

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

November 20, 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 November 20, 2008.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mr. Masterson, Mr. Giorgio and Mr. Inman were present together with the General Manager, Timothy J. Brown, Technical Service Director, John Duchesneau, System Engineer, Kevin J. Fitta, Director of Administration and Finance, Joanne Gershkoff, Legal Counsel, Joseph J. McGair and other interested parties. The Chairman led the group in the pledge of allegiance.

The minutes of the Board meeting of October 16, 2008 were moved for approval by Board Member Masterson and seconded by Board Member Gallucci and were unanimously approved.

Guests:

High Service Requests

Royal Hathaway Estates, John Brunero, Jr., Esq.

John Brunero appeared before the Board on behalf on behalf of Royal Hathaway Estates.

He stated that the plat has one older house and a new 15 house lot subdivision which was approved by the West Warwick Planning Board and three year period of build-out is planned for a 7 lot construction commencing in 2009. He said the owners were before the Kent County Water Authority previously looking for consideration and would like to loop the subdivision. Mr. Brunero said the severe economy may allow for the relaxation of the ambitious schedule.

The General Manager stated the design was reviewed, but the Board needs to examine the expansion of the system in light of the High Service policy and the system is still without necessary water in the High Service gradient.

The Chairman stated that the economy may relax the water deficit but the Board can not approve water for the subdivision and the system needs to operate properly and service the community. The Chairman stated that 7 lots certainly would be too many.

In answer to Board Member Gallucci, Mr. Brunero stated that the houses will be speculation but will be built one by one.

The General Manager stated that if the Board were to approve this development, the temporary high service management policy will need to be rescinded or modified based on maximum day demand since the Board is in deficit by 90,000 gallons and 15.5 million gallons/per maximum day.

The General Manager reminded the board that this project has been on since 2005. The General Manager iterated that there may be projects which are out of approval and others mandated statutorily for the amounts not being used affect the water deficit and it is unfair for others who have needs for the water.

The General Manager stated that letters could go out to see if approved projects are dormant and could provide relief to the deficit.

The Chairman stated that due diligence needs to be explored as to inventory or and this matter is continued to January 15, 2009 meeting.

LEGAL MATTERS

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. easements have been secured by Kent County Water Authority from said Duke prior to conveyance of the subject to real estate to Bald Hill Holding Co., a Connecticut limited liability company. In November, 2008, subsequent to securing the easements, Kent County Water Authority discovered that the parking area at the site had been expanded which encroaches on the temporary construction easement area of Kent County Water Authority which may also impact the renovation of the retaining wall by Kent County Water Authority. Therefore, Legal Counsel for Kent County Water Authority will contact the new owner with respect to the encroachment once a plan depicting the encroachment is received from Kent County Water Authority.

Joseph Petrarca, Department of Public Utilities and Carriers

The decision by the Division of Public Utilities and Carriers was rendered by Hearing Officer Lanni which was in favor of Mr. Petrarca. Legal Counsel and the General Manager determined that the decision was contrary to the Kent County Water Authority Rules and Regulations and an appeal was taken and was heard on February 4, 2008 by the Division of Public Utilities and Carriers and decision is now in abeyance from the Hearing Officer. Due to water quality issues on Philip Street, Legal Counsel moved for a postponement of the decision of the Hearing Officer and continued discussion has ensued with the General Manager concerning 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 was on hold until the disposition of the 2006 and 2007B bid and the cost is to be determined. On November 13, 2008 a letter was sent to Joseph Petrarca with an original Settlement Agreement for his signature.

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 and June 26, 2008 and a letter was sent to Mr. Madoian on August 12, 2008. Mr. McGair left a voice mail for Mr. Madoian on September 16, 2008 and there has been no reply as of yet. It is clear that despite efforts that the State is not interested and that the Kent County Water Authority should enact its own regulation and Legal Counsel will draft legislation submission to the General Assembly for the January session.

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. On July 16, 2008, G-Tech filed a Complaint with the DPUC against Kent County Water Authority. On August 5, 2008, Legal Counsel for Kent County Water Authority filed an Answer to the Complaint. The DPUC pre-hearing conference was held on November 17, 2008 wherein a Procedural Schedule was issued and the first item on the schedule is that a pre-hearing memorandum and pre-filed testimony is due from G-Tech on December 15, 2008 and a reply memorandum and pre-filed testimony is due from Kent County Water Authority on January 20, 2009.

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 contact attorney for Lender the week of July 21, 2008 for status of payment of post petition debt. Lender acknowledges that it will be responsible for payment of post petition if property not sold. Lender is still attempting to find a buyer for the property. Legal Counsel will pursue further action if payment is not forthcoming. Sale of property is pending. Legal Counsel to follow up regarding closing and payment of Kent County Water Authority bill. As of September 17, 2008, this matter is still pending. Compromise of bill has been requested but the same was refused by Kent County Water Authority. The closing is to be held on October 24, 2008. Kent County Water Authority substituted updated bill on October 20, 2008 to the closing attorney for payment. The closing did not take place because environmental issues remain and there has been no word as of November 19, 2008 regarding a new closing date. Legal Counsel will continue to monitor this matter.

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 to date to participate in the appeal and there is no action to take place except to await and monitor Supreme Court decision and hearing.

Harris Mills

The company has gone into receivership. Kent County Water Authority is owed \$3,676.58. Permanent receivership to be appointed. Legal Counsel will monitor for proof of claim filing. A permanent receiver was appointed. A proof of claim prepared and forwarded to the General Manager for signature on September 17, 2008 and will be filed in the Kent County Superior Court and sent to the receiver. Proof of Claim was filed and sent to Received on September 19, 2008. The proof of claim deadline is December 1, 2008. Legal counsel will continue to monitor for payment on claim.

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. Proof of Claim prepared and will be forwarded to the General Manager for signatures. Proof of Claim filed in Kent County Superior Court and was sent to the receiver on August 28, 2008 and as of October 8, 2008 this case is still pending. Hope Mill filed Chapter 11 Bankruptcy on August 20,

2008. Kent County Water Authority is not listed as a creditor. The proof of claim was prepared and signed by the General Manager on November 14, 2008 and was filed with the Bankruptcy Court on November 18, 2008, The proof of claim filing deadline is the end of November, 2008.

Haven Healthcare

The debtor agreed to pay Kent County Water Authority the amount of \$1,820.01 for adequate assurance which was correct amount pursuant to statute and payment was received. Proof of claim was filed on December 5, 2007 in Connecticut Bankruptcy case. Legal Counsel is monitoring progress of bankruptcy case which is complex as there are multiple facilities throughout New England involved in the bankruptcy. As of November 17, 2008 there has been no change in status and legal counsel will continue to monitor.

DPUC/Lombardi

Santo Lombardi is contesting a water bill and the bill was upheld at an informal hearing on April 22, 2008 and Mr. Lombardi has appealed the same and the matter was scheduled to July 29, 2008 and then rescheduled to September 11, 2008 and that Mr. Lombardi did not appear at the hearing, however, the DPUC has taken the position that Mr. Lombardi was lost in the building and did not know what room the hearing was in and therefore a new hearing was assigned to October 14, 2008. Additional documents were submitted by Kent County Water Authority and the parties are awaiting a decision by the Hearing Officer.

City of Warwick Fire Hydrant Bill

Collection procedures were commenced on October 15, 2008 to the Warwick City Solicitor, Peter Ruggiero in the amount of \$105,571.46. Kent County Water Authority received a check from the City of Warwick on November 10, 2008 in the amount of \$105,571.46 and the matter was concluded.

Director of Finance Report:

Arthur Williams, Finance Director, explained and submitted the financial report and comparative balance sheets, statements of revenues, expenditures, cash receipts, disbursements and comparative balance sheets and statements of revenue through October, 2008, which is attached as “**A**” and after thorough 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 by the Board Members present,

VOTED: That the financial report, comparative balance sheet statement of revenues, expenditure, cash receipts, disbursements and comparative balance sheets and statements of revenue through October, 2008 be

approved as presented and be incorporated herein and are made a part hereof as "A".

Point of Personal Privilege and Communications:

None.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

Old Business

Rate Case Compliance Filing (status)

The General Manger stated that the Public Utilities Commission (PUC) rate hearing resulted in approval of the vast majority of the Kent County Water Authority issues on November 19, 2008. The two Commissioners (Holbrook and Bray) stated that a 2% cap on employee salary increase to run to October, 2009 despite implementation.

Rate Case Review of Decision and Action Required

The General Manager stated the employee wage cap of 2% was surprising since the original 4% sought was modified and agreed to at 3.2% by the DPUC. Additionally the 10% co-payment for Blue Cross Blue Shield represents a shift in policy.

He stated that IFR was filed for \$6 million and PUC approved only \$5.4 million and in his judgment is in contravention of state law and the PUC is adhering to the economy as an issue and statute contradicts that approach. Further, seasonal rate was rejected by PUC had been agreed to by the DPUC.

Board Member Masterson stated that the PUC was in error in those portions of the Order and recommended appellate measures be taken.

After thorough discussion Board Member Gallucci moved and it was seconded by Board Member Masterson to give the General Manager discretion to appeal the matter with Legal Counsel after the written Report and Order is filed and it was unanimously,

VOTED: To give the General Manager discretion to appeal the matter with Legal Counsel after the written Report and Order is filed.

New Business

Adoption of Pre-approved pension plan for Restatement

The General Manager stated in 2004 the Board approved the Federal EGTRA 5 year submission deadline which meets the guidelines is mandated and it is ministerial in nature.

It was moved by Board Member Gallucci and it was seconded by Board Member Masterson to allow the Chairman to execute Certification 895 form as attached as “**B**” and it was unanimously,

VOTED: To allow the Chairman to execute Certification 895 form as attached as “**B**”.

CAPITAL PROJECTS:
INFRASTRUCTURE PROJECTS:

All Capital Projects and Infrastructure Projects were addressed by the General Manager and described to the Board by the General Manager with general discussion following and are described on exhibit “**C**” .

Change Order #1

The General Manager presented and recommended approval of Change Order #1 as evidenced and attached as “**D**” in the amount of \$30,167.64 for an unavoidable upward price adjustment for liquid asphalt and diesel fuel for Bituminous Pavement.

It was moved by Board Member Gallucci and seconded by Board Member Masterson to approve Change Order #1 for price adjustment for liquid asphalt and diesel fuel for Bituminous Pavement in the amount of \$30,167.64 as evidenced and attached as “**D**” and it was unanimously,

VOTED: To approve Change Order #1 for price adjustment for liquid asphalt and diesel fuel for Bituminous Pavement in the amount of \$30,167.64 as evidenced and attached as “**D**”.

IFR 2006B/2007 (Construction Status, Subcontractor Decision)

This matter is on hold.

Quaker Lane P.S. Design (Status, additional flagging & survey authorization)

The General Manager stated that due to wetland requirements there is a need to redraft the wetland permit and anticipation that flagging the wetlands and surveying will be necessary which would cause delay in the vital project and the costs are necessary, fair and reasonable and the General Manager recommends the expenditures as evidenced and attached as “**E**” which represents \$1,560.00 wetlands flagging; \$1,400.00 additional surveying and \$800.00 for contract drawings modification which totals \$3,760.00 and it was moved by Board Member Masterson and seconded by

Board Member Gallucci to approve the expenditures as evidenced and attached as “E” to C & E Engineering Partners, Inc. in the amount of \$3,760.00 and it was unanimously,

VOTED: To approve the expenditures as evidenced and attached as “E” to C & E Engineering Partners, Inc. in the amount of \$3,760.00.

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

VOTED: To adjourn the meeting at 4:55 p.m.

Secretary Pro Tempore

EXHIBIT A

November 20, 2008

KENT COUNTY WATER AUTHORITY
CASH RECEIPTS & DISBURSEMENTS
FY 2008 - 2009

	JULY 2008	AUGUST 2008	SEPTEMBER 2008	OCTOBER 2008	NOVEMBER 2008	DECEMBER 2008	JANUARY 2009	FEBRUARY 2009	MARCH 2009	APRIL 2009	MAY 2009	JUNE 2009	RATE REVENUE FY 08-09	RATE REVENUE FY 07-08
REGINNING MONTH BALANCE	37,770,320	33,805,455	33,777,788	33,425,155									JUL \$ 1,282,312.14	1,275,904.00
CASH RECEIPTS													AUG \$ 1,126,356.81	1,107,888.24
Water Collections	1,816,607	1,314,522	1,294,868	2,456,157									SEP \$ 2,391,917.46	2,657,394.59
Interest Earned	113,152	40,948	57,330	24,300									OCT \$ 1,217,110.52	1,233,123.13
Inspection Fees	-	250	1,580	6,500									NOV \$	1,061,981.56
Contribution in Aid-Construction	-	-	-	-									DEC \$	2,000,789.36
Other	-	-	-	-									JAN \$	973,591.82
	-	-	-	-									FEB \$	807,416.94
	-	-	-	-									MAR \$	1,583,914.86
	-	-	-	-									APR \$	867,682.17
	-	-	-	-									MAY \$	879,916.31
	-	-	-	-									JUN \$	1,398,043.21
TOTAL CASH RECEIPTS	39,700,079	35,161,175	35,131,566	35,912,112										
CASH DISBURSEMENTS:														
Purchased Water	420,581	547,312	496,477	565,167										
Electric Power	49,317	54,160	56,958	40,491										
Payroll	176,689	146,667	141,111	175,925										
Operations	131,148	71,752	140,028	77,876										
Employee Benefits	52,673	48,674	53,704	48,913										
Legal	3,801	6,151	4,602	2,837										
Materials	68,915	27,519	10,108	28,561										
Insurance	4,747	4,747	5,848	4,747										
Sales Taxes	25,987	10,448	7,825	30,562										
Refunds	1,058	127	40	-										
Rate Case	6,657	-	-	23,123										
Conservation	-	-	-	-										
Pilot	8,325	-	470	302										
Capital Expenditures (Other)	6,370	343	3,740	2,747										
2004 Infrastructure	5,641	127,949	330,770	538,298										
Milbrook WastewaterPump/Treat	29,297	513	-	25,547										
Chilton Avenue Pump Station	1,081	-	-	-										
E. O. Well Upgrade	1,583,147	280,207	190,299	18,577										
Read Schoolhouse Road - Mains	3,000	2,040	73,261	809,063										
Read Schoolhouse Road - Tank	628	571	15,043	-										
Greenwich Avenue - 8" & 12" Mains	12,726	22,255	38,153	13,459										
2006A Infrastructure	1,675	1,935	942	3,915										
Quaker Lane Pump Station	-	2,300	765	3,909										
2007 Infrastructure	2,286	620	336	-										
Genoa Street 8"	83,821	8,292	6,364	6,935										
Arthur-Bleech-Kefferson 8"	-	-	8,857	75										
2009 Infrastructure	-	-	-	-										
Tobin Street 8"	-	-	-	-										
U. S. Bank - Debt Service (P & I)	3,130,260	18,805	114,947	36,606										
Water Protection	83,994	-	-	-										
TOTAL DISBURSEMENTS	5,894,624	1,383,387	1,706,411	2,461,680										
BALANCE END OF MONTH	33,805,455	33,777,788	33,425,155	33,420,432										
PRIOR YEAR	35,847,101	35,697,152	36,080,016	35,454,967	35,211,082	34,811,034	34,931,570	34,995,520	35,228,014	38,007,533	37,685,563	37,770,320		

EXHIBIT B

November 20, 2008

Certification of Intent To Adopt a Pre-approved Plan

Eligibility for the six (6) year remedial amendment cycle as described in Part IV of IRS Revenue Procedure 2005-66
 ▶ Attach to Form 5300, 5307, 5310

OMB No. 1545-2011

For IRS Use Only

Part I Plan Sponsor Information - Enter all requested information

1a Employer name

K e n t C o u n t y W a t e r A u t h o r i t y

1b Employer Identification Number (EIN)

0 5 — 6 0 0 0 6 3 4

1c Employer's plan name

K e n t C o u n t y W a t e r A u t h o r i t y
 P e n s i o n P l a n

1d Plan number

0 0 1

1e Plan type - Enter 1 for DCP or 2 for DBP

2

Part II Master and Prototype (M&P) Sponsor or Volume Submitter Practitioner Information - Enter all requested information

2a Name of M&P sponsor or volume submitter practitioner

S u n G a r d C o r b e l L L C

2b M&P sponsor or volume submitter practitioner EIN

9 5 — 2 8 4 5 5 5 6

2c Plan name of M&P sponsor or volume submitter practitioner (see instructions)

S u n G a r d C o r b e l L L C
 V o l S u b D e f i n e d B e n e f i t P l a n

Part III Certifications

This certification must be signed and dated by both parties before the end of the employer's applicable five-year remedial amendment cycle as determined under Part III of Revenue Procedure 2005-66 (see instructions regarding who must sign).

3 Under penalties of perjury the employer identified in line 1a, certifies that it intends to adopt the plan identified in line 2c.

Signature / Title of employer _____ Date _____

4 The M&P sponsor or volume submitter practitioner, listed above, certifies that an application for an opinion or advisory letter for the M&P or volume submitter specimen plan identified above was filed with the IRS by

01 / 31 / 2008

Signature: *Michelle Lelouché* Assistant General Counsel _____ Date: 10/02/2006
 Preparer's signature / Title of M&P sponsor or volume submitter practitioner _____ Date _____



M B

EXHIBIT C

November 20, 2008

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	Approval
Hunt River Interim Management & Action Plan	Implementing, Weather Dependant
2008 CIP Program Plan	Final for Approval
Clean Water Infrastructure Plan 2008	Draft Copy Under Review

UPDATED CIP PROJECTS BOND FUNDING

PROJECT	STATUS
Mishnock Well Field (new wells) CIP - 1A	Design Underway
Mishnock Transmission Mains CIP - 1B	RFP Design Services
Mishnock Treatment Plant CIP - 1C	Design Underway
East Greenwich Well Treatment Plant - CIP-2	Preliminary Design Report Underway Presentation
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completed
Read School House Road Tank CIP - 7B	Under Construction
Read School House Road Main CIP 7c, 7d, 8a	Under Construction

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2005	Completed C. O. #1 Asphalt Adjustment
IFR 2006 A	Paving
IFR 2006 B / IFR 2007	Construction Underway
IFR 2009 A & 2009 B	Design Underway
PWSB 78" / Johnson Blvd. P.S. Modification	Completed
Greenwich Avenue Replacement	Completed, Final Payment
Hydraulic Tank Evaluation	Completed
Quaker P. S. Design	Design Underway, Flagging & Survey Authorization
Tech Park Tank Recoating	Completed
Tiogue Tank Re-Service	Construction Ongoing
Hydrant Painting	Ongoing KCWA Forces, Weather Dependant

11 4
C

EXHIBIT D

November 20, 2008

CHANGE ORDER

OWNER FIELD
 ENGINEER OTHER
 CONTRACTOR

PROJECT: 2005 KCWA INFRASTRUCTURE
 (name, address) IMPROVEMENTS PROJECT
 WARWICK & COVENTRY, RI

CHANGE ORDER NUMBER: 1
 DATE: OCTOBER 20, 2008

TO CONTRACTOR: C. B. UTILITY CO., INC.
 (name, address) 99 TUPELO ST.
 BRISTOL, RI 02809

ENGINEER'S PROJECT NO.: 04-003
 CONTRACT FOR: 2005 KCWA Infrastructure
 Improvements Project
 Warwick & Coventry, RI

The Contract is changed as follows:

Price adjustment for liquid asphalt and diesel fuel for Bituminous Pavement (see attached) ADD \$30,167.64

"D"

The original (Contract Sum) (Guaranteed Maximum Price) was	\$	2,062,645.00
Net change by previously authorized Change Orders	\$	0.00
The (Contract Sum) (Guaranteed Maximum Price) prior to this Change Order was	\$	2,062,645.00
The (Contract Sum) (Guaranteed Maximum Price) will be (increased) (decreased) (unchanged) by this Change Order in the amount of	\$	30,167.64
The new (Contract Sum) (Guaranteed Maximum Price) including this Change Order will be	\$	2,092,812.64

JAMES J. GEREMIA & ASSOCIATES, INC.
 ENGINEER

C. B. UTILITY CO., INC.
 CONTRACTOR

KENT COUNTY WATER AUTHORITY
 OWNER

272 WEST EXCHANGE ST., SUITE 201
 Address

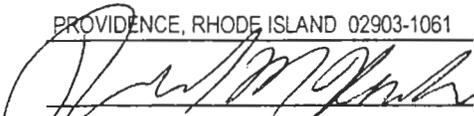
99 TUPELO ST.
 Address

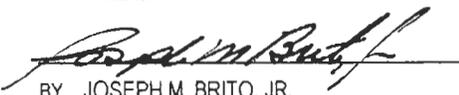
P.O. BOX 192
 Address

PROVIDENCE, RHODE ISLAND 02903-1061

BRISTOL, RI 02809

WEST WARWICK, RI 02893-0192


 BY RICHARD M. HENCLER, P.E.
 PROJECT MANAGER


 BY JOSEPH M. BRITO, JR.
 VICE-PRESIDENT

BY

10/22/08
 DATE

10/21/08
 DATE

DATE

**KCWA - 2005
Infrastructure Improvements**

Liquid Asphalt and Diesel Fuel Adjustment

Description of Pavement	Quantity	Cost Adjustment S.Y.	Cost Adjustment Ton	Total
Pavement Restoration Completed October Through December '07				
1-1/2" Overlay Pavement	20,905.00	\$ 0.42	\$	\$ 8,780.10
Leveling	789.24		\$ 4.89	\$ 3,859.38
Pavement Restoration Completed April & May '08				
1-1/2" Overlay Pavement	18,119.16	\$ 0.89	\$	\$ 16,126.05
Leveling	135.60		\$ 10.34	\$ 1,402.10
Total Increased Liquid Asphalt & Diesel Fuel Cost Adjustment				\$ 30,167.64

C. B. UTILITY CO., INC.

99 Tupelo Street
Bristol, Rhode Island 02809

TEL. (401) 253-9277 FAX (401) 253-0450

General Contractors

DIVISIONS:
PIPELINE TRANSMISSION & DISTRIBUTION
SEWER • WATER • SITEWORK
EQUIPMENT RENTALS

Mr. Richard M. Hencler, P.E.
James J. Geremia & Associates, Inc.
272 West Exchange Street, Suite 201
Providence, RI 02903

October 3, 2007
Revised January 3, 2008

Re: Kent County Water Authority
2005 Water Line Project – Asphalt Escalation Adjustment

Dear Richard:

The following is the price adjustment per ton for the final paving areas in Coventry & Warwick RI. for the K.C.W.A. 2005 Project. The overall price increase for liquid asphalt and diesel fuel per ton is \$ 4.89 or \$ 0.42 S.Y. for 1 ½" overlay paving.

Liquid Asphalt Period Price (Sept. 2007) = \$ 413.00
Liquid Asphalt Base Price (April 2006) = \$ 340.00
Difference = \$ 73.00 x 6.25 % = \$ 4.56 per ton

Note: RIDOT standard specifications M.03 indicates that the Asphalt percent by weight shall be 5.5 – 7.0 for a Class 1 – 1 surface course. We used the average or 6.25 %.

Diesel Fuel Period Price (Sept. 2007) = \$ 2.28 Gal.
Diesel Fuel Base Price (April 2006) = \$ 2.15 Gal.
Difference = \$ 0.13 Gal. x 2.5 Gallons per Ton = \$ 0.33 per ton

Note: Per RIDOT 938.03.2 use 2.5 gallons per ton of asphalt.

Adjustment Valve Liquid Asphalt = \$ 4.56 per ton
Adjustment Valve Diesel Fuel = \$ 0.33 per ton
Overall Increase = \$ 4.89 per ton / 11.60 S.Y. Per Ton = \$ 0.42 S.Y. for 1 ½" overlay

Factor for 1" = 17.40 S.Y.'s per ton
Factor for 1 ½" = 11.60 S.Y.'s per ton

Sincerely ,



Kevin Ferreira
C.B. Utility Co. Inc.

C. B. UTILITY CO., INC.

General Contractors

99 Tupelo Street
Bristol, Rhode Island 02809
TEL. (401) 253-9277 FAX (401) 253-0450

DIVISIONS:
PIPELINE TRANSMISSION & DISTRIBUTION
SEWER • WATER • SITEWORK
EQUIPMENT RENTALS

Mr. Richard M. Hencler, P.E.
James J. Geremia & Associates, Inc.
272 West Exchange Street, Suite 201
Providence, RI 02903

June 18, 2008

Revised for overlay work
performed in April and
May 2008.

Re: Kent County Water Authority
2005 Water Line Project – Asphalt Escalation Adjustment

Dear Richard:

The following is the price adjustment per ton for the final paving areas in Coventry RI. for the K.C.W.A. 2005 Project. The overall price increase for liquid asphalt and diesel fuel per ton is \$ 10.34 or \$ 0.89 S.Y. for 1 ½" overlay paving.

Liquid Asphalt Period Price (May 2008) = \$ 455.00
Liquid Asphalt Base Price (April 2006) = \$ 340.00
Difference = \$ 115.00 x 6.25 % = \$ 7.19 per ton

Note: RIDOT standard specifications M.03 indicates that the Asphalt percent by weight shall be 5.5 – 7.0 for a Class 1 – 1 surface course. We used the average or 6.25 %.

Diesel Fuel Period Price (May 2008) = \$ 3.41 Gal.
Diesel Fuel Base Price (April 2006) = \$ 2.15 Gal.
Difference = \$ 1.26 Gal. x 2.5 Gallons per Ton = \$ 3.15 per ton

Note: Per RIDOT 938.03.2 use 2.5 gallons per ton of asphalt.

Adjustment Valve Liquid Asphalt = \$ 7.19 per ton
Adjustment Valve Diesel Fuel = \$ 3.15 per ton
Overall Increase = \$ 10.34 per ton / 11.60 S.Y. Per Ton = \$ 0.89 S.Y. for 1 ½" overlay

Factor for 1" = 17.40 S.Y.'s per ton
Factor for 1 ½" = 11.60 S.Y.'s per ton

Sincerely,



Kevin Ferreira
C.B. Utility Co. Inc.

EXHIBIT E

November 20, 2008

tbrown@kentcountywater.org

From: Russ Houde [rhoude@ceengineer.com]
Sent: Friday, November 14, 2008 4:27 PM
To: PE Timothy Brown
Subject: FW: Quaker lane
Attachments: KCWA Quaker lane PS Wetlands Costs.pdf

Tim,

Cost for wetlands, survey and modification to project drawings as follows. Also, see attached quotes for subcontract services. Please advise if anything further required.

Wetlands Flagging		\$ 1,560.00
Survey		\$ 1,400.00
Contract Drawings Modification		\$ 800.00
	Total	\$ 3,760.00

Russ

From: tbrown@kentcountywater.org [mailto:tbrown@kentcountywater.org]
Sent: Thursday, November 13, 2008 8:18 AM
To: 'Russ Houde'
Cc: map@petrarcamcgair.com
Subject: RE: Quaker lane

Need the cost of the additional survey for the board meeting November 20th. I will get the OK to move forward on the extra. TIM

From: Russ Houde [mailto:rhoude@ceengineer.com]
Sent: Wednesday, November 12, 2008 3:30 PM
To: PE Timothy Brown
Subject: Quaker lane

Tim,

Following meeting with wetland biologist this day, several issues were identified as follows.

1. I will need to redraft the wetland permit to identify two owners of record – KCWA and the owner of lot 20 as both will need to sign the application. Due to the fact that the new wall and some of the work is outside of the described easements it is required that the owner of lot 20 (Duke Associates) also sign the application.
2. We need to ascertain if a wetlands permit was obtained for the wall addition and added pavement area. If so, we need a copy of the permit and number. If not we will need to treat this as an existing condition under this application.
3. There is a 50/50 chance that DEM, upon review of the wetlands application, may require

11/17/2008

"E" 21

additional wetland flagging to the west along Hardig Brook. This is in light of the fact that we are identifying easement C – a temporary construction area, replacing the existing wall and the recently added wall and pavement section, and the new fence and gate at the property line. These areas are clearly within the 200-foot riverbank setback and within previously disturbed areas that are outside of the 50-foot wetland perimeter. DEM may insist on additional flagging that would extend beyond the area of easement C and at the approximate location of the new gate and fence. Previous flagging was performed to be coincident with the pump station parcel and the added land area to this parcel.

Not flagging this area could be a cause for future delay when DEM comments on the application. It is therefore recommended that additional flagging be completed now to avoid future delay in permitting. Cost to flag is in range of \$1,500 – \$2,000 range and is a direct cost of subcontractor to C&E. Will also need to survey the flags once installed to tie into site plan – see below.

- 4. It is also recommended that the surveyor pick up the new wall section and pavement area and new drain structures in pavement as well as any other changes that may have occurred from previous survey 3 years ago (i.e. fence and gate at entrance). If additional wetland flagging were performed the survey would be conducted after flagging is performed. The cost of survey is not known at this time but should be in similar range as wetland flagging (1500 – 2000).

Please review and advise – call with questions.

Russell L. Houde, Jr., PE
Managing Engineer



C&E Engineering Partners, Inc.
342 Park Ave.
Woonsocket, RI 02895
p: 401-762-1711
f: 401-235-9088

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C&E Engineering 342 Park Avenue Woonsocket, RI 02895 www.ceengineer.com

11/17/2008



ECOTONES, INC.
ENVIRONMENTAL CONSULTANTS

J0713

1130 TEN ROD ROAD D-100
NORTH KINGSTOWN, RI 02852
PHONE/FAX 401 294-1155

Mr. Russell Houde, PE
C&E Engineering Partners, Inc.
342 Park Avenue
Woonsocket, RI, 02895

November 13, 2008
Project 08140

via email: rhoude@ceengineer.com

RE: Freshwater Wetland Delineation and Impact Avoidance and Minimization Statement Estimate/Contract
KCWA Pump Station off of Quaker Lane and Bald Hill Road, AP 241 Lot 31, Warwick, RI

Mr. Houde:

Based upon our preliminary review, Ecotones, Inc. is pleased to present this proposal to identify and delineate freshwater wetlands on the property and write an Impact Avoidance and Minimization Statement in support of the proposed work. The delineation will be performed in accordance with the State of Rhode Island Department of Environmental Management (RIDEM) Rules and Regulations Governing the Administration and Enforcement of the Freshwater Wetlands Act, June 2007 (Rules).

More specifically, the work will be completed in support of a RIDEM Preliminary Determination application for an Insignificant Alteration permit that will qualify under the US Army Corps of Engineers Programmatic General Permit (PGP) for Rhode Island, effective date February 13, 2007, as a Category 1 project. Additional work may be required if a RIDEM Application to Alter, a higher Federal level review (i.e. Category 2 or Individual Permit), or other permits are required. If any wetland appears to be a special aquatic site as defined in the Rules or a vernal pool as defined in the PGP, additional work may be required over a minimum of a two-month period to document the presence or absence of additional features indicative of these types of resource areas. This additional work to document the presence or absence of special aquatic sites/vernal pools is not included as part of this proposal and will be completed under an amended contract.

Based upon our preliminary review, it is our estimate that the project will cost approximately \$1,560. Specific tasks are listed below.

Item	Description	Subtotal
1.1	Wetland Delineation	\$360
1.2	Updated Letter of Findings	\$300
1.3	Impact Statement	\$900
	TOTAL	\$1,560

J0713

NATIONAL
Land Surveyors-Developers, Inc.

November 14, 2008

C & E Engineering Partners, Inc.
342 Park Avenue
Woonsocket, R.I. 02895
Mr. Russ Houde

RE: Quaker Lane, Warwick survey KCWA

Dear Mr. Houde,

Thank you for requesting and please accept this as Nationals proposal to supply the following scope of services.

- 1) Locate wetlands flags by others approximate 400' along river and topography along river.
- 2) Topography of new construction on abutting lot.
- 3) Location of new fencing and guard rail on site.
- 4) Inspection of proposed staging area.
- 5) Reduce field work and incorporate into base plan.

Fee for above described scope of services is \$1,400.00

Thank you again for contacting National and hope this proposal is acceptable.

Respectfully,



Norbert A. Therien, PLS

NAT: jet
File
Fax