

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

November 19, 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 November 19, 2009.

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

The minutes of the Board meetings of October 15, 2009 were moved for approval by Board Member Masterson and seconded by Board Member Gallucci and were unanimously approved.

GUESTS:

High Service Requests

Cedar Hill Farm, East Greenwich, Scott Moorehead

Mr. Moorehead did not appear before the Board, therefore, no action was taken.

Hopkins Hill Road, James Cantara

Stephen Fandetti appeared on behalf of his father-in-law, James Cantara. Mr. Fandetti identified the subject real estate as a single family (buildable) lot. The General Manager informed the Board that domestic water service was previously approved by Kent County Water Authority on however, the service was not activated within the time frame prescribed by the regulations of Kent County Water Authority.

It was moved by Board Member Inman and seconded by Board Member Gallucci to conditionally approve request for water supply to service a single family home 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 a 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 request for water supply to service a single family home 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 a 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.

1936 Middle Road, East Greenwich, Diane Gleason

Diane Gleason appeared before the Board and informed the Board that in the process of selling her single family residence, the prospective buyer conducted radon testing which disclosed an extremely high (12,000) radon level in the well water. Ms. Gleason stated that there is a water connection in the front of the residence. The General Manager informed the Board that radon is not federally regulated therefore, it is not classified as a contaminant. Ms. Gleason stated that she and the buyer have concern for health and safety given the high radon level and testing is required and would affect the sale.

Board Member Masterson opined that 12,000 is a very high level of radon therefore, he recommended domestic water service to the residence because of public health and safety reasons subject to Kent County Water policy pursuant to Section 1.14 of the Kent County Water Authority Rules and Regulations in lieu of a moratorium.

It was moved by Board Member Masterson and Board Member Gallucci due to health and safety reasons due to the extremely high level of radon in the water to conditionally approve the request for water supply to service a single family home 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 a 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 the request for water supply to service a single family home 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 a 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.

Alan dePaolo, 65 Warren Avenue, Cranston, RI

A request from the General Manager was made to add to the Agenda Alan dePaolo for discussion only and it was moved by Board Member Inman and seconded by Board Member Masterson to approve to add Alan dePaolo to the Agenda for discussion only and it was unanimously,

VOTED: To approve to add Alan dePaolo to the Agenda for discussion only.

Alan dePaolo of 65 Warren Avenue, Cranston, RI appeared before the Board and stated that there has been ongoing construction in front of his residence since April, 2009. There is a metal plate located partially in his driveway since the end of August, 2009. He stated that there are excavation holes in front of his driveway and when he complained to his councilman, the holes were filled with sand. He also complained of the spray painting in his driveway which identify the utility lines and the painted lines were then covered with black spray paint to blend in with the driveway.

Mr. dePaolo opined that the quality of his water is poor and that a Brita filtration system only lasts two months. He further opined that the road surface in his neighborhood is in poor condition and that the contractors have excavated four times in front of his residence and on one occasion he could not get out of his driveway. Mr. dePaolo ended his comments by stating that the contractor did not notify him of the work/excavation in his driveway.

The General Manager informed Mr. dePaolo that the contractor is Parkside and that the contractor is responsible for notifying the occupant prior to excavation. The General Manager further stated that the work being performed now is in preparation of paving and is scheduled for the first week of December.

The General Manager stated that he has met with the City of Cranston concerning this infrastructure project and the City has affirmed that it is responsible for drainage and Kent County Water Authority is responsible for the berm. The General Manager said that the metal plate located partially in Mr. dePaolo's driveway is necessary given that his home is located at a connection point and that the average time frame for installing a new water main/line is 1 ½ years.

The General Manager informed Mr. dePaolo that the contractor is responsible for rectifying any lawn that has been excavated.

Mr. dePaolo inquired if the water quality will improve as a result of the new waterline. The General Manager stated that the water quality will remain the same and that the water comes directly from Providence. The General Manager stated that water filters do not last and that the filters compound water quality issues and that Providence water is of good quality. The General Manager offered to review this matter and contact Mr. dePaolo.

LEGAL MATTERS

G-Tech

The hearing date was held on April 27, 2009 and the DPUC issued a Division Order on May 20, 2009 which states that the Complaint filed by GTECH Corporation on July 22, 2008 against Kent County Water Authority is hereby denied and dismissed. The deadline for GTECH to file an appeal is June 20, 2009. GTECH filed an appeal on June 19, 2009 in the Providence County Superior Court to the Decision of the Division of Public Utilities and Carriers of May 20, 2009 which ruled in favor of Kent County Water Authority. Kent County Water Authority answered the complaint on June 29, 2009 and Legal Counsel will engage in that portion of this continuing litigation. The parties have filed a consent order with the Court for the schedule of the briefs. GTECH brief was received on October 2, 2009 and Kent County Water Authority brief is due November 16, 2009. Kent County Water Authority filed their brief on November 16, 2009.

Providence Water Supply Board Rate Supreme Court 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. 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 Receiver 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 May 12, 2009, there has been no change in status. Petition to sell was filed by Receiver in Kent County Superior Court on June 5, 2009. Offer to property made which will allow for partial payment of claims. Legal Counsel will monitor progress of sale.

There has been no further progress regarding the sale of the Harris Mill complex in the receivership matter. Legal Counsel to contact the Receiver for a status report. New offers to purchase have come in which could allow Kent County Water Authority claim in this matter to be paid out of the receivership proceeds. As of September 14, 2009 the previous offer did not materialize. A new offer is being pursued. Legal Counsel will continue to monitor the progress of the sale. There has been no change as of November 17, 2009.

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 July 16, 2009 the Debtor has not filed an Amended Plan.

The Bankruptcy Court hearing was to be held on August 19, 2009 regarding a motion filed by Hope Mill to convert Chapter 11 to Chapter 7. Legal counsel will monitor the hearing and how the disposition of the hearing will affect the claim of Kent County Water Authority. The hearing was postponed until December 17, 2009.

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 dying. 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 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 was continued by the West Greenwich Zoning Board of Review to April 14, 2009 in that the Waltonen Attorney had 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 was held on April 21, 2009 and was continued to June 16, 2009. The Petitioner was required to provide to the Zoning Board within 30 days from April 22, 2009, a plan depicting existing site conditions and all items stored on the site including recreational vehicles, containers, mulch, stumps as well as aerial views and a list of all business uses. The Board also required that any plans to be submitted by application to DEM be submitted to an independent professional engineer for review prior to DEM submission. The Town engaged Shawn Martin of Fuss & O'Neil as independent engineer consultant.

On June 16, 2009, the Zoning Board of Review required Petitioner to provide to the Board drainage calculations existing at 1992, drainage calculations for current site conditions and calculations for proposed site uses and a list and description of all business uses on the site in affidavit form. The matter was continued to September 15, 2009.

Shawn Martin, PE of Fuss & O'Neil, was in attendance at the September 15, 2009 Zoning Board of Review hearing acting as independent engineer on behalf of the Town to report on the engineering submitted by applicant. Timothy Behan, PE, engineer for applicant was in attendance. Legal Counsel for Kent County Water Authority appeared on behalf of Kent County Water Authority. The Chairman is requiring the applicant to provide a more detailed description of all business uses including specific equipment on site in affidavit form. Legal Counsel reiterated the

position of Kent County Water Authority in requesting engagement of its own engineer for independent review of the applicant's engineering and objection to the petition given the noncompliance of applicant in the past. The position of the Town is that Fuss & O'Neil was engaged for independent review and that applicant is to provide Kent County Water Authority with a revised list of description of uses on the site and Kent County Water Authority is to coordinate with Shawn Martin, P.E. of Fuss & O'Neil once the list is received for review and Kent County Water Authority is to provide comments to the Board prior to the November 17, 2009 Zoning Board of Review. The list of uses was not provided to Kent County Water Authority. The Kent County Water Authority forwarded its written concerns to the Town on October 1, 2009. On October 19, 2009 Kent County Water Authority was provided with subsequent engineering and a list of uses in affidavit form by Applicant's Legal Counsel for review and Kent County Water Authority responded to the Town.

A subsequent meeting of the Zoning Board of Review was held on November 17, 2009. The General Manager and Legal Counsel were in attendance as well as Legal Counsel for applicant.

The Board discussed the procedural aspect of the Waltonen application and referenced the November 17, 2009 memorandum of the West Greenwich Town Hall Planner in connection therewith. The Planner recommended that the existing violations of the site be enforced first and that the zone change be denied by the Town Council and a new application be filed by the applicant after certain actions by applicant including remedying existing violations, application to Planning Board for Development Plan Review and consultation with Rhode Island Department of Environmental Management with respect to groundwater quality.

The Chairman inquired of applicant's Legal Counsel as to why the issues raised in writing by Kent County Water Authority have not been answered to date. Legal Counsel for the applicant did not respond as he was awaiting a response from the Department of Environmental Management prior to answering the questions of Kent County Water Authority. The Solicitor opined that the Department of Environmental Management's response is not required to answer some of the questions of Kent County Water Authority. Applicant's Legal Counsel opined that the respective engineers to wit, applicant's engineer and the Town's independent consultant, should address the concerns of Kent County Water Authority.

The Chairman recommended that the zoning and planning officials for the Town review the matter given the many existing violations of the 1991 approval and the Town await the findings of this review and the applicant's engineer and the Town's independent consultant review and address the concerns of Kent County Water Authority and the Zoning Board review the findings of the zoning official separate from the petition for zone change. This matter was continued by the Zoning Board to February 16, 2010.

Board Member Giorgio arrived at 4:15 p.m.

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 sent a proposal to Legal Counsel on March 31, 2009 and the General Manager weighed the same and a response was sent to Rockwood on April 24, 2009. On May 2, 2009 Rockwood sent another proposal and the General Manager responded to the same on May 8, 2009 requesting a written remedial plan proposal within ten days. On May 8, 2009 Rockwood responded by asking the General Manager to reconsider his position. On May 12, 2009 the General Manager sent correspondence to Rockwood stating the Authority will await Rockwood comments to KCWA letter of May 8, 2009. On May 13, 2009 Rockwood provided an additional response to the KCWA letter of May 8, 2009 with questions. On May 13, 2009 the General Manager sent correspondence agreeing to provide Rockwood with more time to complete a plan of remediation for an additional 10 days. On May 14, 2009, Rockwood sent a response and the General Manager, Merithew and Rockwood to have an informal meeting to work out details. The meeting took place and the Authority is monitoring the efforts of Rockwood to remedy the situation. The tank was recently dry inspected and the vendor remediated the same. Kent County Water Authority is awaiting final inspection of the tank with respect to the remediation.

Comptroller of the Currency

On October 16, 2008, Kent County Water Authority resolved to change the Trustee from US Bank to bank of NY Mellon regarding 2001/2002/2004 bond issue trust administration to be effective January 23, 2009. That on October 17, 2008, Kent County Water Authority timely notified US Bank concerning the transfer of trusteeship. On approximately January 20, 2009, the US Bank announced that it would require \$6,650.00 as transfer fees to accomplish ownership to the Bank of NY Mellon. Additionally, the US Bank kept \$1,667.67 of fees that were previously unused. That in order for the closing and transfer to take place, Kent County Water Authority on January 22, 2009 paid the sum of \$6,650.00 under protest and stated its displeasure with the US Bank and thereby stating that it would not jeopardize its bondholders and therefore paid the same and also sent a copy to the Controller of the Currency. On March 4, 2009 the Controller of the Currency stated that the US Bank would be replying directly to Kent County Water Authority. On March 11, 2009 Kent County Water Authority received a response from US Bank which was totally unsatisfactory. On March 31, 2009, Kent County Water Authority notified the Controller of the Currency concerning the unsatisfactory response of US Bank dated March 11, 2009 and reiterated its position. On June 30, 2009 US Bank sent a check in the amount of \$1,666.67 and it was received by Legal Counsel on July 6, 2009, saying that the same was a bookkeeping error as exhibited on the check. That on July 7, 2009 Kent County

Water Authority sent a letter to US Bank with a copy to the Controller of the Currency that the amount for advance services paid was acknowledged and that Kent County Water Authority has not acknowledged its exception to extracting at the 11th hour ransom of \$6,650.00 on January 12, 2009 and it will continued pursuit of its claim with the Controller of the Currency. A follow up letter was sent to the Controller of the Currency on August 21, 2009 and will await a response. Another follow up letter was sent on October 14, 2009.

West Greenwich Taxes

On July 1, 2009, Kent County Water Authority received a letter from the Solicitor for the Town of West Greenwich requesting that Kent County Water Authority make tax payments equivalent to the taxes assessed on real estate owned by Kent County Water Authority based on the year prior to the date Kent Count Water Authority acquired the property. The Town requested the amount of \$10,466.75 plus the current 2009 tax year. A schedule accompanying the letter set forth unsupported taxes totaling \$1,495.25 per year.

Legal Counsel for Kent County Water Authority sent a written response on July 2, 2009 to the Solicitor along with a letter from the West Greenwich Tax Assessor dated July 27, 2001 evidencing the payment due in lieu of real estate taxes at \$364.43 per year. Kent County Water Authority made this payment to the Town each year as billed. The billing ceased at 2001. Kent County Water Authority has offered to pay to the Town in lieu of taxes the sum of \$2,915.44 representing tax years 2002-2009. No counter response has been received from the Town.

Providence Water Supply Board Abbreviated Rate Filing

The parties have exchanged filings and testimony and the matter was to be heard by the Commission on October 13, 2009, that the parties have settled and was approved subject to conditions which the parties concurred.

Stop & Shop

Stop and Shop has procrastinated in cleaning the detention basin adjacent to its Coventry store which is proximate to the wellhead protection area. Several communications have been directed at Stop and Shop and only now has Stop and Shop agreed to clean the basin and the letter was dated August 5, 2009. Stop and Shop has completed the required maintenance.

Hydrant Fees legislation

The legislation, if passed, would allow the City of Warwick to pass an ordinance precluding Kent County Water Authority from assessing hydrant rental fees to the City of Warwick. These rental fees would have to be passed to the rate-payers. The use of the word "notwithstanding" in the legislation trumps the application of RIGL 39-16-8(9)

which gives Kent County Water Authority the authority to charge these fees to municipalities. This legislation was not passed in the special session therefore, it will be heard in the Senate January session.

Spectrum Properties, The Oaks, Coventry, Rhode Island

Legal Counsel for the developer forwarded on July 13, 2009 to Kent County Water Authority Legal Counsel for comment on the proposed form of easement deeds with respect to the residential subdivision. On July 29, 2009, Legal Counsel for Kent County Water Authority sent a response to Attorney William Landry setting forth comments to the proposed form of deeds. Legal Counsel received revised deeds from Attorney Landry on September 10, 2009 and they have been forwarded to the General Manager for review and have been approved by the General Manager. On September 24, 2009, Legal Counsel forwarded to Attorney Landry correspondence stating that the form of easement deed has been approved by Kent County Water Authority and for Attorney Landry to forward the original executed deeds to Kent County Water Authority for execution of acceptance. Legal Counsel has not received the deeds to date therefore Legal Counsel has forwarded inquiry correspondence.

49 Hebert Street

A complaint was recently filed by the owner of 49 Hebert Street, West Warwick who built a home on subdivisional land albeit, she was aware that the property would not be serviced by Kent County Water Authority because of neighborhood pressure issues. Legal Counsel answered the matter and filed a Data Request (10/5/09) of the Complainant. The pre-hearing conference is scheduled for November 23, 2009.

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.

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 October, 2009, as evidenced and attached as “A” and after thorough discussion, especially with regard to the revenue shortfalls and terminations will be necessary,

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, except for Board Inman,

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, 2009 be

approved as presented and be incorporated herein and are made a part hereof as evidenced and attached as “A”.

Point of Personal Privilege and Communications:

The Chairman informed the Board that the personnel of Kent County Water Authority activated the largest reservice position of the system and he commends the personnel on behalf of the Board.

GENERAL MANAGER/CHIEF ENGINEER’S REPORT
Old Business

KCWA Rate Case Review Status

The General Manager informed the Board that briefing dates have been scheduled and the matter should be heard before the Rhode Island Supreme Court in the Spring of 2010.

Waltonen Property Zoning Change

This matter was presented infra.

Controller of the Currency Complaint

This matter was presented infra.

Stop & Shop, Tiogue Avenue Detention Pond Cleanup Status

This matter was presented infra.

PUC Hydrant Filing

This matter was presented infra.

New Business

Review Read School House Gradient Re-Service

The General Manager informed the Board that the water main has been replaced and that it is the largest gradient ever reserviced by Kent County Water Authority. He continued that the reservicing results in higher pressure water service and he has concerns with the “tight pumps”, more specifically, the service is very efficient and 12 to 15 psi higher than expected. Kent County Water Authority is reviewing how to best control the water pressure to avoid the potential of broken water pipes. He stated that the issue is that the reserviced area transverses sea level to 450 feet. He continued

that there has been only one leak due to the increase in pressure and Kent County Water Authority is closely monitoring this as this is typical with all gradient reservicing.

East Greenwich Well DRAFT Pilot Study, Well Treatment Technology

The General Manager informed the Board that a draft of the report has been done. He stated that two technologies were found to work very well and these technologies have produced good water quality results and the adsorption process was used to remove manganese. He said that adsorption is more efficient and cost effective and produces high rates of removal. He iterated that the aeration process also removes secondary contaminants and reduces the level of radon. The General Manager was very pleased with the results of the pilot study.

Modification to FY 2010 Capitol Budget, Approval

The General Manager reminded the Board that Restricted Funds can only be utilized for capital projects. The General Manager stated that the Kent County Water Authority fleet of vehicles is eight years old and it has become very costly to maintain. He stated that computer issues need to be addressed i.e. a server and firewall. The General Manager informed the Board that the previously approved budget does not change rather, the allocation of the funds is modified. The amount of the equipment purchases is approximately \$215,000 - \$220,000.

It was moved by Board Member Gallucci and seconded by Board Member Masterson to approve the modification to the FY 2010 budget with respect to the reallocation of equipment purchasing which will be approximately \$220,000 and it was unanimously,

VOTED: To approve the modification to the FY 2010 budget with respect to the reallocation of equipment purchasing which will be approximately \$220,000.

Rate Case Revenue Shortfall, Filing, Approval

The General Manager stated that the consultant for Kent County Water Authority has reviewed the calculations and \$1.4 million in revenue is required to make Kent County Water Authority whole. He said that the revenue required is due to a decrease in current water sales and every utility carrier is faced with this same issue. The General Manager stated that Kent County Water Authority needs to file a rate case to reduce expenditures. Kent County Water Authority has met with the staff of the Commission and has scheduled a meeting with the Division concerning this matter. It is likely that there will be no increase in sales coupled with looming conservation regulations, Kent County Water Authority will be forced to pursue a rate filing to meet revenue requirements. The General Manager further stated that it is concomitant that overall commercial and industrial consumption is down. The General Manager further

stated that obviously when consumption is down, collections of receivables are also down. The General Manager suggested that the Board act to proceed with a rate filing due to lost revenue in order to meet revenue requirements. The Board will further review and consider this matter at the December Board meeting.

Board Member Inman excused himself at 5:15 p.m. due to pressing personal business.

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 "B" .

Employee Review

The Chairman stated that the employee affected was notified in writing on November 5, 2009 at 7:55 a.m. that a discussion of job performance, character, physical or mental health was to be held in executive (closed) session by the Board of Kent County Water Authority unless the employee affected required the proceeding to be held at an open meeting. The employee affected did respond and did appear and requested that the meeting be in executive (closed) session.

After the statement by the Chairman, the Chairman declared that it be noted in the minutes of the meeting that R.I.G.L. 42-46-5(a)(1) has been fully complied with.

Board Member Gallucci moved and Board Member Masterson seconded the motion to move into executive session for the discussion of job performance, character, physical or mental health pursuant to R.I.G.L. 42-46-4 and 42-46-5(a)(1) and it was unanimously,

VOTED: To enter into executive session for discussion of personnel matters pursuant to R.I.G.L. 42-46-4 and 42-46-5(a)(1).

Board Member Giorgio moved and Board Member Masterson seconded to exit executive session and to keep the executive session minutes closed and that the minutes shall remain under seal pursuant to R.I.G.L. 42-46-4 and 42-46-5 and it was unanimously,

VOTED: To exit executive session and to keep the executive session minutes closed and that the minutes shall remain under seal pursuant to R.I.G.L. 42-46-4 and 42-46-5.

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

VOTED: To adjourn the meeting at 5:40 p.m.

Secretary Pro Tempore

EXHIBIT A

Board Meeting

November 19, 2009

KENT COUNTY WATER AUTHORITY
CASH RECEIPTS & DISBURSEMENTS
FY 2009 - 2010

BEGINNING MONTH BALANCE

CASH RECEIPTS:

- Water Collections
- Interest Earned
- Inspection Fees
- Contribution in Aid/Construction
- Other

TOTAL CASH RECEIPTS

CASH DISBURSEMENTS:

- Purchased Water
- Electric Power
- Payroll
- Operations
- Employee Benefits
- Legal
- Materials
- Insurance
- Sales Taxes
- Rentals
- Road Cans
- Flora
- Conservation

Capital Expenditures (Other)

- 2004 Infrastructure
- Middlebrook WdP/Storage/Pump/Tank 211C
- Clinton Avenue Pump Station
- E. G. Well Upgrade
- Road Schoolhouse Road - Manas
- Road Schoolhouse Road - Tank
- Greenwich Avenue - 8" & 12" Mains
- 2006A Infrastructure
- Quaker Lane Pump Station
- 2007 Infrastructure
- Gerrans Street 8"
- Arthur Bleach Addition 8"
- 2009 Infrastructure
- 2010 Infrastructure
- Tobin Street 8"
- Lanette Court
- Melbrook Transmission Main
- Hill Street & Hope
- Prospect Street
- U. S. Bank - Debt Service (P. & I.)
- Water Protection

	JULY 2009	AUGUST 2009	SEPTEMBER 2009	OCTOBER 2009	NOVEMBER 2009	DECEMBER 2009	JANUARY 2010	FEBRUARY 2010	MARCH 2010	APRIL 2010	MAY 2010	JUNE 2010	RATE REVENUE FY 09-10	RATE REVENUE FY 08-09
BEGINNING MONTH BALANCE	33,688,188	31,329,764.00	30,025,771	29,331,433										
CASH RECEIPTS:														
Water Collections	1,834,841	1,433,975.90	1,259,666	2,277,217									1,282,312.14	1,126,358.81
Interest Earned	1,795	24,315.82	243	234									1,126,358.81	2,591,917.46
Inspection Fees													1,217,110.52	1,078,853.00
Contribution in Aid/Construction													2,175,706.24	2,175,706.24
Other													1,211,152.49	1,038,377.48
TOTAL CASH RECEIPTS	35,524,824	32,808,056	31,285,682	31,608,904									994,068.20	1,980,972.76
CASH DISBURSEMENTS:														
Purchased Water	364,220	392,413	398,122	408,783									437,312.14	437,312.14
Electric Power	24,444	47,456	44,465	32,107									1,086,327.67	1,086,327.67
Payroll	147,806	172,077	176,169	143,313									2,566,722.88	2,566,722.88
Operations	102,902	43,717	102,828	142,914									1,362,668.07	1,362,668.07
Employee Benefits	94,088	92,060	96,256	97,134									1,078,853.00	1,078,853.00
Legal	4,097	16,131	8,430	3,705									1,211,152.49	1,211,152.49
Materials	18,129	35,313	24,195	28,328									1,038,377.48	1,038,377.48
Insurance	5,171	11,908.88	9,443	2,960									1,841,962.53	1,841,962.53
Sales Taxes	24,402		9,108	30,611									994,068.20	994,068.20
Rentals	425		1,185	1,315									994,068.20	994,068.20
Road Cans		5,000												
Flora														
Conservation														
Capital Expenditures (Other)														
2004 Infrastructure	2,788	12,841	152,485	439										
Middlebrook WdP/Storage/Pump/Tank 211C	57,136													
Clinton Avenue Pump Station														
E. G. Well Upgrade	4,641	8,924	3,446	5,360										
Road Schoolhouse Road - Manas	234C	20,744	17,111	270,904										
Road Schoolhouse Road - Tank	236C	8,583	170,636	2,501										
Greenwich Avenue - 8" & 12" Mains	239C		251											
2006A Infrastructure	240C		3,080	10,564										
Quaker Lane Pump Station	284B	47,265	1,166,997	294,794										
2007 Infrastructure	242C													
Gerrans Street 8"														
Arthur Bleach Addition 8"	243C	6,969	432,804	394,808										
2009 Infrastructure	287B			22,700										
2010 Infrastructure	285B													
Tobin Street 8"	244C													
Lanette Court	245C	1,480		405	3,570									
Melbrook Transmission Main	286B	605			88,365									
Hill Street & Hope														
Prospect Street														
U. S. Bank - Debt Service (P. & I.)	3,173,659													
Water Protection	71,167.43	13,195		91,540	105,341									
TOTAL DISBURSEMENTS	4,195,060	2,782,283	1,934,228	1,192,108										
BALANCE END OF MONTH	31,329,764	30,025,772	29,331,433	30,416,207										
PRIOR YEAR	33,805,556	33,277,788	33,423,155	33,450,452	32,356,161	32,005,861	32,148,627	32,598,835	33,077,642	33,699,011	32,994,261	33,688,188		

EXHIBIT B

Board Meeting

November 19, 2009

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
Water Supply System Management Plan WSSMP	Approved
Hunt River Interim Management & Action Plan	Implementing, Weather Dependant , WRB Committee
2008 CIP Program Plan	Approved
Clean Water Infrastructure Plan 2008	Approved

UPDATED CIP PROJECTS BOND FUNDING

PROJECT	STATUS
Mishnock Well Field (new wells) CIP - 1A	Design Review
Mishnock Transmission Mains CIP - 1B	Design Review, Funding?
Mishnock Treatment Plant CIP - 1C	Design Review, DOH Review, Encroachment Issue Resolution
East Greenwich Well Treatment Plant - CIP-2	Preliminary Design Pilot Testing Report Presentation
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completed
Read School House Road Tank CIP - 7B	Online - Punch list
Read School House Road Main CIP 7c, 7d, 8a	Paving - Punch list

IFR FUNDED PROJECTS

PROJECT	STATUS
IFR 2005	Completed C. O. # 1 Asphalt Adjustment
IFR 2006 A	Closed out, Paving Issue West Warwick, Need Resolution
IFR 2006 B / IFR 2007	Under Construction - Cranston Paving
IFR 2009 A & 2009 B	2009A - Construction, 2009B Design, DEM Permits
IFR 2010	Design Underway
Prospect Street	Completed
PWSB 78" / Johnson Blvd. P.S. Modification	Completed
Greenwich Avenue Replacement	Completed
Hydraulic Tank Evaluation	Completed
Quaker P. S. Design	Bid on Hold, Funding Needed
Tech Park Tank Recoating	Completed - Awaiting Final Inspection Report - Reactivation
Tiogue Tank Re-Service	Completed
Hydrant Painting	Ongoing KCWA Forces/Winter Shut Down