

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

April 16, 2009

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 April 16, 2009.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mr. Masterson and Mr. Giorgio were present together with the General Manager, Timothy J. Brown, Director of Administration and Finance, Joanne Gershkoff, Technical Service Director, John Duchesneau, Legal Counsel, Maryanne Bevans and other interested parties. Joanne Gershkoff led the group in the pledge of allegiance. Board Member Inman was absent due to an injury.

The minutes of the Board meeting of March 19, 2009 were moved for approval by Board Member Giorgio and seconded by Board Member Gallucci and were unanimously approved.

### Guests:

#### High Service Requests

#### Royal Hathaway Heights, John Brunero, Esq. for the Applicant

John S. Brunero, Jr., Esq. appeared on behalf of applicant. Mr. Brunero stated that applicant is seeking fire and domestic service for five residential lots. The Chairman opined that given the downturn in the economy, he is doubtful of the development of five lots in the near future.

Mr. Brunero stated that the water lines require disinfection prior to connection. Mr. Brunero further stated that applicant is well aware of all Kent County Water Authority High Service Gradient water restrictions including low flow toilets, no irrigation and the applicant is in full agreement with the restrictions.

It was moved by Board Member Giorgio and Board Member Masterson to conditionally approve the request for water supply to service five homes in the referenced residential development 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 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 the request for water supply to service five homes in the referenced residential development 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 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.

### **2009 Health Insurance Coverage Review, Starkweather & Shepley**

Claire Teitleman of Starkweather & Shepley Insurance Brokerage, Inc. researched prospective health insurance coverage for the employees and retirees of the Kent County Water Authority and presented the Board with a schematic as evidenced and attached as "A" contained within a proposal. Referring to the schematic, Ms. Teitleman stated that United Health plan scored highest and Tufts Health Plan scored second. However, with United Health there would be an issue with the retiree benefits as United Health does not offer benefits for retirees if the group is less than 50 employees.

Ms. Teitleman then referred the Board to the second page of the schematic which summarized the proposal of Starkweather & Shepley Insurance Brokerage, Inc. More specifically, Ms. Teitleman suggested that Kent County Water Authority change its renewal date to match its fiscal year end date to wit, July 1<sup>st</sup> and renew with Blue Cross/Blue Shield for May 1, 2009 and then if determined to be in the best interest of Kent County Water Authority employees, change the health coverage plan for July 1, 2009.

Ms. Teitleman further informed the Board that Tufts is creating a plan for retirees however, the plan will not be released until July 1, 2009. Retirees would be charged a co-pay for prescriptions and they would have to obtain referrals to be seen/treated by specialists. Ms. Teitleman stated that Tufts provides similar benefits as the current health plan of Kent County Water Authority however, there would be significant savings with Tufts. Ms. Teitleman informed the Board that the Tufts plan will not cover services for retirees who reside out of Rhode Island for more than three months per year.

Ms. Teitleman suggested that Kent County Water Authority renew with Blue Cross/Blue Shield, go to market again for a July 1, 2009 renewal date and then review plans prior to July, 2009. This will enable Kent County Water Authority to determine whether to renew with Blue Cross/Blue Shield in July, 2009 or enroll with another insurance provider.

The General Manger informed the Board that the dental plan with Blue Cross/Blue Shield will continue for two more years as it was a three year contract.

Ms. Teitleman stated that Tufts rates will be available for early May, 2009 and she will attend the May, 2009 Kent County Water Authority Board meeting to present further information to the Board Members.

It was moved by Board Member Giorgio and seconded by Board Member Gallucci to approve renewing the Blue Cross/Blue Shield healthcare coverage on May 1, 2009 based upon the advice and documentation of the independent expert, Claire Teitleman, of Starkweather & Shepley as evidenced and attached as “A” and it was unanimously,

VOTED: To approve renewing the Blue Cross/Blue Shield healthcare coverage on May 1, 2009 based upon the advice and documentation of the independent expert, Claire Teitleman, of Starkweather & Shepley as evidenced and attached as “A”.

## **LEGAL MATTERS**

### **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 was considered by Legal Counsel and General Manager and accepted. 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. On December 15, 2008, a follow up letter was sent to Mr. Petrarca since nothing has been received and on December 29, 2008, Mr. Petrarca reneged on his agreement and the matter will continue to be decided by Hearing Officer and a hearing was scheduled to February 25, 2009 and was heard. The parties are awaiting a decision.

### Department of Health Rules and Regulations

Legal Counsel forwarded to Gregory A. Madoian, Esq., Legal Counsel for the Department of Health, the proposed private water system rules and regulations amendments as pertaining to public drinking water. These amendments were prepared by Legal Counsel, the General Manager and the staff. Legal Counsel also placed a telephone call to Mr. Madoian. Mr. Madoian contacted Legal Counsel who stated that that the rules and regulations will be reviewed the week of April 15, 2007. Legal Counsel subsequently inquired of the Department of Health and it is still being considered. Legal Counsel has and will continue to contact the Department of Health until he receives an answer. This has been a frustrating issue in that the Department of Health has had these proposed regulations since April 9, 2007. Legal Counsel has sent letters and telephone calls in an attempt to schedule a meeting with the General Manager and Department of Health officials who do not seem to be motivated to address this serious issue. Legal Counsel 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 has drafted legislation to the General Assembly for the January session and it was delivered to the Board for their review on January 12, 2009. The General Manager has forwarded a letter with proposed regulation to the Department of Health for its revised Rules and Regulations and a hearing was held and regulations to be in effect in May, 2009.

### 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 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. The pre-hearing memorandum was received from G-Tech Legal Counsel on December 17, 2008. Legal Counsel for Kent County Water Authority, the General Manager and John R. Duchesneau are preparing the memorandum and pre-filed testimony which was filed on January 20, 2009. The memorandum and testimony were timely filed with the DPUC on January 20, 2009. GTECH filed a Response

Memorandum on February 9, 2009. The KCWA Sur-Reply Memorandum was prepared and was filed on the due date of February 23, 2009. The hearing date is April 27, 2009 and Kent County Water Authority has a data request which was denied by the Hearing Officer on March 18, 2009 and a Motion for Reconsideration has been filed.

#### 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 further notice 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 was December 1, 2008. Legal counsel will continue to monitor for payment on claim. As of April 8, 2009, there has been no change in status.

#### 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 was prepared and was forwarded to the General Manager for signatures. Proof of Claim was filed in Kent County Superior Court and was sent to the receiver on August 28, 2008 and as of this date this case is still pending. Hope Mill filed Chapter 11 Bankruptcy on August 20, 2008. Kent County Water Authority was 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 was the end of November, 2008. Pursuant to the plan of reorganization filed by Debtor on November 22, 2008, Kent County Water Authority will be paid in full upon confirmation of the plan by the Bankruptcy Court and Legal Counsel will continue to monitor. As of February 17, 2009 the Court has not scheduled a hearing for confirmation of plan. Debtor will be filing an Amended Plan in March 2009. Legal Counsel will continue to monitor. As of April, 2009 the Debtor has not filed an Amended Plan.

#### West Greenwich Wellhead Protection

Mr. Waltonen has petitioned the Town Council for West Greenwich for a zone change for AP 6, Lot 134 from residential to highway business. The subject lot abuts

the wellhead protection area of Kent County Water Authority. The site is currently used for storage and grinding and dyeing. A portion of the subject site was previously rezoned in 1991 to Highway Business and the Petitioner appeared before the Kent County Water Authority Board at that time and a condition of the 1991 zone change was that Petitioner obtain a letter from Kent County Water Authority approving the final drainage plan. The current petition requests relief from all 1991 conditions including Kent County Water Authority approval. Legal Counsel has conducted research including at the West Greenwich Town Hall concerning the petition and Legal Counsel and Kent County Water Authority will monitor and present its concerns and objections to the Zoning Board and the Town Council at the respective January 20, 2009 and February 11, 2009 hearings.

Legal Counsel and the General Manager attended the January 20, 2009 Zoning Board of Review hearing and the matter was continued by the Zoning Board of Review to February 17, 2009 as the applicant had not submitted to the Board the as built plans. The Chairman had requested that the Kent County Water Authority provide a letter to the Zoning Board of Review outlining the concerns of Kent County Water Authority. Legal Counsel forwarded correspondence to the Zoning Board of Review on January 22, 2009. The matter has been continued by the West Greenwich Zoning Board of Review to April 14, 2009 in that the Waltonen Attorney has not filed the necessary documents. Kent County Water Authority received some engineering from Legal Counsel for Petitioner on April 6, 2009. The Zoning Board hearing has been rescheduled to April 21, 2009 due to the unavailability of the Town Solicitor for the April 14, 2009 hearing.

#### Quaker Lane Renovations

Legal Counsel forwarded to the owner of the site abutting the pumping station request for authorization to permit Kent County Water Authority to file its Freshwater Wetlands application to the Rhode Island Department of Environmental Management with respect to the renovations to the station as required by the rules and regulations of the Department of Environmental Management. Legal Counsel received the written authorization on April 15, 2009.

#### West Greenwich Technology Tank/Rockwood

This matter may soon be in litigation in that Rockwood Corporation has failed to take any steps and has continually denied to take any steps in the painting issues inside of the tank and on February 16, 2009 their surety, Lincoln General Insurance Company, denied the claim as well. The matter will be reviewed between the General Manager and Legal Counsel. Rockwood has sent a proposal to Legal Counsel and the General Manager is weighing the same.

Director of Finance Report:

The General Manager stated that the poor state of the economy is hampering the collection process and Kent County Water Authority is working very hard on collections and the PUC winter shut-off moratorium will be over soon and may help with collections.

The Chairman had asked the General Manager regarding the service terminations due to economic realities and the General Manager instructed the Board on the procedure.

Joanne Gershkoff, 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 March, 2009, as evidenced and attached as “B” 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 March, 2009 be approved as presented and be incorporated herein and are made a part hereof as evidenced and attached as “B”.

**Point of Personal Privilege and Communications:**

None.

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

**Old Business**

Rate Case Review Status

The General Manager informed the Board that the appropriate documents have been filed with the Supreme Court. He stated that case statement will be submitted and then a settlement conference with Supreme Court will follow. The General Manager opined that the certiorari writ and memorandum were well prepared by Legal Counsel and contained very strong arguments.

Waltonen Property Zoning Change (April 21, 2009 meeting)

This matter was discussed infra.

### Controller of the Currency Complaint

The General Manager informed the Board that the Complaint has been filed against US Bank regarding transferring Trustee duties and awaiting action from the Controller of the Currency.

### New Business

#### Legal Counsel RFP Review

The Chairman stated that this matter shall be continued to the May, 2009 Board meeting as Board Member Inman is absent and Board Member Inman may have questions and input with respect to this matter.

#### Geremia Contract Extension, Industrial Lane Replacement

The General Manager informed the Board that there have been multiple line breaks on Industrial Lane and that the roadway is 1600-1700 ft. in length. He further stated that the leaks have been severe this year with damage resulting. The General Manager stated that the lines cannot continue to be repaired due to the severity of the breaks in the lines. Therefore, design is required so that the reparations can be sent out for bid under the 2009B IFR.

In connection with this project action is required under Task Order No. 3 as evidenced and attached as "C". The General Manager recommends that James J. Geremia & Associates do the design work as the company has done good work with the Authority in the past and the price is reasonable.

It was moved by Board Masterson and seconded by Board Member Gallucci to approve Task Order No. 3 for the engineering services of James J. Geremia & Associates, Inc. in the amount of \$5,500.00 for design work as evidenced and attached as "C" and it was unanimously,

VOTED: To approve Task Order No. 3 for the engineering services of James J. Geremia & Associates, Inc. in the amount of \$5,500.00 for design work as evidenced and attached as "C".

#### Cranston Request Drainage Hope Road

The General Manager presented the Board with correspondence dated April 1, 2009 from the City of Cranston, Department of Public Works as evidenced and attached as "D" wherein the City would work with Kent County Water Authority Engineer, James J. Geremia & Associates to include work for drainage improvements, said design and construction to be paid for by the City.

The General Manager stated that the water line on Hope Road required replacement and reservice under the capital program. The lines are aged and substandard. The General Manager stated that Kent County Water Authority has coordinated efforts with other communities for similar projects.

It was moved by Board Member Masterson and seconded by Board Member Giorgio to permit the City of Cranston to work with James Geremia & Associates, Inc. and Kent County Water Authority to coordinate work with the City with respect to drainage improvements for Hope Road as evidenced and attached as “D”, said design and construction costs to be borne by the City of Cranston and it was unanimously,

VOTED: To permit the City of Cranston to work with James Geremia & Associates, Inc. and Kent County Water Authority to coordinate work with the City with respect to drainage improvements for Hope Road as evidenced and attached as “D”, said design and construction costs to be borne by the City of Cranston.

#### Tiogue Re-service Activation

The General Manager informed the Board that the work has been completed and the Tiogue tank is now offline and the paving completed. The General Manager stated that he received a telephone call from a Kent County Water Authority customer who was pleased with the new water pressure.

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

All other 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 “E” .

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

VOTED: To adjourn the meeting at 5:10 p.m.

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Secretary Pro Tempore

# **EXHIBIT A**

April 16, 2009

**SUGGESTIONS:**

**Option 27:**

Tufts Health Plan Choice \$15/25 - same benefit with slightly better Rx benefit - for 4.1% increase (vs. Healthmate 11.2% increase)

**Option 9:**

UnitedHealthcare Plan 1R-C- slightly better benefit than current with 2% increase

**Option 10:**

UnitedHealthcare Plan 1R-D - \$300/600 Deductible for 5.7% decrease

**Option 31**

Tufts Health Plan PPO \$250/\$500 Deductible for 1.5% decrease

	<u>Current Plan Health mate \$15/25</u>	<u>Option 27 Tufts PPO Choice \$15/25</u>	<u>Option 9 United Plan 1R-C</u>	<u>Option 10 United Plan 1R-D</u>	<u>Option 31 Tufts Health Plan PPO \$250 Ded.</u>
<b><u>IN NETWORK</u></b>					
Office Visits - Primary	\$15	\$15	\$10	\$15	\$15
Specialist	\$25	\$25	\$10	\$15	\$25
Chiropractor	\$25	\$15/\$25	\$10	\$15	Deductible applies
Urgent Care (Walk-in Centers)	\$50	\$15/\$25	\$25	\$25	\$15/\$25
Emergency Room	\$100	\$100	\$100	\$100	\$100
Annual Deductible (individual/family)	N/A	N/A	N/A	\$300/\$600	\$250/\$500
Inpatient hospitalization	\$0	\$0	\$0	Deductible applies	Deductible applies
Outpatient Surgery	\$0	\$0	\$0	Deductible applies	Deductible applies
Labs/X-rays preventive	\$0	\$0	\$0	\$0	\$0
Labs/X-rays diagnostic	\$0	\$0	\$0	\$0	Deductible applies
CT/PET scans, MRI's, Nuclear	\$0	\$0	\$0	\$0	Deductible applies
Outpatient Therapies	20% co-payment	\$25	\$10	\$15	Deductible applies
Prescriptions 30 Days	\$7/30/50/75 Man. Rx	\$10/25/45	\$10/30/50	\$10/30/50	\$10/25/45
Prescriptions 90 Days	\$17.50/75/125	\$20/50/90	\$25/75/125	\$25/75/125	\$20/50/90
<b><u>OUT OF NETWORK</u></b>					
Annual Deductible	\$200/\$600	\$500/\$1,000	\$350/\$700	\$350/\$700	\$250/\$500
Co-Insurance	20%	20%	20%	30%	20%
OOP maximum	\$3,000/\$9,000	\$2,500/\$5,000	\$2,850/\$5,700	\$4,350/\$8,700	\$4,000/\$8,000
	<b>11.2% increase</b>	<b>4.1% increase</b>	<b>2% increase</b>	<b>5.7% decrease</b>	<b>1.5% decrease</b>

Note: If changing renewal to July 1st, must give BC/BS notice by June 1. Rates for other carriers should increase approximately 1.6% for July 1.

*This benefit summary is for illustration purposes only. It is not a contract.*

# **EXHIBIT B**

April 16, 2009

NEWT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSMENTS  
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
<b>RECEIVING ACCOUNT BALANCE</b>														
<b>CASH RECEIPTS:</b>														
Water Collections	37,770,330	33,805,435	33,777,788	33,435,155	33,450,432	33,336,161	32,005,861	32,149,627	32,598,833				1,275,904.00	1,107,888.24
Interest Earned	1,818,607	1,214,523	1,294,868	2,456,157	1,523,627	1,291,522	1,901,499	1,577,086	1,435,588				1,233,125.13	1,061,981.56
Inspection Fees	113,132	40,948	57,330	24,300	4,740	344	51,190	3,609	9,500				2,000,789.36	973,391.82
Contribution in Aid-Construction	-	250	1,580	6,500	7,800	129	-	-	-				807,416.94	1,583,914.86
Other	-	-	-	-	906	1,260	60	-	-				867,682.17	879,916.31
<b>TOTAL CASH RECEIPTS</b>	<b>39,706,079</b>	<b>35,161,175</b>	<b>35,131,566</b>	<b>35,912,112</b>	<b>34,987,505</b>	<b>33,649,416</b>	<b>33,938,611</b>	<b>33,730,322</b>	<b>34,013,923</b>				<b>1,285,312.14</b>	<b>1,898,043.21</b>
<b>CASH DISBURSMENTS:</b>														
Purchased Water	420,581	347,312	490,477	565,167	360,260	278,851	310,443	380,127	293,806					
Electric Power	49,617	34,160	56,938	40,491	43,915	10,796	36,376	81,783	60,894					
Payroll	176,689	146,667	141,111	175,925	151,894	202,214	175,612	143,618	165,289					
Operations	131,148	71,732	140,028	77,876	80,167	89,323	59,446	58,392	56,344					
Employee Benefits	32,673	48,674	38,704	48,913	45,933	243,296	30,733	49,092	42,343					
Legal	3,801	6,151	4,602	2,837	3,234	-	5,097	3,846	13,159					
Materials	38,915	27,519	10,108	28,561	8,043	7,368	31,719	25,138	25,138					
Insurance	4,747	4,747	5,848	4,747	4,879	4,879	4,879	9,759	63,028					
Sales Taxes	25,987	10,448	7,825	30,562	9,868	9,164	27,748	2,067	9,140					
Refunds	1,058	127	-	-	-	-	-	905	8,114					
Rate Case	6,657	-	11,763	23,123	11,895	43,135	3,678	905	12,813					
Conservation	-	-	470	302	-	469	-	-	-					
Pilot	8,325	-	-	-	-	-	-	-	-					
Capital Expenditures (Other)	6,370	343	3,740	2,747	1,950	-	-	-	-					
2004 Infrastructure	5,641	127,949	330,770	538,298	486,915	256,170	134,159	13,427	8,621					
Mishnock Well/Storage/Pump/Tams	29,797	513	-	25,547	-	-	2,143	-	-					
Chunton Avenue Pump Station	1,681	-	-	-	-	-	-	-	-					
E. G. Well Upgrade	-	-	-	4,045	-	3,797	9,024	1,520	10,040					
Read Schoolhouse Road - Mains	1,883,147	280,207	190,299	18,577	26,791	19,268	27,258	151,379	3,225					
Read Schoolhouse Road - Tank	3,000	2,000	73,261	809,063	556,403	308,228	37,718	586	-					
Greenwich Avenue - 6" & 12" Mains	628	571	15,043	79,875	-	-	-	-	-					
2006A Infrastructure	12,726	22,235	38,153	13,459	590,250	9,801	3,007	176,763	3,648					
Quaker Lane Pump Station	1,675	1,935	942	3,915	2,510	5,390	729	7,487	154,923					
2007 Infrastructure	2,300	2,300	765	3,909	19,692	255,582	23,981	12,309	-					
Garcas Street 8"	2,286	620	336	-	-	-	-	-	-					
Artium-Ricacho-Jefferson 8"	83,821	-	6,364	-	-	-	-	-	-					
2009 Infrastructure	-	8,292	8,857	6,935	11,708	8,510	2,584	546	17,770					
Tubin Street 8"	-	-	-	75	-	-	-	-	-					
U. S. Bank - Debt Service (P & I)	3,130,260	-	-	-	-	-	758,659	-	-					
Water Protection	83,694	18,805	114,947	36,606	137,642	14,873	99,330	15,012	12,698					
<b>TOTAL DISBURSMENTS</b>	<b>8,894,624</b>	<b>1,383,387</b>	<b>1,706,411</b>	<b>2,461,680</b>	<b>2,631,244</b>	<b>1,643,535</b>	<b>1,808,984</b>	<b>1,131,487</b>	<b>966,881</b>					
<b>BALANCE END OF MONTH</b>	<b>33,805,435</b>	<b>33,777,788</b>	<b>33,435,155</b>	<b>33,430,437</b>	<b>33,336,161</b>	<b>32,005,861</b>	<b>33,938,611</b>	<b>33,938,611</b>	<b>32,598,833</b>	<b>33,077,042</b>	<b>33,077,042</b>	<b>33,077,042</b>		
<b>PRIOR YEAR</b>	<b>33,887,101</b>	<b>33,697,152</b>	<b>36,080,016</b>	<b>35,434,967</b>	<b>35,312,082</b>	<b>34,811,034</b>	<b>34,931,370</b>	<b>34,995,520</b>	<b>35,228,014</b>	<b>38,007,533</b>	<b>37,685,583</b>	<b>37,770,230</b>		

KENT COUNTY WATER AUTHORITY  
CASH LOCATION  
FISCAL YEAR 08-09

	AUG 2008	SEP 2008	OCT 2008	NOV 2008	DEC 2008	JAN 2009	FEB 2009	MAR 2009	APR 2009	MAY 2009	JUN 2009
<b>Citizens Bank - Payroll</b>	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$	\$	\$
<b>Fleet Bank - Deposit</b>	89,026.31	72,018.74	88,245.57	62,432.00	81,465.94	181,783.78	93,626.93	50,773.11			
<b>Fleet Bank - Checking</b>	18,930.03	822.35	21,171.30	8,047.93	32,960.11	88,130.65	33,793.55	2,361.27			
	147,956.34	112,841.09	149,416.87	110,479.93	154,426.05	309,914.43	167,420.48	93,134.38	0.00	0.00	0.00
<b>U. S Bank - Project Funds</b>											
<b>Revenue</b>	41,007.17	33,013.89	277,947.76	423,822.82	67,123.53	133,140.05	120,315.69	26,499.27			
<b>Infrastructure Fund</b>	7,088,369.66	6,555,178.76	6,478,259.97	5,588,508.18	5,308,316.18	5,653,732.15	6,054,162.97	6,356,975.96			
<b>Operation &amp; Maintenance Fund</b>	0.00	0.03	0.03	0.03	0.03	0.03	0.03	0.03			
<b>Operation &amp; Maintenance Reserve</b>	1,898,250.00	2,153,275.00	2,153,275.00	2,153,275.00	2,364,575.00	2,364,575.00	2,364,575.00	2,364,840.21			
<b>Renewal &amp; Replacement Fund</b>	89,803.20	106,482.37	115,193.78	123,337.03	131,871.78	140,205.53	148,553.66	156,927.75			
<b>Renewal &amp; Replacement Reserve</b>	785,132.14	785,132.14	785,132.14	785,132.14	785,132.14	785,132.14	785,132.14	785,132.14			
<b>General Project - 2001</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>General Project - 2001</b>	93,794.43	225,893.67	291,815.41	357,610.10	423,429.37	309,457.16	375,279.18	441,164.09			
<b>Debt Service Fund - 2001</b>	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00			
<b>Debt Service Reserve - 2001</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>General Project - 2002</b>	19,399,679.91	18,897,469.29	18,119,529.16	17,469,961.24	17,163,586.01	17,137,779.00	17,004,863.19	17,009,838.63			
<b>Debt Service Fund - 2002</b>	211,230.58	309,156.31	602,429.83	838,966.71	995,465.32	690,517.17	847,067.28	1,003,758.84			
<b>Debt Service Reserve - 2002</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Cost of Issuance - 2002</b>	1,823,360.01	1,843,348.51	1,843,348.51	1,843,348.51	1,843,348.51	1,850,574.27	1,850,814.90	1,851,000.00			
<b>Cost of Issuance - 2002</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Debt Service Fund - 2004</b>	175,845.01	282,105.56	493,376.23	598,819.11	704,233.51	692,193.90	797,668.05	903,277.96			
<b>Debt Service Reserve - 2004</b>	1,279,882.59	1,279,882.59	1,279,882.59	1,281,045.76	1,283,008.93	1,301,240.95	1,301,397.31	1,302,257.29			
<b>Cost of Issuance - 2004</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
<b>Redemption Account - 2004</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
	\$ 33,805,564.74	\$ 33,423,184.73	\$ 33,450,332.30	\$ 32,356,161.15	\$ 32,005,861.36	\$ 32,149,626.78	\$ 32,598,833.77	\$ 33,077,042.29	\$ 0.00	\$ 0.00	\$ 0.00

# **EXHIBIT C**

April 16, 2009



TASK ORDER NO. 3

AGREEMENT BETWEEN  
KENT COUNTY WATER AUTHORITY  
AND  
ENGINEER FOR SERVICES

This Task Order No. 3 is attached to and made part of the Agreement dated 1 July 2008 between James J. Geremia & Associates, Inc. (ENGINEER) and Kent County Water Authority (OWNER) for the 2009A/2009B Infrastructure Improvements Project. This Task Order describes the Scope of Service and Compensation for the Task Order known as:

1. SCOPE OF SERVICE

ENGINEER shall provide to OWNER the following specific services to:

- a. **Modify the 2009B Infrastructure Water System Replacement Project by modifying the plans to reflect 1,800 linear feet of new transmission main on Industrial Drive in West Warwick, RI**

3. COMPENSATION INVOICING

The method of payment for services rendered by the ENGINEER as outlined in Section 1 of this Task Order shall be as follows (the ENGINEER shall invoice the OWNER based on the percentage of work completed):

Engineering	\$3,180.00
Survey	<u>2,320.00</u>
	\$5,500.00

Mileage: \$0.45/mile

Acceptance of the terms of this Task Order is acknowledged by the following authorized signatures of the parties to the Agreement.

OWNER

ENGINEER

KENT COUNTY WATER AUTHORITY

JAMES J. GEREMIA & ASSOCIATES, INC.

By: \_\_\_\_\_  
ROBERT B. BOYER

By: \_\_\_\_\_  
  
JAMES J GEREMIA

Title: CHAIRMAN

Title: PRESIDENT

Date: \_\_\_\_\_

Date: APRIL 10, 2009

# **EXHIBIT D**

April 16, 2009

ALLAN W. FUNG  
Mayor



ANTHONY M. SYLVIA, PE  
Director

DEPARTMENT OF PUBLIC WORKS  
CITY HALL, ROOM 109  
869 PARK AVENUE  
CRANSTON, RHODE ISLAND 02910



April 1, 2009

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

RE: 2009B Infrastructure Improvements  
Hope Road Drainage Improvements  
Cranston, RI

Dear Mr. Brown:

The City of Cranston has problematic drainage systems on Hope Road in the vicinity of the referenced KCWA project. Realizing that you are undertaking engineering for KCWA water system improvements with a Cranston pre-qualified engineer (James J. Geremia & Associates (JJG)), it would be efficient for the design and construction work to be performed at the same time by the same parties for the water and drainage system improvements. Naturally, the City of Cranston will cover the design and construction costs associated with the drainage system improvements, so long as the construction costs are procured through a competitive bidding process.

At this point I am writing to ask KCWA's permission to team-up with James J. Geremia & Associates to include work for drainage improvements in the project area. I would appreciate your consideration in this matter, and look forward to hearing your decision as soon as possible.

If you have any question or require additional information in the meantime, please do not hesitate to contact me at (401) 780-3245.

Sincerely,

Anthony M. Sylvia, PE, Director  
Department of Public Works

CC: Robin Schutt, Director of Administration  
Nicholas Capezza, Chief Engineer  
Mark Marchesi, Purchasing Agent

# **EXHIBIT E**

April 16, 2009

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

<b>PROJECT</b>	<b>STATUS</b>
<b>Water Supply System Management Plan WSSMP</b>	<b>Approval</b>
Hunt River Interim Management & Action Plan	Implementing, Weather Dependant , WRB Committee
<b>2008 CIP Program Plan</b>	<b>Approved</b>
Clean Water Infrastructure Plan 2008	DOH Review

**UPDATED CIP PROJECTS BOND FUNDING**

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

**IFR FUNDED PROJECTS**

<b>PROJECT</b>	<b>STATUS</b>
<b>IFR 2005</b>	<b>Completed C. O. #1 Asphalt Adjustment</b>
IFR 2006 A	Punch List, Paving Issue West Warwick
IFR 2006 B / IFR 2007	Under Construction
IFR 2009 A & 2009 B	2009A - Bid Date, 2009B Design Underway
<b>PWSB 78" / Johnson Blyd, P.S. Modification</b>	<b>Completed</b>
<b>Greenwich Avenue Replacement</b>	<b>Completed, Final Payment</b>
<b>Hydraulic Tank Evaluation</b>	<b>Completed</b>
Quaker P. S. Design	Design Review, Wetlands Application
<b>Tech Park Tank Recoating</b>	<b>Completed</b>
<b>Tiogue Tank Re-Service</b>	<b>Completed</b>
Hydrant Painting	Ongoing KCWA Forces, Winter Shutdown