located on property not owned by Kent County Water Authority and the wall was not maintained by Kent County Water Authority in the past. However, the agents and contractors are insured which will address any liability concerns of the property owner during construction of the wall. The owner was provided by Kent County Water Authority with a copy of the report on the condition of the wall. The owner will provide easements to Kent County Water Authority to expand the existing area for the station renovations and Kent County Water Authority will extinguish its easement rights to an area parallel to Bald Hill Road. Kent County Water Authority will obtain a license from Baltic Realty to

utilize the construction easement area. The other easements are finalized and will be recorded in the Warwick. Rhode Island Land Evidence Records on June 20, 2008.

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 and is scheduled for February 4, 2008 by the Division of Public Utilities and Carriers and is now awaiting decision from the Hearing Officer. Due to water quality issues on Philip Street, Legal Counsel will move for a postponement of the decision of the Hearing Officer and he will have continued discussion with the General Manager concerning the possibility of an amendment of the IFR program. A settlement offer was drafted by the Department of Attorney General and is being considered by Legal Counsel and General Manager and they have spoken and are awaiting the status of the job. This matter is on hold until the disposition of the 2006 and 2007B bid.

Padula Easement/Flat Top

Legal Counsel for the Developer advised that this project is hold.

Department of Health Rules and Regulations

Legal Counsel forwarded to Gregory A. Madoian, Esq., Legal Counsel for the Department of Health, the proposed private water system rules and regulations amendments as pertaining to public drinking water. These amendments were prepared by Legal Counsel, the General Manager and the staff. Legal Counsel also placed a telephone call to Mr. Madoian. Mr. Madoian contacted Legal Counsel who stated that the rules and regulations will be reviewed the week of April 15, 2007. Legal Counsel subsequently inquired of the Department of Health and it is still being considered. Legal Counsel has and will continue to contact the Department of Health until he receives an answer. This has been a frustrating issue in that the Department of Health has had these proposed regulations since April 9, 2007. Legal Counsel has sent letters and telephone calls in an attempt to schedule a meeting with the General Manager and Department of Health officials who do not seem to be motivated to address this serious issue. Legal Counsel will continue to pursue this issue, albeit there is serious resistance and he sent a letter to the Department of Health Legal Counsel on March 11, 2008 and is awaiting word on a meeting. Legal Counsel telephoned Mr. Madoian on several occasions, including June 12, 2008.

G-Tech

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.

G-Tech has filed a Declaratory Judgment/Restraining Order action and Kent County Water Authority has filed a Motion to Dismiss which will be briefed on January 4, 2008 with response by G-Tech for January 25, 2008 and hearing scheduled for February 1, 2008. Kent County Water Authority brief was filed with the Kent County Superior Court on January 4, 2008. The matter has been dismissed and G-Tech will pursue with the DPUC. Legal Counsel received a letter from Attorney William Landry on January 28, 2008 stating that they will file with the DPUC. As of April 17, 2008, G-Tech had not filed with DPUC and Legal Counsel for Kent County Water Authority will follow up as to status and the General Manager to follow up with Legal Counsel.

River Point Lace Works

The Company has gone into receivership and owes Kent County Water Authority approximately \$50,000. Legal Counsel has appeared at Court and has had conferences with the Receiver and will monitor the proceedings. Palmisciano-Ponte Investment Group LLC purchased business only as a going concern. Lender foreclosed on real estate and was highest bidder at foreclosure. Lender in discussion with Palmisciano-Ponte Investment Group LLC regarding Palmisciano-Ponte Investment Group LLC purchasing real estate. All parties are aware of Kent County Water Authority statutory lien and Legal Counsel will continue to monitor situation and pursue collection of debt. Legal Counsel has had further discussion with Lender and there is no change in status of the property. Lender requested updated figure on balance owed to Kent County Water Authority which was provided by Legal Counsel.

Lender paid pre-petition debt in the sum of \$42,600.32 on April 30, 2008. Legal Counsel will continue to pursue collection of post-petition debt with Lender.

Providence Water Supply Board Rate Case

The Providence Water Supply Board rate case is in the Supreme Court appealing the Post City contributions which were denied by PUC and the counsel for DPUC has entered his appearance and Kent County Water Authority has offered to assist Providence Water Supply Board but have not been called upon at this point.

Harris Mills

The company has gone into receivership. Kent County Water Authority is owed \$3,537.41. Permanent receivership to be appointed. Legal Counsel will monitor for proof of claim filing.

Hope Mill Village Associates

The company is in receivership. Kent County Water Authority is owed \$1,632.44. Legal Counsel to prepare and file proof of claim.

Letter of Engagement

The General Manager informed the Board of the one year letter of Petrarca and McGair, Inc. for General Legal Counsel from July 1, 2008 to June 30, 2009 as evidenced and attached as "A". Board Member Inman stated that he believes that legal services as well as other professional services should be by request for proposal. He acknowledged that this issue was advertised last year to write the RFP and that no responses were received to the RFP. Board Member Inman stated that it is appropriate to advertise the preparation of the specifications for Legal Counsel. Board Member Masterson opined that since there was no response to the RFP last year and due to the fact that Kent County Water Authority is in the midst of a PUC filing, legal services by

the current Legal Counsel is necessary. Board Member Gallucci stated that Kent County Water Authority should for the present continue with the current legal counsel and to await any responses to the RFP.

It was moved by Board Member Inman and seconded by Board Member Graham to approve to have an RFP drafted to write the legal services RFP. Board Member Masterson voted in the negative for an RFP to write the legal services RFP and all other Board Members voted in the affirmative to approve the drafting of an RFP to write the legal services RFP and it was unanimously,

VOTED: To approve the drafting of an RFP to write the legal services RFP services.

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 April, 2008, which is attached as “B” 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 April, 2008 be approved as presented and be incorporated herein and are made a part hereof as “B”.

Point of Personal Privilege and Communications:

Board Member Graham is proud of the award received by Kent County Water Authority from the Environmental Protection Agency.

Board Member Inman stated that the employees are doing a great job on Washington Street (Coventry) and the employees worked in extreme heat conditions.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT

OLD BUSINESS:

KCWA Rate Filing (Status)

The General Manager reported to the Board that the matter was still ongoing. Warwick was allowed to intervene by the PUC and a hearing for public comments is scheduled for July 10, 2008 at the PUC at 7:00 p.m.

New Business

Bid Awards

Tiogue Re-service

The General Manager informed the Board that six bids were received as evidenced in his memorandum and attached as “**C**”. The General Manager stated that it was necessary for the Tiogue Avenue station to be off service this winter. The two lowest bidders were \$90.00 apart. The lowest bid received was from D’Ambra Construction Co., Inc. in the amount of \$2,023,720.00. The General Manager recommended accepting the bid of D’Ambra Construction Co., Inc. and it was moved by Board Member Masterson and seconded by Board Member Graham to award the bid for the Tiogue Avenue re-service to D’Ambra Construction Co., Inc. in the amount of \$2,023,720.00 as evidenced and attached as “**C**” and it was unanimously,

VOTED: To award the bid for the Tiogue Avenue re-service to D’Ambra Construction Co., Inc. in the amount of \$2,023,720.00 as evidenced and attached as “**C**”.

Read School House Tank

The General Manager stated that the Read School House Capital Improvement 7A was a capital project under the bond funds. The General Manager stated that three bids were received as evidenced in his memorandum and attached as “**D**” to wit, Natgun Corporation, Preload Inc., and Waterline Industries Corporation. Natgun Corporation has previously built the concrete tanks of Kent County Water Authority. The General Manager stated that both Natgun Corporation and Preload, Inc. did not initially comply with all of the Kent County Water Authority requirements, however, after request by Kent County Water Authority, Natgun Corporation complied. The General Manager informed the Board that the Pare Engineer recommended that the bid of Natgun Corporation be accepted. The General Manager stated that the Board could also elect to reject all bids and rebid the project due to the June 16, 2008 letter to the Chairman from Preload, Inc. regarding a potential claim of Preload, Inc. as evidenced and attached as “**E**”. The General Manager further informed the Board of the emergent nature of the project and that if the work does not commence now, it would result in scheduling problems and the project would be delayed one year and would have grave implications including increased costs. The Chairman opined that Kent County Water Authority followed proper procedure and time is of the essence in getting the project underway and that Kent County Water Authority stands on solid ground, therefore, the Chairman recommended awarding the bid to Natgun Corporation in the amount of \$2,127,775.00. George Parmesano of Pare Engineering was in attendance and he stated that if the project was rebid, commencement of the project will not occur until next spring resulting in increased costs to Kent County Water Authority.

Board Member Gallucci stated that if there were no time consideration with respect to the project getting underway, Board Member Gallucci would have considered the PreLoad request. Board Member Masterson inquired of the General Manager the number of tanks built by Preload, Inc. and Natgun Corporation.

It was moved by Board Member Masterson and seconded by Board Member Graham to award the bid for the Read School House Capital Improvement 7A to Natgun Corporation in the amount of 2,127,775.00 as evidenced and attached as “D” and it was unanimously,

VOTED: to award the bid for the Read School House Capital Improvement 7A to Natgun Corporation in the amount of 2,127,775.00 as evidenced and attached as “D”.

Proposal Awards

IFR 2009A and 2009B Approval

The General Manager provided the Board with the request for proposal for the design IFR 2009 A and 2009B. He informed the Board that this request is dependent on the current PUC rate case request. The General Manager stated that Kent County Water will be able to go to design. The General Manager recommended the bid of James J. Geremia & Associates in an amount not to exceed \$87,565.00. The bid of C & E Engineering Partners, Inc. was the second lowest bid not to exceed \$114,093.

It was moved by Board Member Masterson and seconded by Board Member Graham to award the bid for the IFR 2009A and 2009B to James J. Geremia & Associates in the amount of \$87,565.00 as evidenced and attached as “F” and it was unanimously,

VOTED: To award the bid for the IFR 2009A and 2009B to James J. Geremia & Associates in the amount of \$87,565.00 as evidenced and attached as “F”.

Legislative Bills for Review

The General Manager stated that there were two active bills to monitor. Bill number 8190 is a House bill which was e-mailed to the Board Members by the General Manager. The bill was on the House docket for June 19, 2008. The hydrant bill will likely pass and then cross over to the Senate. The passage of this bill would result in a loss of approximately \$1.1 million and would require an emergency rate filing.

Bill number 2798 regarding water responsibilities was passed and will cross over to the House. The bill is in House Committee now. Kent County Water Authority forwarded its comments concerning the bill. The General Manager does not know at this point whether or not the bill will be modified. With respect to the hydrant bill, Board Member Inman inquired of the General Manager as to whether or not Kent County

Water Authority will testify at the legislative hearing and the General Manager replied in the negative. Board Member Inman suggested that a letter be prepared by Kent County Water Authority and forwarded to the speaker of the House indicating the objection of Kent County Water Authority to the bill.

Customer Count by Town

The General Manager stated that the customer count will be revised at the end of the fiscal year.

Construction Services Read School House Tank

The General Manager stated that because of the economic reality, Kent County Water Authority is experiencing deficiencies in the Capital budget and that Kent County Water Authority can obtain better pricing with respect to the RFP for construction services. Therefore, the General Manager recommended that Kent County Water Authority not exercise the option to use recommended pricing of the engineer and for Kent County Water Authority to bid this project.

It was moved by Board Member Masterson and seconded by Board Member Graham for Kent County Water Authority to bid request proposals for this service and it was unanimously,

VOTED: For Kent County Water Authority to bid request proposals for this service.

C& E Proposal Hydraulic Modeling Approval

The General Manager informed the Board that additional modeling is required to study the potential of pressure reducing valves instead of a storage tank. C & E Engineering Partners, Inc. would perform multiple tasks to see if there is a potential to pump to low and high service which would save approximately \$2,000,000 in cost. The General Manager provided the Board with the scope of services document from C & E Engineering Partners, Inc. as evidenced and attached as “G” and recommended to the Board to go forward with the modeling. The General Manager stated that he spent a great deal of time reviewing this matter with Kevin Fitta and recommends the additional modeling be pursued.

It was moved by Board Member Gallucci and seconded by Board Member Masterson to approve the proposal from C & E Engineering Partners, Inc. for additional modeling as evidenced and attached as “G” and it was unanimously,

VOTED: To approve the proposal from C & E Engineering Partners, Inc. for additional modeling as evidenced and attached as “G”.

Resolution for Authorized Signers, Pension Trust

The General Manager stated that after the lengthy financial presentation by Joseph F. Bonasera, President of Summit Financial Corporation and much discussion, modifications to the pension plan were voted during the May, 2008 Board meeting. The General Manager stated that signatories are required by Nationwide Insurance and the Chairman of the Board, Robert B. Boyer, Treasurer, Joseph E. Gallucci, P.E./General Manager, Timothy J. Brown and Secretary of the Kent County Water Authority, Arthur Williams are required signatories. The General Manager read the resolution to the Board authorizing the signatories as evidenced and attached as "H".

It was moved by Board Member Graham and seconded by Board Member Masterson to approve the resolution authorizing the signatories as Chairman of the Board, Robert B. Boyer, Treasurer, Joseph E. Gallucci, P.E./General Manager, Timothy J. Brown and Secretary of the Kent County Water Authority, Arthur Williams and it was unanimously,

VOTED: To approve the resolution authorizing the signatories as Chairman of the Board, Robert B. Boyer, Treasurer, Joseph E. Gallucci, P.E./ General Manager, Timothy J. Brown and Secretary of the Kent County Water Authority, Arthur Williams.

Budget Review and Approval

The General Manager gave a lengthy presentation to the Board with the proposed budget as evidenced and attached as "I". The General Manager stated that fiscal year 2006 and 2007 were used in formulating the budget for this year. He stated that current legislation was also considered in formulating the budget. The General Manager stated that \$6 million is sought under the IFR and that salary increases for employees of the Kent County Water Authority are proposed. He stated that the pension contribution is current. The General Manager informed the Board that Kent County Water Authority needs to find additional water supply and it will be costly and if additional supply is not found, future proposals may have to be rejected. He reminded that Kent County Water Authority has a supply source strategy and that Quaker Lane needs to be upgraded. He stated that Kent County Water Authority needs to seek bond funds for the water line on Route 2. Further, he said that Kent County Water Authority has made major strides with the IFR and Capital projects and is experiencing fewer line breaks due to upgrading and replacing. He stated that the system is operating much better now and the customers of Kent County Water Authority are receiving improved service. The General Manager informed the Board that the projected total revenue is \$19,266,000 and the projected operating costs are \$9,458,300. Income of \$9,802,300 is required to fund the restrictive capital if all revenues are received. He particularly pointed out the material on pages 2 and 3 of the budget which set forth the revenues and operating expenses. He stated that the material on page 4 sets forth the capital budget and restricted capital, e.g. vehicles, computers, upgrading the telephone system.

He reminded all that page 5 reflects the IFR funding. He acknowledged that customer growth is minimal due to economic factors and that there are no changes in the budget proposed for employee benefits.

The General Manger gave the Board an overview of employee payroll and a lengthy discussion ensued with respect to the budget and payroll increases for employees of the Kent County Water Authority.

It was moved by Board Member Masterson and seconded by Board Member Graham to approve and adapt the 2008-2009 budget as attached as “I” and it was unanimously,

VOTED: To approve and adapt the 2008-2009 budget as attached as “I”.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS :

Change Order No. 5:

The General Manager recommended that the Board approve Change Order No. 5. He presented correspondence dated June 13, 2008 from C & E Engineering Partners, Inc. as evidenced and attached as “J” setting forth Change Order No. 5 with respect to the rehabilitation of the Clinton Avenue Pumping Station. The new contract price is \$4,428,916.79. C & E Engineering Partners, Inc. reviewed the pricing and a final payment request is required.

It was moved by Board Member Graham and seconded by Board Member Masterson to accept and approve Change Order No. 5 in the amount of \$4,428,916.79 as evidenced and attached as “J” and it was unanimously,

VOTED: To accept and approve Change Order No. 5 in the amount of \$4,428,916.79 as evidenced and attached as “J”.

There was general discussion concerning current Capital Projects and Infrastructure Projects as presented to the Board by the General Manager.

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

VOTED: To adjourn the meeting at 6:15 p.m.

Secretary Pro Tempore

EXHIBIT A

June 19, 2008



797 BALD HILL ROAD
WARWICK, RI 02886

401-821-1330

FAX 401-823-0970

E-MAIL: jjm@petrarcamcgair.com

www.petrarcamcgair.com

LETTER OF ENGAGEMENT

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

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

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

This Letter of Engagement is specifically exclusive of bonding services.

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

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

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

This Letter of Engagement covers the period of July 1, 2008 to June 30, 2009.

PETRARCA AND McGAIR, INC.

By:

Joseph J. McGair, President

Letter of Engagement is
accepted and approved:

KENT COUNTY WATER AUTHORITY
By:

Robert B. Boyer, Chairman
Dated: _____

EXHIBIT B

June 19, 2008

REPORT DATE 04/30/2008
 SYSTEM DATE 06/11/2008
 FILES ID Z

Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 General
 AS OF 04/30/2008

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
ASSETS:					
CURRENT ASSETS					
UTILITY PLANT IN SERVICES					
1-101A	SOURCE OF SUPPLY PLANT	1841540.53	1841540.53		
1-101B	PUMPING PLANT	2862163.71	2862163.71		
1-101C	WATER TREATMENT PLANT	141257.29	141257.29		
1-101D	TRANS. & DISTR. PLANT	67782708.40	59686194.90	8096513.50	13.57%
1-101E	GENERAL PLANT	2398418.44	1654172.65	744245.79	44.99%
1-101F	MISCELLANEOUS PHYS. PLANT	710.00	710.00		
1-101G	GENERAL STRUCTURES	223350.52	148181.48	75169.04	50.73%
1-1070	CONSTR. WORK IN PROGRESS	21757148.44	20991943.68	765204.76	3.65%
1-1110	ACCUM. DEPR. - PLANT	-12213944.16	-11125327.55	-1088616.61	9.79%
TOTAL	UTILITY PLANT IN SERVICES	84793353.17	76200836.69	8592516.48	11.28%
CURRENT AND ACCRUED ASSET					
1-131B	CASH - FLEET NAT BANK	344161.08	354660.98	-10499.90	-2.96%
1-131D	CASH - CITIZENS BANK	40000.00	14048.63	25951.37	184.73%
TOTAL	CURRENT AND ACCRUED ASSET	384161.08	368709.61	15451.47	4.19%
OTHER SPECIAL DEPOSITS					
1-134B	RESTRICTED DEBT RESERVE	3883383.35	3883383.35		
1-1340	SPECIAL DEPOSITS	33739988.70	35024293.06	-1284304.36	-3.67%
1-1350	PEITY CASH	300.00	300.00		
1-1420	CUSTOMER ACCTS. RECEIVAB.	1476374.75	1378890.41	97484.34	7.07%
1-1430	OTHER A/R	-19677.40	-1789.96	-17887.44	999.32%
1-1440	PROV. FOR UNCOLLECTED ACT	-103683.30	-103683.30		
1-154A	SALVAGE MATERIALS	147.70	147.70		
1-1540	PLANT MATERIAL & SUPPLIES	407495.39	413790.26	-6294.87	-1.52%
1-165A	PREPAID INSURANCE	18550.45	18692.43	-141.98	-.76%
1-165B	PREPAID PENSION	164.56	164.56		
1-1810	UNAMORTIZED DEBT DISCOUNT	427939.65	484809.65	-56870.00	-11.73%
TOTAL	OTHER SPECIAL DEPOSITS	39830983.85	41098998.16	-1268014.31	-3.09%
CLEARING ACCOUNTS					
1-184A	NEW SERVICES CLEARING	449.39	449.39		
1-184D	CUSTOMER SRVCS - CLEARING	613.93	2327.19	-1713.26	-73.62%
TOTAL	CLEARING ACCOUNTS	1063.32	2776.58	-1713.26	-61.70%
CURRENT ASSETS					
TOTAL	CURRENT ASSETS	125009561.42	117671321.04	7338240.38	6.24%
TOTAL ASSETS					
TOTAL	TOTAL ASSETS	125009561.42	117671321.04	7338240.38	6.24%

REPORT DATE 04/30/2008
 SYSTEM DATE 06/11/2008
 FILES ID Z

Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 general
 AS OF 04/30/2008

ACCOUNT NUMBER ACCOUNT DESCRIPTION CURRENT YEAR PREVIOUS YEAR DIFFERENCE FROM PREV YEAR PERCENTAGE

LIABILITIES AND FUND BALANCES:

LIABILITIES:

CURRENT LIABILITIES
 PROPRIETARY CAPITAL
 1-2160 UNAPPR. EARNED SURPLUS 63756968.75 56651005.51 7105963.24 12.54%
 TOTAL 63756968.75 56651005.51
 PROPRIETARY CAPITAL
 LONG TERM DEBT 1-2210 BONDS 36052253.00 38298479.00 -2246226.00 -5.87%

CURRENT & ACCRUED LIAB.
 1-2332A ACCOUNTS PAYABLE- TRADE 522059.98 349930.70 172129.28 49.19%
 1-23360 TAXES ACCRUED 51621.46 49937.57 1683.89 3.37%
 1-237B INTEREST ACCRUED 559490.33 608415.09 -48924.76 -8.04%
 1-2610 ACCRUED INSURANCE 25062.37 25062.37
 1-2630 ACCRUED PENSION 189023.00 189023.00
 TOTAL 1347257.14 1222368.73 124888.41 10.22%

TAX COLLECTION PAYABLE
 1-241A FTT WITHHOLDING -10.37 4109.66 -4120.03 -100.25%
 1-241B FICA WITHHOLDING 7669.03 2622.87 -5046.16 -65.82%
 1-241C ACCRUED FICA TAXES -17466.52 8364.63 -25831.15 -307.62%
 1-241D ACCRUED SALES TAX 98690.68 11296.22 -87394.46 -90.58%
 1-241E WITHHELD RI INCOME TAX 14411.00 1184.56 -13226.44 -112.54%
 1-241F WATER PROTECTION CHARGE 393.82 108451.04 -108057.22 -100.00%
 1-241G TDI WITHHELD 14411.00 811.64 -13599.36 -100.00%
 1-242C ACCRUED PAYROLL 2078866.62 13906.13 -2058078.45 -100.00%
 1-2520 CUSTOMER ADV. FOR CONSTR. 2182554.26 38610.50 -2143943.76 -100.00%
 TOTAL 2182554.26 189357.25 -1993197.01 1052.61%

OTHER DEFERRED CREDITS
 1-2710 CONTRIB. IN AID TO CONSTR. 16380983.07 15539258.07 841725.00 5.42%
 TOTAL 16380983.07 15539258.07 841725.00 5.42%
 OTHER DEFERRED CREDITS
 TOTAL 119720016.22 111900468.56 7819547.66 6.99%
 CURRENT LIABILITIES
 TOTAL 119720016.22 111900468.56 7819547.66 6.99%

FUND BALANCES:
 FUND BALANCE

REPORT DATE 04/30/2008
 SYSTEM DATE 06/11/2008
 FILES ID 2

Kent County Water Authority
 COMPARATIVE BALANCE SHEET
 general
 AS OF 04/30/2008

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
TOTAL					
FUND BALANCE					
TOTAL					
FUND BALANCES					
EXCESS OF REVENUE		5289545.20	5770852.48	-481307.28	-8.34%
OVER EXPENDITURES					
TOTAL LIABILITIES AND		125009561.42	117671321.04	7338240.38	6.24%
FUND BALANCES					

REPORT DATE 06/11/2008
 SYSTEM DATE 06/11/2008
 FILES ID Z

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 Kent County Water Authority
 AS OF 04/2008

ACCOUNT DESCRIPTION	BUDGET	ACTUAL	ACTUAL OVER/UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/UNDER BUDGET
CUSTOMER RECORDS LABOR	12300.00	13972.90	-1672.90	135000.00	142862.08	-7862.08
CUSTOMER RECORDS SUPP	4400.00	4466.70	-66.70	48400.00	51379.02	-2979.02
TOTALS FOR CUSTOMER ACCT. EXPENSES	22300.00	23235.52	-935.52	245100.00	265039.43	-19939.43
ADM & GENERAL SALARIES	25100.00	27450.63	-2350.63	275800.00	280776.56	-4976.56
OFFICE SUPPLIES & EXP	10100.00	11379.75	-1279.75	101000.00	93276.44	7723.56
OUTSIDE SERVICES	12300.00	8455.07	3844.93	122500.00	150351.92	-27851.92
PROPERTY INSURANCE	14000.00	12502.99	1497.01	139500.00	147239.02	-7739.02
INJURIES & DAMAGES	100.00	100.00	100.00	800.00	800.00	800.00
EMPLOYEE PENSION & BENEF	45200.00	45545.09	-345.09	661600.00	659971.80	1628.20
REGULATORY COMM EXP	9400.00	11035.31	-1635.31	136800.00	124208.61	12591.39
MISC GENERAL EXPENSE	3400.00	2500.00	900.00	34700.00	10666.00	24034.00
MISC GENERAL EXPENSE	1300.00	1250.00	50.00	12500.00	12568.43	-68.43
MISC GENERAL EXPENSE	3000.00	19571.23	-2971.23	30000.00	15492.65	14507.35
MAINT GENERAL PLANT	16600.00	9826.44	1926.44	182400.00	142475.82	39924.18
MAINT VEHICLES	7900.00	12217.52	-7182.48	86600.00	86473.86	126.14
UNASSIGNED TIME VAC HOL	19400.00	161734.03	6065.97	213600.00	207660.34	5939.66
TOTALS FOR ADM. & GENERAL EXPENSES	167800.00	161734.03	6065.97	1997800.00	1931161.45	66638.55
DEPRECIATION EXPENSE	85700.00	85658.00	42.00	856500.00	856580.00	-80.00
TAXES OTHER THAN INCOME	13000.00	12844.16	155.84	143200.00	139781.71	3418.29
INTEREST-LONG TERM DEBT	136000.00	135975.00	25.00	1359800.00	1359750.00	50.00
AMORTIZATION OF DEBT DISC	5000.00	5017.00	-17.00	50100.00	50170.00	-70.00
TOTALS FOR OTHER EXPENSES	239700.00	239494.16	205.84	2409600.00	2406281.71	3318.29
TOTALS FOR EXPENDITURES	838100.00	947487.20	-109387.20	9449700.00	9553970.71	-104270.71
EXCESS OF REVENUE OVER EXPENDITURES	161600.00	-22605.18	-184205.18	5218600.00	5289545.20	70945.20

REPORT DATE 06/11/2008
 SYSTEM DATE 06/11/2008
 FILES ID Z

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 Kent County Water Authority
 AS OF 04/2008

PAGE 4
 TIME 06:35:12
 USER CINDYH

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R - T O - D A T E	
	BUDGET	ACTUAL	BUDGET	ACTUAL
OTHER ADJUSTMENTS TO FUND BALANCE		0.00		
FUND BALANCES - JULY 1		63756968.75		
FUND BALANCES - APRIL 30		69046513.95		
		=====		

ACTUAL OVER/
 UNDER BUDGET

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

AUG Y	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	KATE RECEIPTS FY 07-08	KATE RECEIPTS FY 08-09
	38,827,409	35,847,101	35,697,152	36,080,016	35,454,967	35,311,082	34,811,034	34,931,570	34,995,520	35,228,014	38,007,533		
CASH RECEIPTS:													
Water Collections	1,834,302	1,308,712	1,169,032	2,605,185	1,455,631	1,151,380	2,085,555	1,182,553	1,014,184	1,699,790	1,064,502		
Interest Earned	203,861	132,732	114,141	115,014	130,338	77,261	160,459	75,125	34,995	34,995	42,473		
Investment Fees	4,310	150	200	26,810	18,120	4,000	200	100	250	30,225	100		
Construction in Aid-Construction	-	-	-	-	-	-	-	-	-	-	-		
Other	-	-	-	-	-	-	-	-	-	-	-		
TOTAL CASH RECEIPTS	40,889,922	37,286,695	36,980,585	38,827,025	37,053,066	36,348,723	37,053,248	36,189,348	36,072,833	38,996,613	39,114,608		
CASH DISBURSEMENTS:													
Manufactured Water	383,338	407,394	417,089	362,646	494,214	321,637	190,395	397,910	340,704	297,895	398,580		
Electric Power	30,099	60,527	24,494	16,070	67,234	17,443	36,090	21,202	24,144	22,995	37,153		
Payroll	133,134	162,708	146,070	161,620	139,094	132,179	208,977	144,937	145,303	179,229	142,244		
Operations	212,434	78,474	78,103	95,754	144,928	135,209	121,841	71,834	49,239	61,967	70,352		
Employee Benefits	43,868	43,868	43,595	43,839	43,698	42,909	46,133	251,782	44,932	45,578	47,317		
Legal	7,189	6,636	7,650	2,714	4,886	6,630	4,870	7,238	7,238	6,136	7,609		
Materials	20,391	9,320	17,796	34,054	43,008	63,132	10,272	15,129	9,100	47,640	8,090		
Maintenance	4,003	4,466	4,002	4,003	4,003	4,002	4,002	4,002	7,440	21,681	8,854		
Salts Taxes	23,998	13,152	9,434	98,517	11,686	8,733	25,024	9,339	9,339	13,222	1,775		
Penalties	6,343	1,068	-	18,248	300	286	286	385	-	-	-		
Kate Case	3,233	-	13,451	-	4,267	3,092	57,928	1,835	12,483	9,886	5,003		
Construction	8,322	-	-	6,234	1,060	-	-	-	-	-	-		
PMW	-	12,813	-	12,813	-	303	-	-	-	-	-		
Capital Expenditures (Other)	29,666	6,584	-	14,926	916	23,081	5,823	5,421	62,889	3,599	290		
2004 Infrastructure	112,771	3,441	-	14,972	16,480	6,568	223,741	4,874	5,977	8,350	12,192		
Milbrook Well/Storage/Pump/Tras	-	-	-	4,856	9,732	4,585	40,606	2,633	4,891	121,036	-		
Clifton Avenue Pump Station	896	2,102	-	1,478	3,315	1,150	2,851	2,354	605	1,613	-		
E. G. Well Upgrade	-	-	-	-	-	-	-	-	-	-	-		
GIS Development Mapping	-	-	-	-	-	-	-	-	-	-	-		
Reed Schoolhouse Road - Mains	-	-	-	-	-	-	-	-	-	-	-		
Reed Schoolhouse Road - Tank	-	-	-	-	-	-	-	-	-	-	-		
Milbrook Well - Pilot	-	14,356	-	4,911	7,455	150	13,648	-	6,285	5,161	19,395		
Greenwell Avenue - 8' & 12" Mains	972	27,087	3,981	438,284	123,226	283,799	6,977	88,820	1,857	8,082	446,402		
System Storage Evaluation	-	-	-	1,660	-	-	-	-	-	-	-		
2006A Infrastructure	702,751	705,388	15,566	1,833,384	716,488	624,369	173,330	11,753	12,937	93,497	122,683		
Quaker Lane Pump Station	89,091	6,500	-	20,643	24,219	12,158	11,482	700	-	-	895		
Teddy Park Storage Tank	7,461	1,573	168	7,825	336	-	-	-	-	-	-		
Upland Avenue 60" #	-	-	-	9,360	3,937	4,749	306	-	5,300	9,377	16,181		
Archie-Bloch-Hofferson #	-	-	-	-	-	-	-	-	-	-	225		
2007 Infrastructure	-	-	-	-	-	-	-	-	-	-	-		
Carson Street #	-	-	-	-	-	-	-	-	-	-	-		
U. S. Bank - Disk Service (P & I)													
Water Protection	3,101,385	18,212	19,110	37,213	146,112	15,663	800,259	14,093	103,467	20,157	43,225		
Water Protection	89,288	-	-	-	-	-	-	-	-	-	-		
TOTAL DISBURSEMENTS	3,042,821	1,931,543	900,509	3,272,058	3,272,058	1,727,689	2,123,678	1,102,828	844,811	979,080	1,429,045		
BALANCE END OF MONTH	33,847,101	35,697,152	36,080,016	35,454,967	35,311,082	34,811,034	34,931,570	34,995,520	35,228,014	38,007,533	37,883,563		
PRIOR YEAR	33,079,271	34,871,755	34,933,810	36,415,931	37,448,306	37,702,361	37,846,468	37,939,405	38,333,414	39,302,338	39,340,305		

KENT COUNTY WATER AUTHORITY
 CASH LOCATION
 FISCAL YEAR 07-08

CASH LOCATION	JUL 2007	AUG 2007	SEP 2007	OCT 2007	NOV 2007	DEC 2007	JAN 2008	FEB 2008	MAR 2008	APR 2008	MAY 2008	JUN 2008
Chiefs Bank - Payroll	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
First Bank - Deposit	139,864.47	201,911.56	66,856.65	74,590.18	34,819.78	92,946.08	280,234.09	38,381.99	134,702.27	340,561.71	66,155.12	2,823.47
First Bank - Checking	12,847.15	4,382.57	72.60	10,835.91	4,149.39	12,728.60	10,038.08	23,343.33	941.86	3,999.37	108,978.59	
	192,711.62	246,294.13	106,929.25	125,826.09	78,969.17	145,674.68	330,272.17	101,725.32	175,644.13	384,161.08	108,978.59	0.00
U S Bank - Project Funds												
Revenue	454,198.74	216,205.07	301,529.79	91,143.95	53,984.12	144,875.93	421,786.00	183,194.34	39,464.64	108,920.45	71,258.47	
Infrastructure Fund	7,545,979.57	7,187,426.24	7,211,155.01	6,413,356.69	5,939,683.09	4,879,330.79	4,971,820.43	5,179,633.85	5,175,740.15	7,455,400.69	6,816,548.48	
Operation & Maintenance Fund	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Operation & Maintenance Reserve	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	1,898,250.00	
Renewal & Replacement Fund	111,261.66	89,572.94	98,264.59	86,160.91	94,822.86	101,414.16	112,018.47	120,599.19	61,175.26	69,629.43	78,042.95	
Renewal & Replacement Reserve	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	521,820.03	
General Project - 2001	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
General Project - 2001	85,914.64	152,444.00	218,087.89	283,979.44	350,110.43	416,285.60	294,823.67	361,124.38	427,118.64	493,017.59	558,162.83	
D-1H Service Fund - 2001	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	
Cell of Insurance - 2001	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Cell of Insurance - 2002	20,801,901.02	20,882,665.11	20,955,906.11	21,003,384.16	21,077,222.91	21,139,434.77	21,198,973.35	21,147,933.35	21,183,259.87	21,067,426.80	21,094,892.06	
D-1H Service Fund - 2002	191,075.52	350,715.58	506,291.30	666,461.39	825,206.45	984,065.99	668,234.87	821,738.03	979,523.31	1,137,065.11	1,294,920.05	
D-1H Service Reserve - 2002	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	
Cell of Insurance - 2002	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
D-1H Service Fund - 2004	160,169.66	267,240.39	373,863.00	480,385.85	587,195.10	694,063.73	668,720.34	775,663.25	882,199.09	988,458.50	1,094,973.96	
D-1H Service Reserve - 2004	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75	
Cell of Insurance - 2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Redemption Account - 2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
	\$ 35,841,101.22	\$ 35,697,152.23	\$ 36,080,015.73	\$ 35,451,967.27	\$ 35,311,081.92	\$ 34,811,034.44	\$ 34,911,570.09	\$ 34,995,530.50	\$ 35,228,013.88	\$ 38,007,533.13	\$ 37,685,562.88	\$ 0.00

EXHIBIT C

June 19, 2008



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

May 23, 2008

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

Re: Tiogue Service Area Conversion
Coventry, RI

Dear Mr. Brown:

On Thursday (May 22, 2008) at 10:00 A.M., bids were received by the Kent County Water Authority and were opened and read for the Tiogue Service Area Conversion in Coventry, RI. The following general contractors submitted a sealed bid:

	COMPANY	TOTAL BID
1	D'Ambra Construction Co., Inc. - 800 Jefferson Blvd., Warwick, RI 02887	\$2,023,720.00
2	C. B. Utility Co., Inc. - 99 Tupelo St., Bristol, RI 02809	\$2,023,810.00
3	Korey Construction Corp. - 54 Narragansett Ave, Providence, RI 02907	\$2,144,127.00
4	Boyle & Fogarty Construction Co., Inc. - 283 Farnum Pike, Smithfield, RI 02917	\$2,215,257.00
5	Parkside Utility Construction Corp. - 800 Jefferson Blvd., Warwick, RI 02887	\$2,239,125.00
6	John Rocchio Corp. - 20 Lark Industrial Pkwy., Smithfield, RI 02828	\$2,367,435.00

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

- A. **General Review of the Bidders:** We reviewed the bids submitted by the contractors to determine if they had provided all documentation required by the contract documents. Our evaluation indicated that the contractors complied with all requirements. A mathematical check of the bids was conducted. There were no mathematical errors. Bid tabulation is enclosed.
- B. **D'Ambra Construction Co.'s Capability to Carry Out This Project:** D'Ambra Construction Co., Inc. has completed the Knotty Oak Road water main replacement to the satisfaction of the KCWA.

In conclusion, based on the above, we have determined that D'Ambra Construction Co., Inc. submitted the lowest responsive and responsible bid. It is, therefore, JGA's recommendation that the KCWA award the contract for the Tiogue Service Area Conversion Project in the sum of **Two Million Twenty Three Thousand Seven Hundred Twenty and No/100 Dollars (\$2,023,720.00)** to D'Ambra Construction Co., Inc.



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

May 23, 2008

Page 2

If you have any questions, please call.

Very truly yours,

JAMES J. GEREMIA & ASSOCIATES, INC.

Richard M. Hencler, P.E.
Project Manager

Enclosures

cc: Kevin J. Fitta, P.E.

KCWA - TIOGUE SERVICE AREA CONVERSION (COVENTRY)

BID RESULTS
MAY 22, 2008

ITEM NO.	ITEM	UNIT	JGA'S ESTIMATE		D'AMBRA CONSTR.		C. B. UTILITY		A. KOREY CONST.		BOYLE & FOGARTY		PARKSIDE		JOHN ROCCHIO CORP.		
			QUANTITY	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST	UNIT COST
1	Exc. & Reill Mantl Below Normal Grade	CY	250	\$ 20.00	\$ 5,000.00	\$ 1.00	\$ 250.00	\$ 0.01	\$ 2.50	\$ 1.00	\$ 250.00	\$ 0.01	\$ 2.50	\$ 1.00	\$ 250.00	\$ 1.00	\$ 250.00
2	Earth Excavation & Reill for Test Pits	CY	700	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00	\$ 35.00	\$ 24,500.00
3	Borrow Gravel	CY	950	\$ 20.00	\$ 19,000.00	\$ 5.00	\$ 4,750.00	\$ 0.01	\$ 9.50	\$ 1.00	\$ 950.00	\$ 0.01	\$ 9.50	\$ 20.00	\$ 19,000.00	\$ 1.00	\$ 950.00
4	Excavation & Removal of Boulders	CY	600	\$ 50.00	\$ 30,000.00	\$ 50.00	\$ 30,000.00	\$ 80.00	\$ 48,000.00	\$ 60.00	\$ 36,000.00	\$ 75.00	\$ 45,000.00	\$ 60.00	\$ 36,000.00	\$ 30.00	\$ 18,000.00
5	Rock Excavation (mechanical)	CY7	400	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00	\$ 250.00	\$ 100,000.00
6	SW Fencing	LF	400	\$ 3.00	\$ 1,200.00	\$ 2.00	\$ 800.00	\$ 7.00	\$ 2,800.00	\$ 2.50	\$ 1,000.00	\$ 2.00	\$ 800.00	\$ 6.00	\$ 2,400.00	\$ 3.00	\$ 1,200.00
7	Hay Bales Around Catch Basins	LF	200	\$ 3.00	\$ 600.00	\$ 5.00	\$ 1,000.00	\$ 1.00	\$ 200.00	\$ 5.00	\$ 1,000.00	\$ 4.00	\$ 800.00	\$ 5.00	\$ 1,000.00	\$ 6.00	\$ 1,200.00
8	Calcium Chloride for Dust Control	UBS	5,000	\$ 0.50	\$ 3,000.00	\$ 0.25	\$ 1,500.00	\$ 0.40	\$ 2,400.00	\$ 0.50	\$ 3,000.00	\$ 0.50	\$ 3,000.00	\$ 0.50	\$ 3,000.00	\$ 0.25	\$ 1,500.00
9	16" D.I. Class 52 Sleeve	LF	40	\$ 180.00	\$ 7,200.00	\$ 60.00	\$ 2,400.00	\$ 100.00	\$ 4,000.00	\$ 40.00	\$ 1,600.00	\$ 60.00	\$ 2,400.00	\$ 40.00	\$ 1,600.00	\$ 120.00	\$ 4,800.00
10	12" D.I. Water Main	LF	7,500	\$ 100.00	\$ 750,000.00	\$ 115.00	\$ 862,500.00	\$ 110.00	\$ 825,000.00	\$ 135.00	\$ 1,012,500.00	\$ 117.00	\$ 927,000.00	\$ 120.00	\$ 948,000.00	\$ 95.00	\$ 712,500.00
11	12" D.I. Water Main w/2" Foamyglass Insulation	LF	100	\$ 150.00	\$ 15,000.00	\$ 130.00	\$ 13,000.00	\$ 120.00	\$ 12,000.00	\$ 150.00	\$ 15,000.00	\$ 150.00	\$ 15,000.00	\$ 125.00	\$ 12,500.00	\$ 150.00	\$ 15,000.00
12	8" D.I. Water Main	LF	100	\$ 100.00	\$ 10,000.00	\$ 150.00	\$ 15,000.00	\$ 90.00	\$ 9,000.00	\$ 105.00	\$ 10,500.00	\$ 76.00	\$ 7,600.00	\$ 100.00	\$ 10,000.00	\$ 60.00	\$ 6,000.00
13	6" D.I. Water Main	LF	150	\$ 60.00	\$ 9,000.00	\$ 120.00	\$ 18,000.00	\$ 70.00	\$ 10,500.00	\$ 90.00	\$ 13,500.00	\$ 76.00	\$ 11,400.00	\$ 100.00	\$ 15,000.00	\$ 50.00	\$ 7,500.00
14	12 x 12 Tees	EA	7	\$ 900.00	\$ 6,300.00	\$ 1,500.00	\$ 10,500.00	\$ 700.00	\$ 4,900.00	\$ 580.00	\$ 4,060.00	\$ 685.00	\$ 4,795.00	\$ 900.00	\$ 3,500.00	\$ 50.00	\$ 7,500.00
15	12 x 8 Tees	EA	1	\$ 900.00	\$ 900.00	\$ 1,300.00	\$ 1,300.00	\$ 600.00	\$ 600.00	\$ 538.00	\$ 538.00	\$ 585.00	\$ 585.00	\$ 400.00	\$ 400.00	\$ 2,000.00	\$ 2,000.00
16	12 x 6 Tees	EA	5	\$ 900.00	\$ 4,500.00	\$ 1,100.00	\$ 5,500.00	\$ 600.00	\$ 3,000.00	\$ 621.00	\$ 3,105.00	\$ 580.00	\$ 2,950.00	\$ 400.00	\$ 2,000.00	\$ 2,000.00	\$ 10,000.00
17	6 x 6 Tees	EA	1	\$ 400.00	\$ 400.00	\$ 200.00	\$ 200.00	\$ 350.00	\$ 350.00	\$ 250.00	\$ 250.00	\$ 300.00	\$ 300.00	\$ 200.00	\$ 200.00	\$ 1,000.00	\$ 1,000.00
18	12" Elbows	EA	40	\$ 800.00	\$ 32,000.00	\$ 1.00	\$ 40.00	\$ 350.00	\$ 14,000.00	\$ 400.00	\$ 16,000.00	\$ 435.00	\$ 17,400.00	\$ 400.00	\$ 16,000.00	\$ 2,000.00	\$ 80,000.00
19	8" Elbows	EA	4	\$ 500.00	\$ 2,000.00	\$ 300.00	\$ 1,200.00	\$ 310.00	\$ 1,240.00	\$ 250.00	\$ 1,000.00	\$ 280.00	\$ 1,120.00	\$ 200.00	\$ 800.00	\$ 1,200.00	\$ 4,800.00
20	6" Elbows	EA	4	\$ 400.00	\$ 1,600.00	\$ 200.00	\$ 800.00	\$ 300.00	\$ 1,200.00	\$ 200.00	\$ 800.00	\$ 200.00	\$ 800.00	\$ 200.00	\$ 800.00	\$ 600.00	\$ 2,400.00
21	12 x 8 Reducers	EA	3	\$ 500.00	\$ 1,500.00	\$ 600.00	\$ 1,800.00	\$ 400.00	\$ 1,600.00	\$ 310.00	\$ 930.00	\$ 375.00	\$ 1,125.00	\$ 300.00	\$ 900.00	\$ 1,000.00	\$ 3,000.00
22	12 x 6 Reducers	EA	2	\$ 450.00	\$ 900.00	\$ 150.00	\$ 300.00	\$ 400.00	\$ 800.00	\$ 305.00	\$ 610.00	\$ 375.00	\$ 750.00	\$ 300.00	\$ 600.00	\$ 1,000.00	\$ 2,000.00
23	8 x 6 Reducers	EA	1	\$ 450.00	\$ 450.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 260.00	\$ 260.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 800.00	\$ 800.00
24	12" Permanent Caps	EA	6	\$ 600.00	\$ 3,600.00	\$ 300.00	\$ 1,800.00	\$ 800.00	\$ 4,800.00	\$ 200.00	\$ 1,200.00	\$ 250.00	\$ 1,500.00	\$ 200.00	\$ 1,200.00	\$ 2,500.00	\$ 15,000.00
25	8" Permanent Caps	EA	2	\$ 500.00	\$ 1,000.00	\$ 130.00	\$ 260.00	\$ 700.00	\$ 2,800.00	\$ 100.00	\$ 200.00	\$ 150.00	\$ 300.00	\$ 100.00	\$ 200.00	\$ 2,400.00	\$ 2,400.00
26	6" Permanent Caps	EA	4	\$ 500.00	\$ 2,000.00	\$ 130.00	\$ 520.00	\$ 400.00	\$ 1,600.00	\$ 100.00	\$ 400.00	\$ 150.00	\$ 600.00	\$ 100.00	\$ 400.00	\$ 1,000.00	\$ 4,000.00
27	12" Gate Valves & Valve Boxes	EA	24	\$ 2,000.00	\$ 48,000.00	\$ 2,000.00	\$ 48,000.00	\$ 2,000.00	\$ 48,000.00	\$ 1,700.00	\$ 40,800.00	\$ 1,750.00	\$ 42,000.00	\$ 1,800.00	\$ 43,200.00	\$ 2,000.00	\$ 48,000.00
28	8" Gate Valves & Valve Boxes	EA	2	\$ 1,500.00	\$ 3,000.00	\$ 700.00	\$ 1,400.00	\$ 1,000.00	\$ 2,000.00	\$ 900.00	\$ 1,800.00	\$ 950.00	\$ 1,900.00	\$ 900.00	\$ 1,800.00	\$ 2,400.00	\$ 2,400.00
29	6" Gate Valves & Valve Boxes	EA	4	\$ 1,200.00	\$ 4,800.00	\$ 1,000.00	\$ 4,000.00	\$ 1,000.00	\$ 4,000.00	\$ 780.00	\$ 3,120.00	\$ 660.00	\$ 2,640.00	\$ 800.00	\$ 3,200.00	\$ 4,000.00	\$ 4,000.00
30	6" x 6" Tapping Sleeve Valve & Valve Box	EA	1	\$ 3,800.00	\$ 3,800.00	\$ 3,500.00	\$ 3,500.00	\$ 4,200.00	\$ 4,200.00	\$ 3,000.00	\$ 3,000.00	\$ 3,200.00	\$ 3,200.00	\$ 3,500.00	\$ 3,500.00	\$ 3,000.00	\$ 3,000.00
31	12" Line Stopper	EA	1	\$ 10,000.00	\$ 10,000.00	\$ 7,000.00	\$ 7,000.00	\$ 9,500.00	\$ 9,500.00	\$ 7,000.00	\$ 7,000.00	\$ 6,800.00	\$ 6,800.00	\$ 7,000.00	\$ 7,000.00	\$ 13,000.00	\$ 13,000.00
32	2" Permanent Blow-Off Assemblies	EA	8	\$ 1,000.00	\$ 8,000.00	\$ 800.00	\$ 6,400.00	\$ 900.00	\$ 7,200.00	\$ 700.00	\$ 5,600.00	\$ 1,300.00	\$ 10,400.00	\$ 1,700.00	\$ 13,500.00	\$ 2,000.00	\$ 16,000.00
33	Hydrants	EA	5	\$ 3,000.00	\$ 15,000.00	\$ 3,000.00	\$ 15,000.00	\$ 2,500.00	\$ 12,500.00	\$ 2,600.00	\$ 13,000.00	\$ 1,950.00	\$ 9,750.00	\$ 4,600.00	\$ 23,000.00	\$ 5,000.00	\$ 25,000.00
34	Air Release Hatches	EA	3	\$ 4,000.00	\$ 12,000.00	\$ 4,800.00	\$ 14,400.00	\$ 3,500.00	\$ 10,500.00	\$ 4,680.00	\$ 14,040.00	\$ 4,600.00	\$ 13,800.00	\$ 5,000.00	\$ 15,000.00	\$ 5,000.00	\$ 15,000.00
35	1" Corporation Stops	EA	10	\$ 500.00	\$ 5,000.00	\$ 300.00	\$ 3,000.00	\$ 950.00	\$ 9,500.00	\$ 300.00	\$ 3,000.00	\$ 700.00	\$ 7,000.00	\$ 1,000.00	\$ 10,000.00	\$ 825.00	\$ 8,250.00
36	1 1/2" Corporation Stops	EA	60	\$ 500.00	\$ 30,000.00	\$ 275.00	\$ 16,500.00	\$ 950.00	\$ 57,000.00	\$ 275.00	\$ 16,500.00	\$ 700.00	\$ 42,000.00	\$ 900.00	\$ 54,000.00	\$ 825.00	\$ 48,500.00
37	1" Curb Stops	EA	10	\$ 100.00	\$ 1,000.00	\$ 100.00	\$ 1,000.00	\$ 100.00	\$ 1,000.00	\$ 100.00	\$ 1,000.00	\$ 200.00	\$ 2,000.00	\$ 200.00	\$ 2,000.00	\$ 120.00	\$ 1,200.00
38	1 1/2" Curb Stops	EA	50	\$ 70.00	\$ 3,500.00	\$ 80.00	\$ 4,000.00	\$ 90.00	\$ 4,500.00	\$ 90.00	\$ 4,500.00	\$ 200.00	\$ 9,000.00	\$ 300.00	\$ 18,000.00	\$ 100.00	\$ 5,000.00
39	1" Water Service Line	LF	300	\$ 30.00	\$ 9,000.00	\$ 25.00	\$ 7,500.00	\$ 8.00	\$ 2,400.00	\$ 30.00	\$ 9,000.00	\$ 28.00	\$ 8,400.00	\$ 25.00	\$ 7,500.00	\$ 7.00	\$ 2,100.00
40	1" Water Service Line incl. 2" Foamingglass Ins.	LF	40	\$ 60.00	\$ 2,400.00	\$ 50.00	\$ 2,000.00	\$ 20.00	\$ 800.00	\$ 50.00	\$ 2,000.00	\$ 45.00	\$ 1,800.00	\$ 30.00	\$ 1,200.00	\$ 20.00	\$ 800.00
41	1 1/2" Water Service Line	LF	1,600	\$ 30.00	\$ 48,000.00	\$ 25.00	\$ 40,000.00	\$ 7.00	\$ 11,200.00	\$ 25.00	\$ 40,000.00	\$ 27.00	\$ 43,200.00	\$ 26.00	\$ 41,600.00	\$ 4.00	\$ 6,400.00
42	1 1/2" Water Service Line incl. 2" Foamingglass Ins.	LF	100	\$ 45.00	\$ 4,500.00	\$ 55.00	\$ 5,500.00	\$ 20.00	\$ 2,000.00	\$ 55.00	\$ 5,500.00	\$ 45.00	\$ 4,500.00	\$ 30.00	\$ 3,000.00	\$ 20.00	\$ 2,000.00
43	6" Temporary Water System	LF	2,200	\$ 10.00	\$ 22,000.00	\$ 7.00	\$ 15,400.00	\$ 12.00	\$ 26,400.00	\$ 7.00	\$ 15,400.00	\$ 12.00	\$ 26,400.00	\$ 8.00	\$ 17,600.00	\$ 25.00	\$ 55,000.00
44	8" Temporary Water System	LF	3,600	\$ 8.00	\$ 28,800.00	\$ 5.00	\$ 18,000.00	\$ 5.00	\$ 18,000.00	\$ 5.00	\$ 18,000.00	\$ 7.00	\$ 25,200.00	\$ 8.00	\$ 28,800.00	\$ 19.00	\$ 68,400.00
45	Repair Exst. Sewer Service Connections	LF	50	\$ 100.00	\$ 5,000.00	\$ 80.00	\$ 4,000.00	\$ 80.00	\$ 4,000.00	\$ 80.00	\$ 4,000.00	\$ 50.00	\$ 3,000.00	\$ 50.00	\$ 3,000.00	\$ 1.00	\$ 500.00
46	3" Temporary Blumhouse Concrete Parapent	SY	8,500	\$ 22.00	\$ 187,000.00	\$ 1.00	\$ 8,500.00	\$ 0.01	\$ 85.00	\$ 1.00	\$ 8,500.00	\$ 15.00	\$ 127,500.00	\$ 3.00	\$ 25,500.00	\$ 20.00	\$ 170,000.00
47	2" Temporary Blumhouse Concrete Parapent	SY	1,300	\$ 15.00	\$ 19,500.00	\$ 10.00	\$ 13,000.00	\$ 0.01	\$ 13.00	\$ 5.00	\$ 6,500.00	\$ 11.00	\$ 14,300.00	\$ 3.00	\$ 3,900.00	\$ 13.00	\$ 16,900.00
48	1 1/2" Temporary Blumhouse Concrete Parapent	SY	1,100	\$ 13.00	\$ 14,300.00	\$ 1.00	\$ 1,100.00	\$ 0.01	\$ 11.00	\$ 1.00	\$ 1,100.00	\$ 10.00	\$ 11,000.00	\$ 2.00	\$ 2,200.00	\$ 7.00	\$ 7,700.00

KCWA - TIQUG SERVICE AREA CONVERSION (COVENTRY)
 BID RESULTS
 MAY 22, 2008

ITEM NO.	ITEM	UNIT	QUANTITY	JGA'S ESTIMATE		D'AMBRIO CONSTR.		C. B. UTILITY		A. NOREY CONST.		BONLE & FOGARTY		PARKSIDE		JOHN ROCCIND CORP.		
				UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	UNIT COST	COST	
49	1 1/2" Bituminous Concrete Overlay	SY	18,400	\$ 6.20	\$ 114,080.00	\$ 5.50	\$ 101,200.00	\$ 0.01	\$ 184.00	\$ 6.25	\$ 115,000.00	\$ 6.50	\$ 119,800.00	\$ 8.00	\$ 147,200.00	\$ 5.50	\$ 101,600.00	
50	2" Bituminous Concrete Overlay	SY	3,300	\$ 8.30	\$ 27,390.00	\$ 7.00	\$ 23,100.00	\$ 8.20	\$ 28,710.00	\$ 9.00	\$ 29,700.00	\$ 9.00	\$ 29,700.00	\$ 9.00	\$ 29,700.00	\$ 9.00	\$ 29,700.00	
51	Bituminous Concrete Leaking Course	TON	500	\$ 75.00	\$ 37,500.00	\$ 45.00	\$ 22,500.00	\$ 70.00	\$ 35,000.00	\$ 67.00	\$ 33,500.00	\$ 67.00	\$ 33,500.00	\$ 1.00	\$ 500.00	\$ 65.00	\$ 32,500.00	
52	Full Depth Trench Patch	TON	350	\$ 100.00	\$ 35,000.00	\$ 120.00	\$ 42,000.00	\$ 105.00	\$ 36,750.00	\$ 120.00	\$ 42,000.00	\$ 114.00	\$ 39,900.00	\$ 50.00	\$ 17,500.00	\$ 160.00	\$ 56,000.00	
53	Remove & Dispose Concrete Base	SY	1,200	\$ 25.00	\$ 30,000.00	\$ 7.00	\$ 8,400.00	\$ 25.00	\$ 30,000.00	\$ 7.00	\$ 8,400.00	\$ 4.00	\$ 4,800.00	\$ 20.00	\$ 24,000.00	\$ 25.00	\$ 30,000.00	
54	Concrete Base	SY	1,200	\$ 110.00	\$ 132,000.00	\$ 20.00	\$ 24,000.00	\$ 100.00	\$ 120,000.00	\$ 20.00	\$ 24,000.00	\$ 40.00	\$ 48,000.00	\$ 70.00	\$ 84,000.00	\$ 50.00	\$ 60,000.00	
55	Perm. Bl. Conc. Slew-walks, DWS & Parking	SY	700	\$ 45.00	\$ 31,500.00	\$ 15.00	\$ 10,500.00	\$ 45.00	\$ 31,500.00	\$ 25.00	\$ 17,500.00	\$ 23.00	\$ 16,100.00	\$ 1.00	\$ 700.00	\$ 28.00	\$ 19,600.00	
56	Conc. Slew-walks & Slew-walks	SY	200	\$ 90.00	\$ 18,000.00	\$ 30.00	\$ 6,000.00	\$ 60.00	\$ 12,000.00	\$ 30.00	\$ 6,000.00	\$ 30.00	\$ 6,000.00	\$ 1.00	\$ 200.00	\$ 4.75	\$ 950.00	
57	Cold Patching (5% Width)	SY	4,300	\$ 4.40	\$ 18,920.00	\$ 2.00	\$ 8,600.00	\$ 5.50	\$ 23,850.00	\$ 2.50	\$ 10,750.00	\$ 3.50	\$ 15,050.00	\$ 1.00	\$ 4,300.00	\$ 4.75	\$ 20,425.00	
58	Cold Patching (Full Width)	SY	3,300	\$ 2.50	\$ 8,250.00	\$ 2.00	\$ 6,600.00	\$ 4.00	\$ 13,200.00	\$ 3.25	\$ 10,725.00	\$ 3.50	\$ 11,550.00	\$ 4.00	\$ 13,200.00	\$ 5.20	\$ 17,160.00	
59	Epoxy Patch Pavement Markings	LF	4,500	\$ 0.30	\$ 1,350.00	\$ 0.40	\$ 1,800.00	\$ 0.40	\$ 1,800.00	\$ 0.40	\$ 1,800.00	\$ 0.40	\$ 1,800.00	\$ 0.30	\$ 1,350.00	\$ 0.40	\$ 1,800.00	
60	Waterborne Pavement Markings	LF	4,500	\$ 0.20	\$ 900.00	\$ 0.20	\$ 900.00	\$ 0.35	\$ 1,575.00	\$ 0.40	\$ 1,800.00	\$ 0.40	\$ 1,800.00	\$ 0.15	\$ 675.00	\$ 0.20	\$ 900.00	
61	Bituminous Curing	LF	300	\$ 8.00	\$ 2,400.00	\$ 3.00	\$ 900.00	\$ 7.00	\$ 2,100.00	\$ 5.00	\$ 1,500.00	\$ 3.00	\$ 900.00	\$ 1.00	\$ 300.00	\$ 7.00	\$ 2,100.00	
62	Bl. Concrete Cope Cold Beam	LF	4,500	\$ 3.00	\$ 13,500.00	\$ 2.00	\$ 9,000.00	\$ 3.00	\$ 13,500.00	\$ 2.00	\$ 9,000.00	\$ 3.00	\$ 13,500.00	\$ 3.00	\$ 13,500.00	\$ 2.50	\$ 11,250.00	
63	Bl. Concrete Cope Cold Beam	ALLOW	1	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00		
64	Processed Gravel Roadway Base	CY	3,000	\$ 17.00	\$ 51,000.00	\$ 1.00	\$ 3,000.00	\$ 0.01	\$ 30.00	\$ 30.00	\$ 3,000.00	\$ 5.00	\$ 15,000.00	\$ 3.80	\$ 11,400.00	\$ 1.00	\$ 3,000.00	
65	Exst. Asphaltic Cement Pipe	LF	3,700	\$ 20.00	\$ 74,000.00	\$ 5.00	\$ 18,500.00	\$ 5.00	\$ 18,500.00	\$ 5.00	\$ 18,500.00	\$ 5.00	\$ 18,500.00	\$ 5.00	\$ 18,500.00	\$ 20.00	\$ 74,000.00	
66	18" ADS N12 Drainage Pipe	LF	100	\$ 60.00	\$ 6,000.00	\$ 55.00	\$ 5,500.00	\$ 80.00	\$ 8,000.00	\$ 55.00	\$ 5,500.00	\$ 50.00	\$ 5,000.00	\$ 50.00	\$ 5,000.00	\$ 11.30	\$ 1,130.00	
67	15" ADS N12 Drainage Pipe	LF	100	\$ 50.00	\$ 5,000.00	\$ 50.00	\$ 5,000.00	\$ 70.00	\$ 7,000.00	\$ 50.00	\$ 5,000.00	\$ 48.00	\$ 4,800.00	\$ 50.00	\$ 5,000.00	\$ 7.30	\$ 730.00	
68	12" ADS N12 Drainage Pipe	LF	100	\$ 40.00	\$ 4,000.00	\$ 50.00	\$ 5,000.00	\$ 60.00	\$ 6,000.00	\$ 50.00	\$ 5,000.00	\$ 48.00	\$ 4,800.00	\$ 50.00	\$ 5,000.00	\$ 5.70	\$ 570.00	
69	Topsoil Pressure Reducing Valve Chamber	LS	1	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 230,000.00	\$ 190,000.00	\$ 190,000.00	\$ 180,000.00	\$ 180,000.00	\$ 148,500.00	\$ 148,500.00	\$ 260,000.00	\$ 260,000.00	\$ 155,000.00	\$ 155,000.00	
70	Tree & Rock Trimming & Treatment	ALLOW	1	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	
71	Field Layout of Pressure Red. Valve Chamber	ALLOW	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	
72	Installation of PRV Chamber & KCWA	ALLOW	1	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	
73	8" DI Sewer Pipe	LF	20	\$ 100.00	\$ 2,000.00	\$ 100.00	\$ 2,000.00	\$ 170.00	\$ 3,400.00	\$ 100.00	\$ 2,000.00	\$ 90.00	\$ 1,800.00	\$ 100.00	\$ 2,000.00	\$ 100.00	\$ 2,000.00	
CONTINGENCIES (10%)				\$ 2,485,740.00														
PROJECT TOTAL				\$ 2,734,140.00		\$ 12,893,726.88		\$ 12,823,418.00		\$ 12,444,127.88		\$ 12,152,571.00		\$ 12,259,152.88		\$ 12,381,425.00		\$ 12,381,425.00

EXHIBIT D

June 19, 2008



June 17, 2008

Timothy J. Brown, P.E.
General Manager/Chief Engineer
Kent County Water Authority
1072 Main Street
West Warwick, RI 02893-0192

Re: **Read School House Capital Improvement 7A**
1.5 MG Concrete Water Storage Reservoir
PARE Project No. 04179.03

Dear Mr. Brown:

Pare Corporation (PARE) has completed an evaluation of the bids received June 11, 2008 for the above-referenced project, and for which the following assessment is being provided. A total of three (3) bids were received for the project in the amounts of: Natgun Corporation, \$2,127,775.00; Preload Inc., \$2,185,900.00; and Waterline Industries Corporation \$2,237,777.00. Enclosed is one set of originals for the three bid proposal packages provided to PARE for review purposes by the Kent County Water Authority (KCWA).

PARE has also prepared the attached Bid Tabulation of the bid price quotations as part of the bid evaluation and review process. This bid tabulation also presents a checklist regarding other bid proposal requirements so as to confirm the overall completeness of the bid proposal packages. The apparent low bid was received from Natgun Corporation, at a total bid price of **\$2,127,775.00**. Natgun Corporation's bid is \$58,125.00 lower than the bid amount of \$2,185,900.00 received from Preload Inc. and \$110,002.00 lower than the bid amount of \$2,237,777.00 received from Waterline Industries Corporation.

The following bulleted items detail the issues reviewed for each bidder during the review period:

- Natgun Corporation's bid was in conformance with respect to acknowledgment of Addendum No. 1, the Supplements to the Bid Form and the Bid Security (Bid Bond) in the amount of 5% of the total bid amount. Natgun Corporation failed to name any subcontractors or provide subcontractor qualifications within their bid stating "Selection of subcontractors not finalized at this time. Subcontractor qualifications and relevant experience to be submitted upon selection." Natgun Corporation provided a complete list of subcontractors via fax/email at 2:35p.m. on June 11, 2008 subsequent to the bid opening at 10:00 a.m. on June 11, 2008 (attached). Natgun Corporation then provided subcontractor qualifications on June 12, 2008 via fax/email (attached). Natgun Corporation further provided a letter, dated June 12, 2008 detailing their explanation behind not initially providing subcontractor information (attached).
- Preload Inc.'s bid was in conformance with respect to acknowledgment of Addendum No. 1, the Supplements to the Bid Form and the Bid Security (Bid Bond) in the amount of 5% of the total bid amount. Preload Inc. named only one subcontractor and did not provide any



subcontractor qualifications. Preload Inc. then provided a complete list of subcontractors along with subcontractor qualifications via fax/email on June 12, 2008.

- Waterline Industries Corporation was in conformance with contract bidding requirements with respect to acknowledgment of Addendum No. 1, the Supplements to the Bid Form and the Bid Security (Bid Bond) in the amount of 5% of the total bid amount. Waterline Industries Corporation provided qualifications for its tank subcontractor, DYK Inc., but the qualifications failed to identify the specific type of tank construction: Type I, II, III, or VI, etc. and the tank projects only date back to 2005. Per the contract documents the contractor must have at least 5 years of experience with the design and construction of Type III tanks and have built ten within the last five years. Based on review of Waterline Industries Corporation's tank subcontractor, DYK Inc., it does not appear that DYK Inc meets the qualifications as outlined within the contract documents.

Natgun Corporation has selected Parkside Utility Construction Company to perform the site work and utility work associated with the project. Other subcontractors named include Fall River Electrical Associates Co. for electrical work and R.E. Erickson Company for instrumentation work. As required in the contract documents Engineered Fluid Inc. will provide the pre-manufactured valve vault.

PARE has reviewed the bid amounts for the respective contract work items as submitted by Natgun Corporation, and have found their total base bid amount to be within the range of the overall total amount as presented in PARE's Opinion of Probable Construction Costs, prepared on May 28, 2008

In regard to the issue of subcontractors, i.e. completion of Appendix A of the Supplements to Bid Form, both Preload and Natgun submitted an Appendix A with their bids that was not completely filled out. The required information was provided expeditiously subsequent to the bid opening by both firms. PARE does not feel that this issue should cause KCWA to disallow these bids and believes that KCWA should use its discretionary authority as provided in the Contract Documents and allow the bids to hold true. The listing of subcontractors and provision of qualifications by both Natgun Corporation and Preload Inc. subsequent to the bid opening do not affect the submitted bid amounts provided by both parties. PARE does not feel this should warrant a re-bid of the project. The contract documents specifically detail the KCWA's "right to accept or reject any or all offers" (Section 8.03 Acceptance of Offer of the Instruction to Bidders of the Contract Documents). Additionally, Preload Inc. has issued a letter to the KCWA dated June 16, 2008 (attached) which states that "if Kent County Water Authority decides to award to Natgun, Preload does not intend to pursue this matter further".

It is PARE's opinion that the proposed low bid amount, as submitted by Natgun Corporation is considered acceptable based on our review of the specific bid items, present construction trends, and material costs. Furthermore, based upon PARE's bid tabulation, evaluation and review of the bids submitted in connection with this project, it is felt that Natgun Corporation should be affirmed as the "lowest responsible bidder". This is premised on their low dollar bid amount; meeting the contractual bidding requirements as outlined above; and submitting the required documentation of their overall qualifications and tank construction experience. It should also be noted that given the required project timeline and the potential for increased material costs, it is not within the interest of KCWA to exercise a re-bid of the project.



Mr. Timothy J. Brown, P.E.

(2)

June 17, 2008

PARE has worked with Natgun on numerous tank projects in the recent past and has found them to be technically proficient, responsive, and extremely competent in all matters of concrete tank construction. Natgun has successfully completed other tank projects for the KCWA and it is believed that Natgun will successfully complete the Read Schoolhouse Tank project also. In closing, PARE recommends that the KCWA award the subject tank project to Natgun Corporation

We trust that this bid evaluation and the associated review comments meet your immediate needs. Should you have any questions, or require additional information, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Brendan F. Ennis", followed by a long horizontal line.

Brendan F. Ennis, P.E.
Senior Project Engineer

BFE/abv

Enclosures

Cc: George G. Palmisciano, P.E., PARE (w/enclosure – Bid Tab)

Kent County Water Authority
Read School House Tank Capital Improvement Project 7A 1.5 MG Concrete Water Storage Reservoir

Bid Tabulation for Bids Received 6/11/08

PARE Project No. 04179.03

Bid Item	Description	Unit	Quantity	Waterline Industries Corp.		Preload Inc.		Natgun Corporation	
				Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Site Mobilization and Demobilization	LS	1	\$200,000.00	\$200,000.00	\$50,000.00	\$50,000.00	\$89,200.00	\$89,200.00
2	Rock "Open" Excavation	CY	40	\$50.00	\$2,000.00	\$173.00	\$6,920.00	\$60.00	\$2,400.00
3	"Trench" Rock Excavation	CY	10	\$200.00	\$2,000.00	\$173.00	\$1,730.00	\$360.00	\$3,600.00
4	Structural Backfill	CY	300	\$33.00	\$9,900.00	\$2.00	\$600.00	\$36.00	\$10,800.00
5	Common Earth Borrow	CY	750	\$15.00	\$11,250.00	\$2.00	\$1,500.00	\$30.00	\$22,500.00
6	Pre-packaged Altitude Valve Vault and associated Piping	LS	1	\$152,000.00	\$152,000.00	\$174,800.00	\$174,800.00	\$156,900.00	\$156,900.00
7	1.5 MG Prestressed Concrete Storage Tank	LS	1	\$1,521,802.00	\$1,521,802.00	\$1,588,400.00	\$1,588,400.00	\$1,567,400.00	\$1,567,400.00
8	Miscellaneous Site Work	LS	1	\$131,200.00	\$131,200.00	\$139,000.00	\$139,000.00	\$64,600.00	\$64,600.00
9	Electrical and Instrumentation Work	LS	1	\$72,000.00	\$72,000.00	\$94,300.00	\$94,300.00	\$81,700.00	\$81,700.00
10	12-inch DI Water Main with DI Pipe Fittings and Appurtenances	LF	150	\$178.00	\$26,700.00	\$138.00	\$20,700.00	\$236.00	\$35,400.00
11	20-inch DI Water Main with DI Pipe Fittings and Appurtenances	LF	225	\$325.00	\$73,125.00	\$322.00	\$72,450.00	\$295.00	\$66,375.00
12	12-inch PVC SDR-35	LF	200	\$72.50	\$14,500.00	\$120.00	\$24,000.00	\$106.00	\$21,200.00
13	Temporary Pump Station	LS	1	\$21,300.00	\$21,300.00	\$11,500.00	\$11,500.00	\$5,700.00	\$5,700.00
Totals					\$2,237,777.00		\$2,185,900.00		\$2,127,775.00

Mathematical Errors in Bid

Acknowledgement of Addendum

Signature and Seal on Bid

Bid Bond @ 5% of Bid Amount

Bidder Qualifications: Submitted Supplements

Comments/Qualifications

NOTES:

*Subcontractor Qualifications received on 6/13/08

**Subcontractors named after bid opening on 6/11/08, Subcontractor Qualifications received on 6/12/08

***See Bid Evaluation Letter, dated June 16, 2008

Pare Corporation

Prepared By: Brendan F. Ennis, P.E.

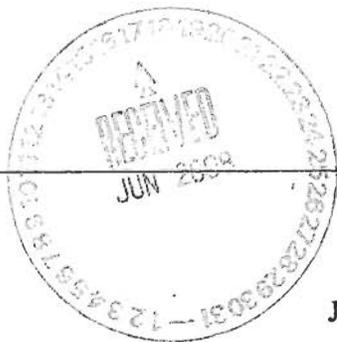
Checked By: George G. Palmisciano, P.E.

EXHIBIT E

June 19, 2008



Prestressed Concrete Tanks



Preload Inc. • 60 Commerce Drive
Hauppauge, New York 11788

631-231-8100 • Fax 631-231-8881
<http://www.preload.com>
e-mail: sales@preload.com

June 16, 2008

Robert B. Boyer, Chairman
Kent County Water Authority
1072 Main Street
West Warwick, RI 02893

RE: Read Schoolhouse Tank Project
1.5 Million Gallon Concrete Water Storage Reservoir
May 2008
PARE Project No. 04179.03
Bid Date: June 11, 2008

Dear Mr. Boyer,

Natgun Corporation was the apparent low bidder for the referenced project, with a bid price of \$2,127,775.00. Preload, Inc. was the second bidder with a bid of \$2,185,900.00, less than 3% higher.

The Bid Documents advised the bidders that: "Contractors shall submit with bid proposal the following, which shall become an integral part of the Bid Submission."

Bid Form Attachments – Section 00400

- Appendix A - Subcontractors
- Appendix B - Qualifications of Bidder
- Appendix C - Qualifications of On-site Construction Supervisor
- Appendix D - Qualifications of Prestressed Concrete Tank Designer

The words used by the Kent County Water Authority included "...shall submit with bid proposal...", which indicates submittal of these forms with the bid is mandatory. The Bid Documents further advised on page 00400-1 as follows: "In accordance with Document 00100-Information to Bidders, and Document 00310-Bid Form, we include the supplement to Bid Form appendices listed below. The information provided shall be considered an integral part of the Bid Form."

In fact, the Kent County Water Authority considered submittal of the Subcontractor name with the bid so important that it reserved the right to "...reject a proposed Subcontractor for reasonable cause." See Article 5.02 on page 00100-7.

Even though the Kent County Water Authority has advised the bidders in numerous places about the importance of filing complete bid forms with all requested information, it re-iterates its requirements again in Article 7.10 on page 00100-12 which states as follows: "Failure to comply with these stipulations will be grounds for



Kent County Water Authority
June 16, 2008
Page 2

disallowing Bids at the Owner's discretion." It is clear that rejection of Natgun's bid is in conformance with the requirements of these documents.

The submittal of the Subcontractor list is a very important and integral part of the bid. It allows the Owner to evaluate as part of the bid submission the proposed project team and its experience. In the event that one bidder does not need to comply with this requirement and other bidders do, it creates unfairness in the bid process and an unlevel playing field. If the Kent County Water Authority waives the requirement for submittal of the Subcontractor name on this bid, it is compromising its own bidding process and is establishing a precedent that puts at risk the orderliness of its bidding process on all future bids.

We believe that the Kent County Water Authority should reject Natgun's bid and award this contract to Preload, as the low bidder who complied with all of the requirements of the Bid Documents. However, if Kent County Water Authority decides to award to Natgun, Preload does not intend to pursue this matter further.

Sincerely,

Preload Inc.

A handwritten signature in black ink, appearing to read "Andrew E. Tripp, Jr.", is written over the printed name.

Andrew E. Tripp, Jr.
President

AET: pa
cc: Brendan Ennis - Pare Corporation
Kevin J. Fitta, P.E. Systems Engineer – Kent County Water Authority

tbrown@kentcountywater.org

From: kevin fitta [kfitta@kentcountywater.org]
Sent: Tuesday, June 17, 2008 7:34 AM
To: 'Tim Brown'
Subject: FW: Coventry, RI/Read Schoolhouse Tank
Attachments: CoventryRIPostBidLtr6.16.08.pdf

Tim,

FYI

Kevin J. Fitta, P.E.
System Engineer
Kent County Water Authority
1072 Main St.
West Warwick, RI 02893
401-821-9300

From: Thomas J. MacElhaney [mailto:TMacElhaney@preloadinc.com]
Sent: Monday, June 16, 2008 5:04 PM
To: 'George Palmisciano'; 'Brendan Ennis'
Cc: kfitta@kentcountywater.org; 'Andrew Tripp'
Subject: Coventry, RI/Read Schoolhouse Tank

George~

As we discussed, I am attaching the letter that we sent to KCWA today.

We believe that listing the subcontractor was an important requirement of the documents. When I asked Kevin Fitta at the bid opening to read the subcontractor listed by Natgun, Natgun's representative stated that they decided not to list one. We believe that this was intentional on their part and provided them with an unfair advantage.

We encourage KCWA to award the contract to Preload. We recognize that it is important to KCWA to start this project and finish the tank by the end of this year. If the Authority should decide to not to rule in our favor, we do not plan to pursue this matter further.

We are very eager to build this tank for KCWA. We believe the Authority and Pare Corp. will be very happy with our work and the work of our subcontractor, C.B Utility Co. Inc.

Thanks,
Tom

Thomas J. MacElhaney, P.E.
District Sales Manager
PRELOAD, INC.
60 Commerce Drive
Hauppauge, NY 11788
Cell: 617.512.0203
Phone: 631.231.8100 / 888-PRELOAD
Fax: 631.231.8881
Website: www.preload.com
Email: tmacelhaney@preloadinc.com

6/17/2008

EXHIBIT F

June 19, 2008

KENT COUNTY WATER AUTHORITY
REQUEST FOR PROPOSAL
DESIGN IFR 2009A & 2009B
Proposal Opening – MAY 21, 2008

The Proposal Opening relating to Professional Engineering Services Water Main Design, Permitting and Engineering Services during Construction related to Water System Infrastructure Main Replacements was held at 10:00 a.m., May 21, 2008 per the requirements of the Request for Proposal advertised in the Providence Journal on Monday, April 28, 2008.

The work consists of providing directly to the Kent County Water Authority, Professional Engineering Design Consultant Services to prepare a Final Design, Permitting, and Engineering Services during Construction for Infrastructure Water Main Replacements for two separate construction contracts.

At 10:00 a.m. the Proposal Opening began with the opening of the following submitted proposals by Kevin Fitta.

1. James J. Geremia & Associates
8 copies received
- Not to Exceed Fee - \$87,565.00
2. Wright Pierce
8 copies received
- Not to Exceed Fee - \$255,440.00
3. Casali & D'Amico Engineering
8 copies received
- Not to Exceed Fee - \$160,844.00
4. C & E Engineering
8 copies received
- Not to Exceed Fee - \$114,093.00

The Proposal Opening was closed at 10:10 a.m. All proposals were left on display for all attendees to view.

EXHIBIT G

June 19, 2008



June 16, 2008

Mr. Timothy Brown, P.E.
General Manager/Chief Engineer
Kent County Water Authority
1072 Main Street
P.O. Box 192
West Warwick, RI 02893-0192

Re: Hydraulic Modeling – Alternate Mishnock Water Main Project
Kent County Water Authority Hydraulic Model
C&E Project No. J0711.01

Dear Mr. Brown:

As requested, C&E Engineering Partners, Inc. (C&E) has prepared a scope of services and corresponding fee associated with the performance of additional hydraulic modeling simulations for the above captioned project. C&E has previously completed hydraulic model evaluations related to this project which included assessing new water transmission mains associated with the proposed Mishnock Water Treatment Plant (WTP) as well as a new storage facility (Mishnock Reservoir) in the Low Service Pressure Gradient and a new booster pump station intended to boost water from the new storage reservoir into the High Service Pressure Gradient.

Since performance of the aforementioned evaluation, the Authority has determined that additional hydraulic evaluations are necessary in order to optimize overall system performance and operations related to utilizing the new Mishnock WTP. There is also a concern related to the proposed Mishnock Reservoir and the ability of this reservoir to properly “fluctuate” due to observed system hydraulic grades in the general area which are routinely above the proposed overflow elevation of the reservoir. Additionally, there is also concern that fluctuation in the reservoir may be contingent upon the operation of the proposed Mishnock Booster Pump Station and the existing Johnson Boulevard Booster Pump Station. Specifically, these additional evaluations will be performed in consideration of the following changes:

- Eliminate proposed Mishnock Reservoir from Low Service Pressure Gradient.
- Eliminate proposed Mishnock Booster Pump Station at proposed Mishnock Reservoir.
- Replace Low Service Pumps at Mishnock WTP with High Service Pumps.
- Proposed 20 inch water main in Mishnock Road from WTP clear well to existing High Service water main in Hopkins Hill Road to replace previous proposed Low Service water main along similar routing.
- Install Pressure Reducing Valve (PRV) stations to supply Low Service from High Service at approximate intersections of Nooseneck Hill Road and Linda Lane and at Hopkins Hill Road and King Street.
- Perform hydraulic model simulations under existing (current) water system demands and future (20 year) projected water system demands for both winter (low demand period) and summer (high/maximum demand period).
- Under all scenarios, consider the future need of the existing Johnson Boulevard Booster Pump Station. This facility is approaching its design useful life and its operation has historically been attributed to “low” pressure problems that occur on the intake suction side in the distribution system.

- Install variable frequency drive(s) (VFD's) on two (2) of the Low Service pumps at Clinton Avenue Pump Station which will be set to operate on the pressure head at the station. The control set point shall be determined during initial model simulations. It is also anticipated that operational control of these pump(s) shall be with a Low Service Storage Tank (i.e. Setian Lane or Frenchtown Road).

Task 1 - Existing System Demand (2006) Simulations for Winter / Summer Conditions

- A. Model simulations for existing winter and summer system demand conditions shall be extended period simulations (EPS), one hour time increment for 7 day periods, or until the system otherwise stabilizes. The following water system improvements will also be considered.
- Utilize 2006 water system consumer demands under Average Day (winter) and Maximum Day (summer) demand conditions. Utilize system diurnal flow curve developed under previous modeling studies.
 - Constant output from Mishnock WTP at 2,000 gpm (2.9 MGD) and represented in model as one (1) 2,000 gpm pump. In the event that both High Service storage tanks reach overflow (full) capacity, the flow from Mishnock WTP shall be directed to the Low Service.
 - The two (2) PRV stations will each be set at a constant output of 500 gpm from High to Low Service Pressure Gradient.
 - New Read School House Road Storage Tank in service; Clinton Avenue High Service Pumps in service; Knotty Oak Booster Pump Station out of service.
 - Simulate VFD control on two (2) of the existing Low Service pumps at Clinton Avenue Pump Station. The VFD's shall be set on pressure head at the discharge of the station.
 - The new Read School House Road Pressure Gradient and existing High Service Pressure Gradient are not connected under the 2006 existing demand scenarios.
 - Quaker Lane Booster Pump Station provides ability to pump directly into Low Service Pressure Gradient and not the High Service Pressure Gradient.
 - Tiogue Tank Gradient re-serviced from High Service Pressure Gradient.
 - In the event that Mishnock WTP pumps cannot meet High Service Pressure Gradient demand, operational controls shall be established for existing High Service Pressure Gradient booster pump stations with Carr Pond tank as control. The booster pump stations are to be set in the following hierarchy: West Warwick Booster Pump Station, Setian Lane Booster Pump Station; Johnson Boulevard Booster Pump Station (if needed).
- B. It is envisioned that a maximum of 5 preliminary extended period simulations will be required in order to optimize system performance, evaluate various infrastructure components and determine set points for the VFD pump control at Clinton Avenue.

Final results from 2 extended period simulations (both winter and summer) will be presented to the Authority for purposes of review and discussion. This will include a letter style report summarizing the simulations as well as significant findings and conclusions and recommendations. Final results shall include time scaled charts / graphs from all significant infrastructure components (including storage tanks, pump stations and PRV stations) in order to gauge flow, output and fill/draw rates, PRV settings and calculated hydraulic grades at select locations (i.e. Water Treatment Plant). Flow rates, velocities and friction losses from select transmission and distribution water mains shall also be provided.

Task 2 – Future System Demand (2026) Simulations for Winter / Summer Conditions

- A. Model simulations for future winter and summer system demand conditions shall be extended period simulations (EPS), one hour time increment for 7 day periods, or until the system otherwise stabilizes.

The following water system improvements will also be considered.

- Utilize 2026 water system consumer demands under Average Day (winter) and Maximum Day (summer) demand conditions. Utilize system diurnal flow curve developed under previous modeling studies.
 - Constant output from Mishnock WTP at 2,000 gpm (2.9 MGD) and represented in the model as one (1) 2,000 gpm pump. In the event that both High Service storage tanks reach overflow (full) capacity, the flow from Mishnock WTP shall be directed to the Low Service.
 - The two (2) PRV stations will each be set at a constant output of 500 gpm from High to Low Service Pressure Gradient.
 - New Read School House Road Storage Tank (north high service) is in service and supplied with Clinton Avenue High Service Pumps. The Read School House Road Pressure Gradient shall be interconnected to the High Service Pressure Gradient (south high service). Operational control of the Clinton Avenue High Service pumps shall be set with the water level in the Read School House Road storage tank.
 - Quaker Lane Booster Pump Station shall provide ability to pump directly into Low Service Pressure Gradient and directly into the High Service Pressure Gradient. A new transmission water main shall be installed along Route 2 from Quaker Lane Pump Station to a point of tie in to the High Service Pressure Gradient at the approximate location of James P. Murphy Industrial Highway.
 - Tiogue Tank Gradient re-serviced from High Service Pressure Gradient.
 - In the event that Mishnock WTP pumps cannot meet High Service Pressure Gradient demand, operational controls shall be established for existing High Service Pressure Gradient booster pump stations with Carr Pond tank as control. The booster pump stations are to be set in the following hierarchy: Quaker Lane Booster Pump Station, West Warwick Booster Pump Station and Setian Lane Booster Pump Station. Note: It is envisioned that the Johnson Boulevard Booster Pump Station will no longer be in operational service at this time.
- B. It is envisioned that a maximum of 5 preliminary extended period simulations will be required in order to optimize system performance and evaluate various infrastructure components. Final results from 2 extended period simulations (both winter and summer) will be presented to the Authority for purposes of review and discussion. This will include a letter style report summarizing the simulations as well as significant findings and conclusions and recommendations. Final results shall include time scaled charts / graphs from all significant infrastructure components (including storage tanks, pump stations and PRV stations) in order to gauge flow, output and fill/draw rates, PRV settings and calculated hydraulic grades. Flow rates, velocities and friction losses from select transmission and distribution water mains shall also be provided.

Task 3 – Mishnock WTP / Low Service Pump - Existing System Demand (2006) and Future System Demand (2026) Simulations for Winter / Summer Conditions

- A. Perform additional model simulations as under previous Task 1 and Task 2 with the following modifications.
- Provide one (1) pump with VFD control at the Mishnock WTP designed to supply 1,000 gpm to the existing Low Service Pressure Gradient. This pump shall be set to operate on pressure head at the WTP and remain in constant operation (i.e. no operational control).
 - This pump will replace the PRV station at the intersection of Nooseneck Hill Road and Linda Lane. The PRV station at Hopkins Hill Road and King Street shall remain. This PRV station will be set at a constant output of 500 gpm from High to Low Service Pressure Gradient.
 - Install new 12 inch water main along Nooseneck Hill Road from Mishnock WTP to existing 12 inch

Low Service water main on Nooseneck Hill Road.

- B. It is envisioned that a maximum of 5 preliminary extended period simulations will be required in order to optimize system performance and evaluate various infrastructure components.

Final results from 2 extended period simulations (both winter and summer) will be presented to the Authority for purposes of review and discussion. This will include a letter style report summarizing the simulations as well as significant findings and conclusions and recommendations. Final results shall include time scaled charts / graphs from all significant infrastructure components in order to gauge flow, output and fill/draw rates, PRV settings and calculated hydraulic grades at select locations (i.e. Water Treatment Plant). Flow rates, velocities and friction losses from select transmission and distribution water mains shall also be provided.

Task 4 – Meet with Authority / Results Review

- A. Meet with Authority to review and discuss results presented in Tasks 1, 2 and 3. Based on results additional simulations may be required.

Based upon the scope of work for this project, C&E estimates a time period for performance of this work of approximately thirty (30) days from receipt of a written authorization to proceed. Based on the scope of work for Tasks 1 - 4, the estimated fee is as follows.

Task 1: A not to exceed fee of **Twelve Hundred Eighty Dollars (\$1,280.00)**. This translates to approximately 16 hours of various labor categories.

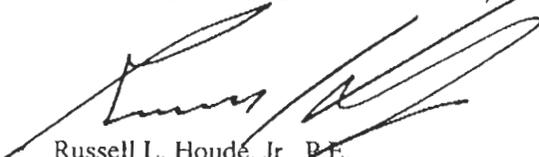
Task 2: A not to exceed fee of **Twelve Hundred Eighty Dollars (\$1,280.00)**. This translates to approximately 16 hours of various labor categories.

Task 3: A not to exceed fee of **Twelve Hundred Eighty Dollars (\$1,280.00)**. This translates to approximately 16 hours of various labor categories.

Task 4: A not to exceed fee of **Three Hundred Sixty Dollars (\$360.00)**. This translates to approximately 4 hours of various labor categories.

C&E appreciates the opportunity to provide our services for this project. If you have any questions, please contact us at your convenience.

Sincerely,
C&E ENGINEERING PARTNERS, INC.



Russell L. Houdé, Jr., P.E.
Managing Engineer

EXHIBIT H

June 19, 2008

CERTIFICATE OF AUTHORIZED SIGNERS

THIS IS TO CERTIFY that the Board of Directors of

KENT COUNTY WATER AUTHORITY
(hereinafter called the "Company")

has duly adopted a resolution authorizing certain officers of the Company, or their duly authorized delegate(s) as Authorized Signers for the

KENT COUNTY WATER AUTHORITY RETIREMENT PLAN
PENSION TRUST (hereinafter called the "Plan")

Authorized Signers:

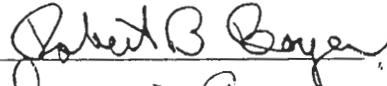
Robert B. Boyer, Chairman

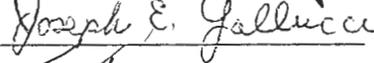
Joseph E. Gallucci, Treasurer

Timothy J. Brown, General Manager

Arthur C. Williams, Secretary

Signatures:









All parties dealing with the Plan shall be fully protected in accepting and relying upon the signature(s) of at least 1 Authorized Signer(s) until otherwise notified by the Company.

I Arthur C. Williams, Secretary hereby certify that the above
(name) (title)

authorizations are currently in full force and effect, are not contrary to any provision in the charter or by-laws of the Company and that I am duly authorized to make this certification on behalf of the Company for the Plan.

IN WITNESS WHEREOF, I here unto set my hand and affix the Seal of the Company on this
19th day of June, 2008.

Attest:

Timothy J. Brown, General Manager

Authorized Officer:

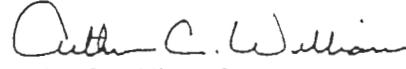

Arthur C. Williams, Secretary

EXHIBIT I

June 19, 2008

KENT COUNTY WATER AUTHORITY
FISCAL YEAR 2008 / 2009
ANNUAL BUDGET

APPROVED JUNE

OFFICE MEMO

To: Board Members
From: Timothy Brown
Subject: Fiscal Year 2009 Budget
Date: June 8, 2008

GENERAL:

The attached budget was prepared by utilizing actual Fiscal Year 2006 and 2007 expense and revenue line items, 2008 unadjusted line items with 10 months actual and two months estimated. Each individual account was reviewed based upon our past expenditures and our anticipated expenditures for this year. The operation revenue line item is based on conservative estimates with limited growth based on the current approved rate. This has been difficult due to the wet seasons we have had and the method of rate establishment based on higher water usage than is occurring. We do anticipate a decision this fiscal year (October 31, 2008) and expect an affect on our budget year. We have assumed half the revenue increase based on the proposed rates for our fiscal budget. We do not anticipate a rate filing from the Providence Water Supply Board that will affect our budget year. The attached sheets will outline capital expenditures, revenues, payroll and outside services based upon anticipated operations. The summary sheet outlines the major categories. The anticipated infrastructure schedule and its projects are included. These projects are critical and their completion is extremely time sensitive. The Board should review these projects in detail, and keep the schedule flexible if additional source water can be achieved from the existing system. The outcome of the state legislation on water supply is still unknown. Legislative Bills are making their way through the House and Senate Committees in various forms. If enacted, a review of the implications on this budget will need to be undertaken.

FIXED ALLOTMENTS:

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

SUMMARY OF BUDGET HIGHLIGHTS:

1. Salary increases are proposed in accordance with the salary structure approved by the Board. Adjustments have been made as required. An adjustment to the salary structure will be needed by Board vote to be included.
2. Insurance and Workers' Compensation have been established based on known information. The insurance premium is only proposed at this time.
3. Conservation Program (Residential Retrofit Program) is being carried at the usual regulated estimate of \$36,000.
4. This year requires a minimum pension contribution of \$193,619.00.

CURRENT BUDGET POLICY:

The current budget policy in effect, unless modified, will control the outside budget expenses.

The five aspects of the policy are:

1. Line item shifts of "excess" money will not occur during the budget year without board approval.
2. All emergency uses of funds, as approved by the Board in advance, will be assigned to the proper line item of the budget year if funds are not available.

3. Emergency use of funds caused by failure of the system will be determined by the General Manager with concurrence of the Chairman and brought to the next regular scheduled Board meeting for review and approval.
4. It is the intention of the Board to review the budget monthly in regards to the monthly estimated budget and the yearly budget total.
5. The Board reserves the right to amend this policy at any time by majority vote.

QUESTIONS AND ACTIONS BY BOARD:

Supply still remains the largest and most complex question the Board needs to answer. As growth continues, we are ever trying to catch up and resolve deficient supply under maximum day demand conditions. The Board will need to find additional supply or **reject future** proposals for service. This will most certainly affect the budget in regards to our capital financing, bonding and infrastructure funding. The current housing downturn certainly has had an affect on residential developments. Commercial still seems strong as applications are being submitted. Any economic upswing will change that dynamic and we again may see major residential developments resume.

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

The last question the Board may wish to consider during this budget process is the management structure of the Authority. No action has been taken on this in previous budget years. As we have discussed before, the company is growing at a rapid pace and has reached a point where management system should be implemented for this company based on the goals and mission of the Board. Management is at the regulatory allocated strength. Salary increases for key strategic personnel included. The board should look at internal vulnerabilities in regards to personnel. We are stretched very thin in key areas, and it will be difficult to fill them if an opening arises.

The Board should secure its options and review a structure implementation to protect itself from any vulnerability.

DIRECTION:

The direction of the company this year will be:

1. Upgrade the Quaker Booster Station; seek bond funds (rate case necessary for approval) for the high service pumping.
2. Finalize Route 2 transmission main developer design and seek bond funding to build.
3. Finalize the 5-year Capital Improvement Program, update.
4. Finalize the 5-year Infrastructure Renewal and Replacement Program, update.
5. Complete implementation of the proceeds from all bond sales (2002 Series A). This is critical prior to any future general rate filing. Emphasis on Mishnock Treatment.
6. Continue the annual implementation of our ongoing infrastructure programs.
7. Continue to operate and service our customers with courtesy, professionalism and a quality product. We will continue our emphasis on implementing customer service strategies.

This Authority continues to be responsive to the future needs of our customers. The review of the Authority by the Joint Legislation Committee and the ongoing House and Senate Committees on water supply highlights the importance of this to the state. We continue to meet that challenge by our programs. I know the Board feels the same as I do to improve and modernize to the benefit of our customers and to the quality of our product at reasonable prices that they are familiar with. As our infrastructure program continues, our customers are seeing the benefits of the everyday operation of the new system improvements. Without a doubt the, just completed, emergency interconnection with PWSB illustrates this quite vividly. Not only has it provided the means to inspect the aqueduct, but it also replaced badly deteriorated infrastructure that is now used daily by our customers. Our capital programs have made great strides in addressing poorly serviced areas and storage/supply needs. Its revision will establish the programs needed for the proposed rate filing and the debt service requirements.

Our Flushing Program continues, which will also continue in this budget. We cannot forget how this program will benefit the public health and safety for many years to come. Our new GIS mapping and proposed new operator will advance the overdue records update. The Board's leadership and understanding have again this year been exemplary and customers owe a debt of gratitude to the Board for the programs that are being implemented and for the foresight into the many decades that these improvements will serve. I know I share with the members of the staff that we will continue to strive for these ideals of quality of service, quality of product and our unceasing dedication to the organization and the Board. The staff and I owe the Board a thank you for their support and direction each and every day through this past year and anticipation of the upcoming fiscal year. The implementation of this budget will continue in this direction.

SUMMARY SHEET

OPERATING:

PROJECTED TOTAL REVENUES	\$19,260,600
PROJECTED TOTAL OPERATING EXPENSES	<u>\$9,458,300</u>

INCOME	\$9,802,300
--------	-------------

RESTRICTED DEBT SERVICE REQUIRED	\$3,888,919
IFR RESTRICTED	\$5,402,686
CASH CAPITAL RESTRICTED	<u>\$100,000</u>

TOTAL RESTRICTED REQUIRED	\$9,391,605
---------------------------	-------------

ACCT. #	2008/2009 BUDGET YEAR OPERATING REVENUE	FY 05-06	FY 06-07	FY 07-08 10+2	FY 08-09 BUDGET	%
461A	METERED SALES RESIDENTIAL	\$11,261,451	\$10,599,980	\$11,088,798	\$12,367,400	11.5%
461B	METERED SALES COMM / IND	\$3,343,907	\$3,428,869	\$3,411,384	\$4,117,500	20.7%
462	PRIVATE FIRE PROTECTION	\$180,684	\$179,136	\$174,238	\$193,000	10.8%
463	PUBLIC FIRE PROTECTION	\$1,083,097	\$1,089,366	\$1,100,919	\$1,250,300	13.6%
464	SALES TO PUBLIC AUTHORITIES	\$548,131	\$544,128	\$566,571	\$659,900	16.5%
466	SALES FOR RESALE	\$92,102	\$91,935	\$109,180	\$120,800	10.6%
471	MISC. SERVICE REVENUE	\$350,888	\$179,134	\$125,806	\$87,300	-30.6%
474	OTHER WATER REVENUES	\$61,850	\$56,718	\$58,947	\$65,400	10.9%
415	PROFIT ON METER SALES	\$8,368	\$2,660	\$7,010	\$10,600	51.2%
416	PROFIT FOR MATERIAL & LABOR	\$11,549	(\$276)	\$10,981	\$5,200	-52.6%
		\$16,942,027	\$16,171,650	\$16,653,834	\$18,877,400	13.4%
NON OPERATING INCOME						
419	INTEREST ON INVESTMENTS	\$1,279,251	\$1,794,893	\$1,261,098	\$382,900	-69.6%
421	DISCOUNT ON PURCHASE	\$367	\$250	\$284	\$300	5.6%
434	MISC. CREDIT TO SURPLUS	\$65,000	\$0	\$0	\$0	
	TOTAL	\$1,344,618	\$1,795,143	\$1,261,382	\$383,200	-69.6%
	TOTAL REVENUE	\$18,286,645	\$17,966,793	\$17,915,216	\$19,260,600	7.5%
OPERATING EXPENSES						
SOURCE OF SUPPLY						
601	OPERATION & LABOR	\$14,511	\$14,597	\$16,766	\$16,800	0.2%
602	PURCHASED WATER	\$3,834,661	\$3,643,939	\$4,154,336	\$4,497,200	8.3%
614	MAINTENANCE/WELLS	\$20,983	\$0	\$400	\$1,000	150.0%
	TOTAL	\$3,870,155	\$3,658,536	\$4,171,502	\$4,515,000	8.2%
PUMPING						
621	FUEL FOR PUMPING	\$1,535	\$8,450	\$6,838	\$6,600	-3.5%
623	POWER PURCHASED	\$511,431	\$521,284	\$494,195	\$479,600	-3.0%
624A	PUMPING LABOR	\$71,623	\$64,875	\$80,541	\$89,100	10.6%
624B	PUMPING EXPENSE	\$2,882	\$2,187	\$2,813	\$2,600	-7.6%
631	MAINTENANCE/STRUCT/IMP.	\$41,952	\$34,808	\$32,881	\$34,200	4.0%
633	MAINTENANCE PUMPING EQUIP.	\$32,602	\$36,264	\$35,947	\$41,400	15.2%
	TOTAL	\$662,025	\$667,868	\$653,215	\$653,500	0.0%
WATER TREATMENT						
641	CHEMICALS	\$69,118	\$102,910	\$79,085	\$72,000	-9.0%
642A	OPERATION LABOR	\$72,078	\$74,507	\$76,590	\$81,600	6.5%
642B	OPERATION EXPENSE	\$51,956	\$28,804	\$43,682	\$48,800	11.7%
651	MAINTENANCE OF STRUCTURE	\$207	\$0	\$100	\$100	0.0%
652	MAINTENANCE OF WATER TR.	\$8,603	\$1,608	\$2,378	\$2,400	0.9%
	TOTAL	\$201,962	\$207,829	\$201,835	\$204,900	1.5%
TRANSMISSION & DISTRIB.						
661	STORAGE FACILITIES	\$135	\$520	\$100	\$100	0.0%
662A	LABOR	\$25,398	\$29,163	\$15,982	\$14,900	-6.8%
662B	SUPPLIES EXPENSE	\$43,500	\$39,804	\$35,579	\$36,300	2.0%
663A	METER EXPENSE LABOR	\$16,496	\$30,775	\$20,995	\$26,100	24.3%
663B	METER EXPENSE MATERIAL	\$5,512	\$5,963	\$7,178	\$6,200	-13.6%
664A	CUSTOMER INSTALLATION	\$0	\$0	\$0	\$0	
664B	CUSTOMER INSTALLATION SUP.	\$0	\$0	\$0	\$0	
665	MISCELLANEOUS	\$16,456	\$15,389	\$14,194	\$12,900	-9.1%
671	MAINT. STRUCTURES & IMP.	\$11,240	\$223	\$501	\$1,300	159.5%
672	MAINT. RESV. & STAND PIPES	\$17,706	\$50,799	\$9,912	\$3,200	-67.7%
673	MAINTENANCE MAINS	\$760,678	\$912,017	\$612,618	\$736,000	20.1%
675	MAINTENANCE SERVICES	\$129,035	\$168,421	\$191,827	\$203,800	6.2%
676	MAINTENANCE METERS	\$47,135	\$80,045	\$94,271	\$93,400	-0.9%
677	MAINTENANCE HYDRANTS	\$88,307	\$84,307	\$107,292	\$116,600	8.7%
679	TRAN. TO CONST. & CUST	(\$20,491)	(\$7,567)	(\$26,708)	(\$13,400)	-49.8%
	TOTAL	\$1,141,107	\$1,409,859	\$1,083,741	\$1,237,400	14.2%

	FY 05-06	FY 06-07	FY 07-08 10+2	FY 08-09 BUDGET	%	
CUSTOMER ACCOUNTING						
902A	METER READING LABOR	\$75,734	\$74,300	\$82,398	\$83,900	1.8%
902B	METER READING SUPPLIES	\$0	\$0	\$0	\$100	
903A	CUSTOMER RECORDS LABOR	\$151,565	\$155,527	\$167,162	\$171,600	2.7%
903B	CUSTOMER RECORDS SUPPLIES	\$51,924	\$56,775	\$59,979	\$58,600	-2.3%
904	UNCOLLECTIBLE ACCOUNTS	\$0	\$0	\$0	\$0	
	TOTAL	\$279,223	\$286,602	\$309,539	\$314,200	1.5%
ADMINISTRATIVE & GENERAL						
920	ADMINISTRATIVE SALARIES	\$318,209	\$321,593	\$330,876	\$335,700	1.5%
921	OFFICE SUPPLIES & EXPENSE	\$128,765	\$119,366	\$113,476	\$111,800	-1.5%
923	OUTSIDE SERVICES	\$168,514	\$126,625	\$174,952	\$141,100	-19.3%
924	PROPERTY INSURANCE & WC	\$158,832	\$158,684	\$175,239	\$184,200	5.1%
925	INJURIES & DAMAGES	\$30	\$283	\$200	\$1,000	400.0%
926	EMPLOYEE PENSION & BENEFITS	\$795,548	\$683,739	\$750,372	\$806,400	7.5%
928	REGULATORY COMMISSION	\$81,630	\$45,694	\$142,909	\$156,000	9.2%
930	MISC. GENERAL EXPENSE	\$0	\$0	\$0	\$0	
930A	FISCAL AGENT FEE	\$34,000	\$34,000	\$35,666	\$40,700	14.1%
930B	FEE & EXPENSE WATER	\$15,207	\$15,083	\$15,168	\$15,100	-0.4%
930C	CONSERVATION PROGRAM	\$0	\$1,000	\$21,493	\$36,000	67.5%
932A	MAINTENANCE GENERAL PLANT	\$184,806	\$198,157	\$175,576	\$183,500	4.5%
932B	MAINTENANCE VEHICLES	\$99,668	\$105,368	\$102,274	\$101,400	-0.9%
933	UNASSIGNED TIME VAC. HOL. SICK	\$231,678	\$244,044	\$246,660	\$248,000	0.5%
	TOTAL	\$2,216,887	\$2,053,636	\$2,284,861	\$2,360,900	3.3%
	TOTAL O&M EXPENSES	\$8,371,359	\$8,284,330	\$8,704,693	\$9,285,900	6.7%
OTHER EXPENSES						
401	OPERATING EXPENSE	\$0	\$0	\$0	\$0	
403	DEPRECIATION	\$900,276	\$1,040,000	\$1,027,980	\$1,157,600	12.6%
408	TAXES OTHER THAN INCOME	\$159,670	\$161,999	\$166,182	\$172,400	3.7%
427	INTEREST LONG TERM DEBT	\$1,741,200	\$1,701,900	\$1,631,650	\$1,559,000	-4.5%
428	AMORTIZATION OF DEBT DISC	\$120,374	\$120,374	\$60,270	\$60,200	-0.1%
	TOTAL	\$2,921,520	\$3,024,273	\$2,886,082	\$2,949,200	2.2%
	TOTAL EXPENSES	\$11,292,879	\$11,308,603	\$11,590,775	\$12,235,100	5.6%
	INCOME (LOSS)	\$6,993,766	\$6,658,190	\$6,324,441	\$7,025,500	11.1%
DEBT SERVICE:						
	PRINCIPAL	\$2,120,000	\$2,200,000	\$2,270,000	\$2,330,000	
	INTEREST	\$1,775,931	\$1,701,944	\$1,631,644	\$1,558,919	
		\$3,895,931	\$3,901,944	\$3,901,644	\$3,888,919	

Page 1

CAPITAL ASSETS:

VEHICLES:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Replacement Van #4	\$27,000	Replace existing Van #4 2,500 HD
2	Replacement Truck #19 4Wd	\$25,000	Replace existing Truck 19 2WD
3	GIS Van (new)	\$25,000	New for GIS Operator & Equipment
	SUB TOTAL	\$77,000	
OFFICE EQUIPMENT:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Computer upgrades and replacements	\$8,000	Computer replacements as needed
2	GPS Receiver	\$5,000	For GIS Data Collection
3	GIS Work Station	\$10,000	For GIS Operator
4	Upgrade phone system	\$25,000	New system
	SUB TOTAL	\$48,000	
MISCELLANEOUS CAPITAL:			
ITEM #	DESCRIPTION	EST. COST	
1	Misc. hand / power tools	\$10,000	
2	Utility Body Refurbishments	\$10,000	
3	30" Bucket	\$1,500	
	SUB TOTAL	\$21,500	
	TOTAL PROPOSED EXPENDITURES	\$146,500	
	Remaining FY 07-08 funds	\$69,000	
	For FY 08-09 funds	\$100,000	
		\$169,000	
	AVAILABLE	\$22,500	

PROPOSED IFR FUNDING
2009 PROGRAM

PAGE 5
FY 08-09
IFR FY 09

Funding as of 5/31/08 Restricted Account	\$	6,953,452
May 2008 Funding Deposit	\$	400,448
June 2008 Funding Deposit	\$	400,448
FY 08-09 Funding as of June 30, 2009	\$	<u>5,402,686</u>
Total	\$	13,157,034
08-09 Proposed Budget Expenditures as of June 30, 2009	\$	15,651,000
Potential Deficit	\$	(2,493,966)

TOTAL CUSTOMERS
 FY 2008 - 2009

	FY 07	AS OF 4/30/2008	EST. GROWTH	TOTAL FOR BUDGET
RESIDENTIAL	24,297	24,925	71	24,996
COMMERCIAL/INDUSTRIAL	1,613	1,617	4	1,621
A PRIVATE FIRE	301	300		300
B PUBLIC FIRE	2,317	2,330	15	2,345
PUBLIC AUTHORITIES	332	332	2	334
SALES FOR RESALE	1	1		1

- A) No Growth
- B) 15 New Hydrants

# Public Fire Customers	13
# Private Fire Customers	
Hydrants	152
Fire Lines	148

REVENUES

		FY 07-08	BASE REVENUE	NEW CUSTOMERS	BUDGET FY 08-09
461A	RESIDENTIAL	\$11,088,798	\$12,342,800	\$24,600	\$12,367,400
461B	COMMERCIAL/INDUSTRIAL	\$3,411,384	\$4,110,400	\$7,100	\$4,117,500
462	PRIVATE FIRE	\$174,238	\$193,000		\$193,000
463	PUBLIC FIRE	\$1,100,919	\$1,242,300	\$8,000	\$1,250,300
464	PUBLIC AUTHORITIES	\$566,571	\$657,100	\$2,800	\$659,900
466	SALES FOR RESALE	\$109,180	\$120,800		\$120,800
471	MISC SERVICE REVENUE	\$125,806	\$87,300		\$87,300
474	OTHER WATER REVENUE	\$58,947	\$65,400		\$65,400
415	PROFIT ON METERS	\$7,010	\$10,600		\$10,600
416	PROFIT ON SERVICE	\$10,981	\$5,200		\$5,200
		\$16,653,834	\$18,834,900	\$42,500	\$18,877,400

ADMINISTRATIVE & GENERAL
OUTSIDE SERVICES

	07-08 10+2	BUDGET ESTIMATE
PETRARCA & MCGAIR	\$70,142.14	\$75,000
AMTEC	\$1,800.00	\$1,800
KPMG	\$37,500.00	\$38,300
WOODCOCK & ASSOCIATES	\$700.00	\$1,000
PARE ENGINEERING	\$3,999.00	\$0
C & E ENGINEERING	\$48,639.28	\$0
TILLINGHAST LICHT	\$3,183.47	\$0
WRIGHT - PIERCE	\$6,176.78	\$0
	<hr/>	<hr/>
	\$172,140.67	\$116,100
IFR & CIP - 5 YEAR PLANS (PUC ALLOCATION)		\$25,000

EMPLOYEE BENEFITS

BUDGET
ESTIMATE

MEDICAL - BLUE CROSS:

\$39,995.39/MO. X 12

\$479,944.68

\$480,000

DENTAL - BLUE CROSS:

\$2972.20/MO. X 12

\$35,666.40

\$35,700

GROUP P-65 RETIREES:

\$6,170.92/MO.X12

\$74,051.04

\$74,000

LIFE INSURANCE - MUTUAL OF OMAHA:

\$456.67/MO.X12

\$5,480.04

\$5,500

LONG TERM DISABILITY - MUTUAL OF OMAHA:

\$504.81/MO. X 12

\$6,057.72

\$6,100

RIEAS:

(\$1,200.00)

\$1,300

EDUCATION:

(\$3742.50)

\$5,000

PENSION CONTRIBUTION - NATIONWIDE:

(206,000.00)

\$193,619

\$193,700

XMAS BONUS:

\$150.00 X 34

\$5,100

*

* REFLECTED IN PAYROLL DISTRIBUTION

\$801,300

ADMINISTRATIVE & GENERAL
REGULATORY COMMISSION

	07-08 10+2	BUDGET ESTIMATE
PETRARCA & MCGAIR	\$23,883.91	\$40,000
WOODCOCK & ASSOCIATES	\$40,656.30	\$40,000
DIVISION OF PUBLIC UTILITIES	\$810.59	\$15,000
A-1 COURT REPORTERS	\$1,832.50	\$2,500
DPU - ASSESSMENT	\$52,680.00	\$58,500
U.S. POSTAL SERVICE (NOTICE)	\$9,750.31	\$0
	<hr/> \$129,613.61	<hr/> \$156,000

GENEARL RATE FILING - DOCKET #3942

PAYROLL BUDGET

	BASE PAY 7/1/2008	SCHEDULED OT	UNSCHEDULED OT	TOTAL	4.0%	SUMMER HELP (2) @ 7.10/HR	BONUS	ADJUSTMENTS	08-09 BUDGET	08-09 BUDGET ROUNDED	07-08 ACTUAL 10+2
107 CWIP	\$50,207.53			\$50,207.53	\$2,008.30				\$52,215.83	\$52,200	\$52,825.73
184A MJC - METERS	\$0.00			\$0.00							
184D MJC - REPAIRS	\$10,758.76			\$10,758.76	\$430.35				\$11,189.11	\$11,200	\$10,836.05
601 OPERATION - SUPERVISION											
602 OPERATION - LABOR	\$80,690.67	\$4,946.16		\$85,636.83	\$3,425.47				\$89,062.30	\$89,100	\$82,624.86
624A PUMPING - LABOR	\$30,483.14			\$30,483.14	\$1,219.33				\$31,702.47	\$31,700	\$31,153.64
631 MAINTENANCE - STRUCTURES	\$28,690.02			\$28,690.02	\$1,147.60				\$29,837.62	\$29,800	\$28,444.62
633 MAINTENANCE - PUMPING EQ	\$73,518.17	\$4,946.16		\$78,464.33	\$3,138.57				\$81,602.90	\$81,600	\$77,206.84
642A OPERATION - LABOR											
651 MAINTENANCE - STRUCTURES											
652 MAINTENANCE - TREATMENT EQ	\$14,345.01			\$14,345.01	\$573.80				\$14,918.81	\$14,900	\$13,545.06
662A TRANS & DIST - LABOR	\$25,103.76			\$25,103.76	\$1,004.15				\$26,107.91	\$26,100	\$25,735.61
663A METER - LABOR											
664A CUSTOMER INSTALLATION	\$1,793.11			\$1,793.11	\$71.72				\$1,864.83	\$1,900	\$2,709.01
672 MAINTENANCE - TANKS	\$347,866.44		\$49,898.58	\$397,765.02	\$15,910.60				\$413,675.62	\$413,700	\$361,653.07
673 MAINTENANCE - MAINS	\$82,483.80		\$11,834.48	\$94,318.28	\$3,772.73				\$98,091.01	\$98,100	\$85,333.87
675 MAINTENANCE - SERVICES	\$59,173.16			\$59,173.16	\$2,366.93				\$61,540.09	\$61,500	\$62,307.27
676 MAINTENANCE - METERS	\$52,000.65			\$52,000.65	\$2,079.00				\$54,079.65	\$54,100	\$54,180.23
677 MAINTENANCE - HYDRANTS	\$80,690.67		\$7,474.40	\$88,165.07	\$3,527.63				\$91,692.70	\$91,700	\$83,979.36
902 METER READING	\$164,967.59			\$164,967.59	\$6,598.70				\$171,566.29	\$171,600	\$176,053.48
903 CUSTOMER ACCOUNTING	\$322,762.68			\$322,762.68	\$12,910.51		\$5,100.00		\$335,673.19	\$335,700	\$345,181.98
920 ADMINISTRATIVE SALARIES										\$5,100	\$5,100.00
926 EMPLOYEE BENEFITS											
930-B DIRECTORS FEE											
930C CONSERVATION											
932A MAINTENANCE - PLANT	\$105,794.43	\$9,892.32		\$115,686.75	\$4,627.47				\$120,314.22	\$120,300	\$109,714.98
932B MAINTENANCE - VEHICLES	\$23,310.64			\$23,310.64	\$932.43				\$24,243.07	\$24,200	\$24,381.10
933 NON-PRODUCTIVE - LABOR	\$238,485.76			\$238,485.76	\$9,539.43				\$248,025.19	\$248,000	\$247,874.58
TOTAL	\$1,793,125.99	\$19,784.64	\$69,207.46	\$1,882,118.09	\$75,284.72		\$5,100.00	\$0.00	\$1,962,502.81	\$1,962,500	\$1,880,841.34

**IFR FUNDING
CURRENT AND PROPOSED PROGRAM
(MAY 2008)**

FUNDING:

FUNDING AS OF MAY 31, 2008	\$6,953,452
MAY & JUNE 2008 PAYMENT	<u>\$800,896</u>
FUNDING AVAILABLE AS OF JUNE 30, 2008	\$7,754,348

FUNDING:

IFR 2008 CONSTRUCTION - JULY 2008 - JUNE 2009	\$4,805,373
ASSUMED 1/2 YEAR RATE INCREASE	<u>\$597,313</u>
TOTAL FUNDING	\$13,157,034

ESTIMATED ALLOCATED EXPENDITURES 2008/2009

FINAL PAYMENT ESTIMATE

IFR 2005 CONSTRUCTION (FINAL PAYMENT ESTIMATE)	(455,000)
IFR 2006A CONSTRUCTION (FINAL PAYMENT ESTIMATE)	(1,894,000)
GREENWICH AVENUE REPLACEMENT (FINAL PAYMENT ESTIMATE)	(312,000)
QUAKER BOOSTER REFURBISHMENT (SET ASIDE)	(\$3,000,000)
QUAKER BOOSTER REFURBISHMENT DESIGN & CONSTRUCTION SERVICES	(\$150,000)
TIOGUE SERVICE AREA CONVERSION	(\$2,100,000)
TIOGUE SERVICE AREA CONVERSION ENGINEERING CONSTRUCTION SERVICES	(200,000)
IFR 2006B & 2007 CONSTRUCTION	(\$7,000,000)
IFR 2006B & 2007 CONSTRUCTION ENGINEERING CONSTRUCTION SERVICES	(\$350,000)
IFR 2009A & 2009B DESIGN SERVICES	(\$90,000)
IFR 2009A & 2009B CONSTRUCTION (PARTIAL)	<u>(\$1,000,000)</u>

TOTAL EXPENDITURES AS OF JUNE 30, 2009 **\$16,551,000**

2006A W.R.B. INTERCONNECTION GRANT REIMBURSEMENT (ESTIMATE)	<u>\$900,000</u>
---	------------------

BUDGET EXPENDITURE AS OF JUNE 30, 2009 **\$15,651,000**

ESTIMATED CARRY OVER EXPENDITURES 2009/2010

IFR 2009A & 2009B CONSTRUCTION (REMAINING)	(\$6,000,000)
IFR 2009A & 2009B CONSTRUCTION ENGINEERING CONSTRUCTION SERVICES	<u>(\$350,000)</u>

TOTAL CARRY OVER 2009/2010 **(\$8,843,966)**

FUNDING AVAILABLE JUNE 30, 2009	<u>\$6,000,000</u>
---------------------------------	--------------------

POTENTIAL DEFICIT **\$2,843,966**

**CIP PROJECTED EXPENSES
(MAY 2008)**

Mishnock Treatment Facility (CIP 1a & 1c)	(est.)	\$13,985,500
Mishnock Transmission, Storage & Booster (CIP 1b)	(est.)	\$9,213,800
Read School House Road Transmission (CIP 7e, 7d & 8a)	(bid)	\$3,203,885
	(contingency)	\$160,000
	(engineering)	\$160,000
		<u>\$3,523,885</u>
Read School House Storage Tank (CIP 7b)	(est.)	\$2,500,000
	(contingency)	\$125,000
	(engineering)	\$125,000
		<u>\$2,750,000</u>
East Greenwich Well Field Preliminary Design Treatment (CIP - 2)	(est.)	<u>\$50,000</u>
		TOTAL
		\$29,523,185
Capital Account (March 31, 2008)		<u>\$21,183,260</u>
	Shortfall	\$8,339,925

EXHIBIT J

June 19, 2008

June 13, 2008

Mr. Kevin Fitta, P.E.
Kent County Water Authority
1072 Main Street
P.O. Box 192
West Warwick, RI 02893-0192

Re: **Kent County Water Authority**
Rehabilitation of the Clinton Avenue Pump Station
C&E Project No. J0362.01

RECEIVED
JUN 16 2008
BY:

Dear Mr. Fitta:

As requested, C&E Engineering Partners, Inc. (C&E) has prepared Change Order No. 5 for the subject construction project. Three (3) originals of this Change Order are enclosed for the Authority's consideration. This change order includes cost credits from the Contractor, Walsh Construction (Walsh) for incomplete work items as identified in the attachments to Change Order No. 5. The Construction Punch List dated May 30, 2008 issued to Walsh identified a dollar value amount as assigned to each of the remaining incomplete items identified therein, and Walsh has elected to provide a cost credit to the Contract in the amount assigned to these items in lieu of completing the work. The work items that remain incomplete on the May 30, 2008 Construction Punch List include: touch up for PVC coating of chain link fence components; building louver bird screens; building louver finish warranty; and fuel oil supply piping anti-siphon valve. Please note the following regarding these incomplete work items:

Chain Link Fence touch up - Walsh had applied 'non-PVC' touch up coatings (i.e. spray paint) to the chain link fence components. The Authority could obtain and apply PVC touch up coatings to the areas identified in the Construction Punch List, or monitor the condition of the 'non-PVC' coatings applied to these areas and obtain and apply PVC touch up coatings on an as needed basis, at its discretion.

Building louver bird screens - All building louvers were provided with insect screens, which effectively also function as bird screens. The building louvers do not require bird screens for satisfactory operations. No additional Authority action is necessary.

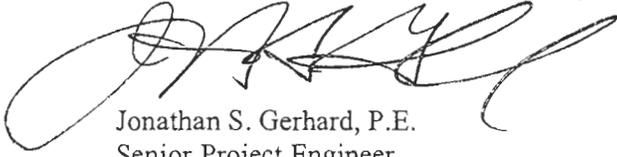
Building louver finish warranty - The building louvers were furnished with the specified "Kynar" protective finish coating, but the specified 20-year guarantee was not provided. Satisfactory performance is expected based upon use of the specified coating. No additional Authority action is necessary.

Fuel oil supply piping anti-siphon valve - An anti-siphon valve is required by the RI building code and NFPA; additionally, its installation would improve the operating conditions for the fuel oil transfer system (reduce day tank pump cycling). The Authority should make arrangement to have this valve furnished and installed, accordingly.

The cost credit in the amount of \$5,750.00 included in Change Order No. 5 reasonably reflects the work effort and materials cost associated with the incomplete work items. Incorporating this cost credit into the contract will result in a revised total (final) project cost of \$4,428,916.79. There is no revision of the Contract Times associated with these changes. Walsh has signed and accepted Change Order No. 5, and C&E recommends that the Authority approve this change to incorporate the reduced work effort formally into the Contract between the Authority and Walsh. Please retain one (1) copy for your records and return two (2) complete copies of the enclosed after the Authority has approved and signed this Change Order so that we may forward this modification to Walsh.

Please feel free to contact me if you have any questions or require further information regarding this project or the enclosed documents.

Sincerely,
C & E ENGINEERING PARTNERS, INC.



Jonathan S. Gerhard, P.E.
Senior Project Engineer

enclosure

OWNER Kent County Water Authority, 1072 Main Street, W. Warwick, RI 02893
 CONTRACTOR Walsh Construction, 2 Commercial Street, Sharon, MA 02067
 Contract: Rehabilitation of the Clinton Avenue Pump Station
 Project: Rehabilitation of the Clinton Avenue Pump Station
 OWNER's Contract No. _____ ENGINEER's Project No. J0362.01
 ENGINEER C&E Engineering Partners, Inc. 342 Park Avenue, Woonsocket, RI 02895

You are directed to make the following changes in the Contract Documents:
 Description:

Cost credit for items not provided.

Reason for Change Order:

Cost credit for items not provided.

Attachments: (List documents supporting change)

Change Order No. 5 Summary Listing. Construction Punch List 'date printed' 5/30/2008.

CHANGE IN CONTRACT PRICE:	
Original Contract Price	\$ <u>4,378,000.00</u>
Net Increase (Decrease) from previous Change Orders No. <u>1</u> to <u>4</u> :	\$ <u>56,666.79</u>
Contract Price prior to this Change Order:	\$ <u>4,434,666.79</u>
Net-increase (decrease) of this Change Order:	\$ <u>(5,750.00)</u>
Contract Price with all approved Change Orders:	\$ <u>\$4,428,916.79</u>

CHANGE IN CONTRACT TIMES:	
Original Contract Times:	Substantial Completion: <u>315 days (Mar 23, 2006)</u> Ready for final payment: _____ (days or dates)
Net change from previous Change Orders No. <u>1</u> to No. <u>4</u> :	Substantial Completion: <u>191 days</u> Ready for final payment: _____ (days)
Contract Times prior to this Change Order:	Substantial Completion: <u>506 days (Sep 30, 2006)</u> Ready for final payment: _____ (days or dates)
Net increase (decrease) this Change Order:	Substantial Completion: <u>0 days</u> Ready for final payment: _____ (days)
Contract Times with all approved Change Orders:	Substantial Completion: <u>506 days (Sep 30, 2006)</u> Ready for final payment: _____ (days or dates)

RECOMMENDED: _____ APPROVED:

By: [Signature] By: _____
 ENGINEER (Authorized Signature) OWNER (Authorized Signature)

Date: 6/13/08 Date: _____

ACCEPTED:

By: [Signature]
 CONTRACTOR (Authorized Signature)

Date: JUNE 5/08

Change Order No. 5 – Summary Listing

A. Contract Revisions

Item	Description	Amount
1	Cost credit for PVC Fence coatings touch up work not performed	(\$250.00)
2	Cost credit for louver bird screen materials not furnished	(\$3,500.00)
3	Cost credit for 20-year louver finish warranty not provided	(\$1,000.00)
4	Cost credit for fuel oil tank anti-siphon valve not furnished	(\$1,000.00)
Total –Changer Order No. 5 Contract Revisions		(\$5,750.00)
Previous Total Contract Amount		\$4,434,666.79
Revised Total Contract Amount - Final		\$4,428,916.79