

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

December 16, 2010

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 December 16, 2010.

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

The minutes of the Board meeting of November 18, 2010 were moved for approval by Board Member Masterson and seconded by Board Member Giorgio and were unanimously approved.

### **GUESTS:**

#### **High Service Requests**

##### **Ratification 8 Sharon Drive, Coventry**

Board Member Inman urged ratification of high service water supply to the residence due to the emergent failure of the residential well with its attendant health problems. The General Manager informed the Board that there was an existing suspended service and the service fees have been paid.

It was moved by Board Member Inman and seconded by Board Member Masterson to conditionally approve the request for water supply to service a single family home based upon emergent health consideration 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 any calculation or drawing 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 based upon emergent health consideration 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 any calculation or drawing 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.

## **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. GTECH did not file a reply brief and it is now up for order by the Court. Legal Counsel filed a Motion to Assign to a Judge and the assignment motion was scheduled for February 25, 2010 and was ordered on even date. The matter has been assigned to Judge Vogel, but no hearing date has been set. Legal Counsel requested that the

Clerk of the Court schedule a hearing to conclude this matter and a conference with Judge Vogel was held on August 24, 2010 who stated that the Court will be rendering a decision and will give the parties notice. On November 18, 2010 Legal Counsel received the Decision from Judge Vogel which found that Kent County Water Authority Rules and Regulations precluding master metering for separately owned parcels of realty was correct and the decision of the Public Utilities Commission affirming the Kent County Water Authority Rules and Regulations was upheld. The deadline for GTECH to appeal this decision is December 20, 2010.

### 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. The receivership case is in the Supreme Court. On October 1, 2010 the Court approved the sale of the property and the allowed disbursements including payment of Kent County Water Authority bill. This office will continue to monitor payment. As of December 14, 2010, there has been no change and the sale has not been finalized yet.

### 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 held on December 17, 2009. Assets purchased pursuant to Asset Purchase Agreement. Kent County Water Authority charges to be paid pursuant to Asset Purchase Agreement. Legal Counsel will follow up regarding timetable of payment to Kent County Water Authority. Legal Counsel spoke with Attorney DeAngelis on February 17, 2010 for status on payment to Kent County Water Authority.

Legal Counsel spoke with Attorney DeAngelis on May 13, 2010 and Mr. DeAngelis stated that a final closing has yet to be scheduled, but should be scheduled in the near future. There has been no further progress on scheduling a closing as of December 14, 2010, however, it will continue to be monitored.

#### West Greenwich Technology Tank/Rockwood

This matter may be in litigation in that Rockwood Corporation had failed to take any steps and continually denied Kent County Water Authority efforts 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 was 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. Rockwood has performed work at the site and it is necessary to have a final inspection after the tank has been filled. The tank has been filled and inspection is moving forward. This has been concluded. However, inspection followed which disclosed that there were more paint issues. On July 22, 2010, Legal Counsel notified the Bonding Company regarding action to correct. This will be further discussed by the

General Manager in IFR projects. This matter is being discussed which may include litigation.

#### 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 11<sup>th</sup> 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. A follow up letter was sent on December 17, 2009. The General Manager received a response from the Comptroller of the Currency on January 8, 2010 and on January 11, 2010, Legal Counsel received a response letter from the Comptroller of the Currency which deemed that the complaint is still active. Legal Counsel has been monitoring the status via the website provided by the Comptroller and there is no updated status as of May 20, 2010 and Legal Counsel sent follow up letters on May 20, 2010, September 15, 2010, October 8, 2010 and November 17, 2010. In response to follow-up letters, status of claim via website has been changed to "Review in Process". Legal Counsel to continue to monitor status of claim.

#### 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 forwarded status inquiry correspondence to Attorney Landry on November 18, 2009. Attorney Landry replied to Legal Counsel on November 23, 2009 stating that the developer is in the midst of scheduling a final approval hearing with the Town and Attorney Landry will provide Legal Counsel for KCWA with the anticipated timetable for final approval and recording of the deeds upon Mr. Landry's receipt of this information.

Legal Counsel pursuing Attorney Landry for status of his receipt of timetable for municipal approvals. Legal Counsel telephoned Attorney Landry and left a voicemail message as to status and subsequently forwarded correspondence to Attorney Landry on March 11, 2010. On May 11, 2010, Legal Counsel forwarded subsequent correspondence to Attorney Landry inquiring as to the status of the matter. The Developer contacted Legal Counsel directly and informed her that final approvals have not been received. Sanford J. Resnick, Esq. forwarded correspondence on September 17, 2010 to the Chairman informing of his representation of the developer and a request to appear before the Board to discuss inspection fees. The correspondence further stated that the municipal approval process is underway.

257A Mishnock Road, West Greenwich, RI

Legal Counsel was contracted by Thomas Goldberg, Esq., Attorney for Wendy Lasalle, current owner of property formerly owned by her late father, Robert Broadhurst. The subject property was occupied by Mr. Broadhurst for over 40 years and is landlocked. Ms. Lasalle is now desirous of selling the real estate and Anthony Q. Cofone, Esq., represents the prospective buyer and is requesting an ingress/egress easement from Kent County Water Authority over its Mishnock land. There is an existing, unimproved roadway formerly utilized by Mr. Broadhurst for access to the property. Attorney Cofone provided Legal Counsel with some recorded maps showing access to the site and Legal Counsel met with Mr. Cofone on June 16, 2010 to review title as Mr. Cofone claims pre-existing rights of way/access. Legal Counsel requested Mr. Cofone memorialize in writing the claim for pre-existing access rights for presentment to the Board. On July 19, 2010, Legal Counsel received correspondence from Attorney Coffone setting forth the title issue and request for easement. On July 29, 2010, Kent County Water Authority informed Attorney Coffone via writing that the prescriptive easement rights set forth in his July 16, 2010 correspondence obviates the need for Kent County Water Authority to provide easement rights to the owner with respect to the wellhead protection land of Kent County Water Authority.

As of December 16, 2010 no response has been received from Attorney Coffone.

DPUC: Mai Tai Investments Docket No.: D10-111

Mai Tai Investments of Coventry filed a complaint against Kent County Water Authority because of a billing dispute. The matter is new and Kent County Water Authority has responded with a data request and a hearing will be held thereafter. On September 23, 2010, Mr. Iacono requested an extension of 30 days to respond or object to KCWA data requests in order to seek counsel. This matter is on hold until Mr. Iacono retains counsel. On November 29, 2010 Legal Counsel for KCWA filed a Motion to Dismiss regarding no response. On December 7, 2010 Legal Counsel received an Objection to the Motion to Dismiss and Request for Additional Extension of Time to Respond to Data Requests which was filed by Mr. Iacono. On December 14, 2010 Legal Counsel filed an Objection and Motion to Strike in response to Mr. Iacono's Objection and Motion to Dismiss. Legal Counsel received an entry of appearance from Pavilonis, Esq. on which may be determinative of the motions.

West Greenwich/RI 2009 Pilot

On September 22, 2010, correspondence was received from the Solicitor for the Town of West Greenwich forwarding a PILOT for real estate acquired by Kent County Water Authority in 1997. The Town is requesting payment in the amount of \$4,228.26 for the 2009 PILOT. Legal Counsel and the General Manager reviewed historical files with respect to the PILOT. On October 27, 2010 Legal Counsel met with the Tax Assessor and provided the Assessor with historical correspondence and information from the former assessor. On November 12, 2010, Legal Counsel received correspondence from the Town Administrator requesting more tax revenue from Kent County Water Authority. The former assessor established the annual PILOT in 1996 and 1997 @ \$364.43 under an open space designation. The PILOT for all properties under the statute totals approximately \$4,200 per year. The General Manager has scheduled a meeting with the Town Administrator for the week of December 20, 2010.

**Director of Finance Report:**

The General Manager stated that the poor state of the economy continues to hamper the collection process and Kent County Water Authority is working very diligently on collections.

Joanne Gershkoff, Finance Director, explained and submitted the financial report and comparative balance sheets, statements of revenues, expenditures, cash receipts, disbursements attached as "A" through November, 2010, and after thorough discussion, especially with regard to the sales and revenue shortfalls which will be dismissed for the winter months. The restricted accounts were all funded for the period. The problem will be felt in the moratorium period.

Board Member Gallucci moved and seconded by Board Member Masterson to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes and it was unanimously,

VOTED: That the financial report, comparative balance sheet and statement of revenues, expenditure, cash receipts, disbursements attached as "A" through November, 2010 be approved as presented and be incorporated herein and are made a part hereof.

**Point of Personal Privilege and Communications:**

Board Member Gallucci opined that given the appointment of a new Director to the Department of Environmental Management, Kent County Water Authority may have increased opportunity to express its views with respect to the water issues facing the State and Kent County Water Authority. Board Member Gallucci anticipates a meeting with the Director after the new year.

Board Member Inman inquired of the General Manager as to whether or not Kent County Water Authority was supplying water service to the Clariant site in Coventry. The General Manager informed Board Member Inman that there is currently minimal supply to the site. However, there is plenty of capacity to supply service to the site. If future commercial use(s) were to occupy the site, the existing system can be used with sufficient capacity.

The Chairman extended his thanks to the Board Members for their hard work and participation to date with the Kent County Water Authority.

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

**New Business**

Water Use & Efficiency Rules WRB, Board Direction

The General Manager informed the Board that the Water Use and Efficiency Rules were passed by the Water Resources Board and will now go to the Senate for passage on December 20, 2010.

Town of Coventry letter/Paving Read School House Road

The General Manager provided the Board with a copy of the Town of Coventry September 20, 2010 correspondence to C.B. Utility Co., Inc. (CB) which is evidenced and attached as "B" stating that CB has completed the improvements, including the paving for Read School House Road whereby the Town acknowledged that the work performed by CB was satisfactory and the Town accepted the final roadway restoration.

The General Manager recommended to the Board that Legal Counsel transmit written notification to the contractor and the Town that Kent County Water Authority is

not liable for any defects in the roadway restoration due to the fact that the Town of Coventry accepted the restoration work. Additionally, the General Manager informed the Board that the contractor had performed unsatisfactory restorative work in the summer 2010 and the contractor then submitted a payment request to Kent County Water Authority based on the execution of the September 20, 2010 correspondence by the Town of Coventry.

It was moved by Board Inman and seconded by Board Member Masterson to authorize Legal Counsel to draft a letter to the contractor and the Town of Coventry notifying it that Kent County Water Authority is not liable for defective roadway restoration due to the Town acknowledging acceptance of work and it was unanimously,

VOTED: To authorize Legal Counsel to draft a letter to the contractor and the Town of Coventry notifying it that Kent County Water Authority is not liable for defective roadway restoration due to the Town acknowledging acceptance of work.

#### IFR Action Plan

The General Manager informed the Board that Ottawa Street is adjacent to the post office in West Warwick and that a hydrant located on the corner may have insufficient water supply. The General Manager recommended that the Board add Ottawa Street for replacement of the hydrant to the IFR 2009B. He further stated that the work can be performed by James J. Geremia & Associates, Inc. for \$4,080.00.

It was moved by Board Member Gallucci and seconded by Board Member Masterson to approve the design replacement of the Ottawa Street water main by James J. Geremia & Associates, Inc. in the amount of \$4,080.00 and it was unanimously,

VOTED: To approve the design replacement of the Ottawa Street water main by James J. Geremia & Associates, Inc. in the amount of \$4,080.00.

#### Fire Service Freeze Ups Direction

The General Manager furnished the Board with a photo of a fire line at 4 Laurel Avenue, Coventry as evidenced and attached as "C". He stated that the current line is a temporary service and is an example of the problem with such a (temporary) service. He stated that if the line splits due to freezing, then service must be terminated which would result in no fire service protection. The General Manager has forwarded a letter to the fire chief directing rectification of the service.

## Atlantic Rural Water Membership

The General Manager stated that Kent County Water Authority is required to retrain employees of Kent County Water Authority for certification every three years. Kent County Water Authority utilizes the training services of Atlantic Rural Water. This company provides discounted and some no cost training services. Therefore, the General Manager recommended to the Board that Kent County Water Authority join the Atlantic Rural Water as a member for \$750.00 in order to obtain further discounted and free training services. The training fee is \$1,800.00.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to approve Kent County Water Authority joining the Atlantic Rural Water as a member and it was unanimously,

VOTED: To approve Kent County Water Authority joining the Atlantic Rural Water as a member.

## **Employee Handbook Vacation Modification Options**

The General Manager informed the Board that the current Kent County Water Authority policy for carry over of vacation time is one year. Further, a Kent County Water Authority employee is required to work one-half of the days in each month in order to accrue vacation time and receive vacation compensation. An employee who is not working due to receiving temporary disability insurance or workers compensation is affected by this current policy. Such an employee is unable to accrue vacation time and receive vacation compensation because the employee is not physically at work. The Chairman opined that an employee should not be penalized with respect to accrual of vacation time due to work related injury. The Board directed that Legal Counsel review the current vacation policy of Kent County Water Authority and report its findings to the Board.

## **Historic Sales/Revenue Review**

The General Manager provided the Board with an overview depicting the revenue of Kent County Water Authority as evidenced and attached as "D". He reiterated that sales are down and Kent County Water Authority needs to increase revenues by \$3.5 million in order to compensate for decreased sales and despite the rate increases, Kent County Water Authority is below its \$19.5 million budget. He stated that the average sales are \$72 million and if Kent County Water Authority does not meet the \$19.5 million budget, expenditures will have to be further decreased.

## **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 evidenced and attached as “E”.

Board Member Masterson made a Motion to adjourn, seconded by Board Member Gallucci and it was unanimously of the Board Members present voted,

VOTED: To adjourn the meeting at 4:30 p.m.

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Secretary Pro Tempore

# **EXHIBIT A**

Kent County Water Board Meeting

December 16, 2010

KENT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSEMENTS  
FY 2010 - 2011

	JULY 2010	AUGUST 2010	SEPTEMBER 2010	OCTOBER 2010	NOVEMBER 2010	DECEMBER 2010	JANUARY 2011	FEBRUARY 2011	MARCH 2011	APRIL 2011	MAY 2011	JUNE 2011	RATE REVENUE FY 09-10	RATE REVENUE FY 10-11
BEGINNING MONTH BALANCE	31,638,963	29,755,919	30,254,970	29,996,609	32,301,692								JUL \$ 1,260,704.09	1,608,812.79
<b>CASH RECEIPTS:</b>													AUG \$ 1,086,327.67	1,588,116.69
Water Collections	2,224,217	1,692,403	1,654,242	3,434,063	2,218,869								SEP \$ 2,566,722.88	3,697,980.21
Interest Earned	24,549	243	243	233	1,189								OCT \$ 1,362,068.07	1,740,472.00
Inspection Fees													NOV \$ 1,022,260.62	1,193,207.00
Contribution in Aid-Construction													DEC \$ 1,966,266.00	
Other													JAN \$ 977,666.96	
<b>TOTAL CASH RECEIPTS</b>	<b>33,887,731</b>	<b>31,448,365</b>	<b>31,909,455</b>	<b>33,430,905</b>	<b>34,521,751</b>								FEB \$ 943,649.21	
<b>CASH DISBURSEMENTS:</b>													MAR \$ 1,887,332.96	
Purchased Water	444,539	656,595	553,076	315,423	549,142								APR \$ 1,106,048.00	
Electric Power	37,587	42,039	38,257	58,524	24,713								MAY \$ 991,050.62	
Payroll	151,636	133,721	163,928	133,626	133,743								JUN \$ 2,263,749.00	
Operations	58,917	81,773	46,768	59,268	39,347									
Employee Benefits	1,456	140,703	127,440	90,832	36,811									
Legal	5,102	5,295	3,102	3,173	4,371									
Materials	42,978	39,638	44,509	53,103	28,683									
Insurance	10,883	10,893	4,137	5,446	130,011									
Sales Taxes	30,244	13,081	12,698	39,098	13,953									
Refunds	86	823	17,379	4,493	409									
Rate Case		3,412												
Conservation														
Pilot	11,650													
Capital Expenditures (Other)		23,229												
2004 Infrastructure 278B														
Mishnock Well/Storage/Pump/Trans. 221C														
Clinton Avenue Pump Station														
E. G. Well Upgrade 464E	1,960	3,230	4,080	5,383										
Read Schoolhouse Road - Mains 234C		1,775	263,714	1,130										
Read Schoolhouse Road - Tank 236C														
Greenwich Avenue - 8" & 12" Mains														
2006A Infrastructure 239C	7,848													
Quaker Lane Pump Station 240C														
2007 Infrastructure 284B	18,462	10,735	284,084	7,529										
Gareau Street 8" 242C														
Arthur-Bleach-Jefferson 8" 243C	23,451	26,654	254,978	352,384	14,906									
2009 Infrastructure 287b	290													
2010 Infrastructure 287b	290													
Tobin Street 8" 285B														
Lemoine Court 244C														
Mishnock Transmission Main 245C														
Mill Street & Hope 286B														
Prospect Street 288b														
U. S. Bank - Debt Service (P & I)	3,218,553													
Water Protection	71,169.49		94,696		163,686									
<b>TOTAL DISBURSEMENTS</b>	<b>4,131,812</b>	<b>1,193,595</b>	<b>1,912,845</b>	<b>1,129,213</b>	<b>1,139,775</b>									
BALANCE END OF MONTH	29,755,919	30,254,970	29,996,609	32,301,692	33,381,976									

CASH RECEIPTS DISBURSEMENTS FY 2010-2011  
12/9/2010 11:13 PM  
J. Gonsky

CASH LOCATION  
FISCAL YEAR 10-11

	JUL 2010	AUG 2010	SEP 2010	OCT 2010	NOV 2010	DEC 2010	JAN 2011	FEB 2011	MAR 2011	APR 2011	MAY 2011	JUN 2011
<b>CASH LOCATION:</b>												
Citizens Bank - Payroll	\$ 40,000.00	40,000.00	40,000.00	40,000.00	40,000.00							
Fleet Bank - Deposit	258,444.05	349,368.84	122,231.47	567,694.56	387,673.68							
Fleet Bank - Cheeking	132,924.60	44,652.45	77,225.63	383,925.46	269,451.62							
	431,368.65	434,021.29	239,457.10	991,620.02	697,125.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>U S Bank - Project Funds</b>												
Revenue	1,267,199.91	502,656.58	428,013.03	1,505,908.61	2,068,884.49							
Infrastructure Fund	4,123,975.83	5,024,007.34	4,968,094.38	5,082,221.95	5,532,416.42							
Operation Reserve	105,911.89	130,217.20	121,524.58	145,830.24	170,140.27							
Operation & Maintenance Reserve	2,367,248.06	2,367,268.20	2,367,288.35	2,367,307.84	2,367,399.00							
Renewal & Replacement Fund	271,558.53	279,894.06	288,229.59	296,565.28	304,909.99							
Renewal & Replacement Reserve	786,040.67	786,047.43	786,054.21	786,060.76	786,091.10							
General Project - 2001												
Debt Service Fund - 2001	94,610.72	160,135.17	225,657.83	291,180.49	356,713.34							
Debt Service Reserve - 2001	781,125.00	781,125.00	781,125.00	781,125.00	781,148.43							
Cost of Issuance - 2001												
General Project - 2002	16,031,876.73	16,032,012.87	15,771,006.39	15,771,137.49	15,771,744.56							
Debt Service Fund - 2002	214,312.11	371,138.67	527,960.95	684,784.45	841,629.94							
Debt Service Reserve - 2002	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,614.72							
Cost of Issuance - 2002												
Debt Service Fund - 2004	178,432.27	284,187.43	389,938.98	495,691.37	601,459.69							
Debt Service Reserve - 2004	1,278,698.33	1,278,698.33	1,278,698.33	1,278,698.33	1,278,698.33							
Cost of Issuance - 2004												
Redemption Account - 2004												
	\$ 29,755,918.71	30,254,969.58	29,996,608.73	32,301,691.84	33,381,975.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00

CASH Location worksheet FY 2011 Detail  
12/29/10 10:04 PM  
JGambino

# **EXHIBIT B**

Kent County Water Board Meeting

December 16, 2010

# C. B. UTILITY CO., INC.

General Contractors

99 Tupelo Street  
Bristol, Rhode Island 02809  
TEL. (401) 253-8277 FAX (401) 253-0450

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

DATE: September 20, 2010

Mr. Dennis Smith  
Public Works Superintendent  
Town of Coventry  
1670 Flat River Rd.  
Coventry, RI 02816

Re: Final Paving  
KCWA  
Flat River Road & Read School House Road  
Water Mains & Drain Line  
CIP - 7C, 7D and 8A

Dear Mr. Smith

C. B. Utility Co. (CBUC) has completed the water infrastructure improvements for the above-mentioned project in the Town of Coventry. CBUC is hereby requesting your department's acceptance of the roadway restoration work performed associated with these infrastructure improvements. If all roadway restoration work is satisfactory, please sign below and fax to our office at (401) 253-0450 or scan and return by email at eobrien@cb-utility.com.

The Town of Coventry accepts the Final Roadway Restoration  
(curb-to-curb overlay) for the streets listed below:

Read School House Road

Town of Coventry

Name:

Date:

Title

We appreciate your earliest attention regarding this matter. If you have any questions or comments, please contact the undersigned at (401) 253-9277.

Very truly yours,

C.B. UTILITY CO., INC.

  
Ed O'Brien

C.B. Utility Co., Inc.

# **EXHIBIT C**

Kent County Water Board Meeting

December 16, 2010



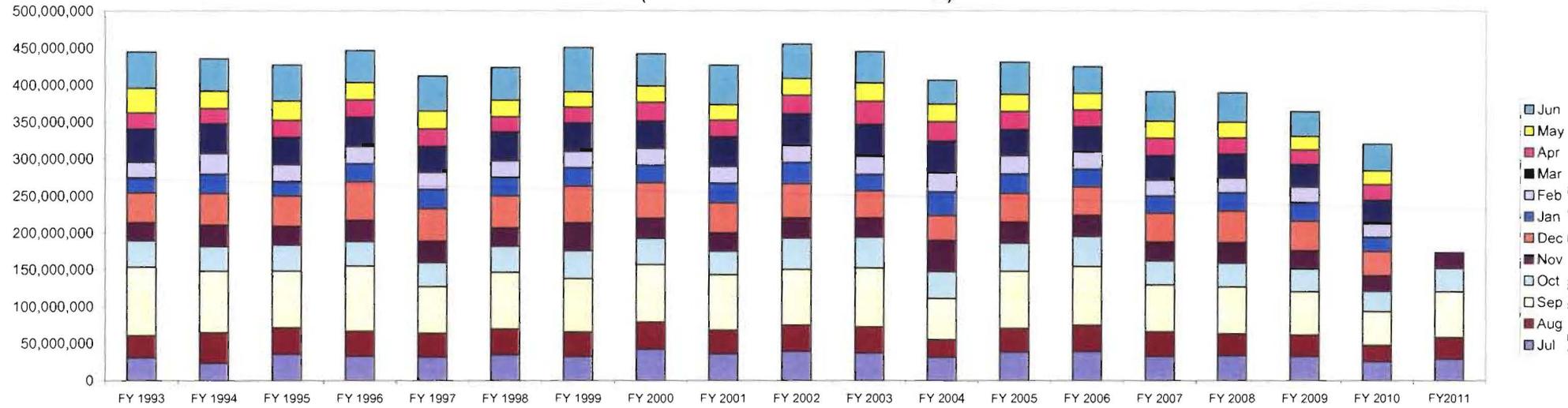
FIRE LINE AT 4 LAUREL AVE. LEAKING 12-06-10

# **EXHIBIT D**

Kent County Water Board Meeting

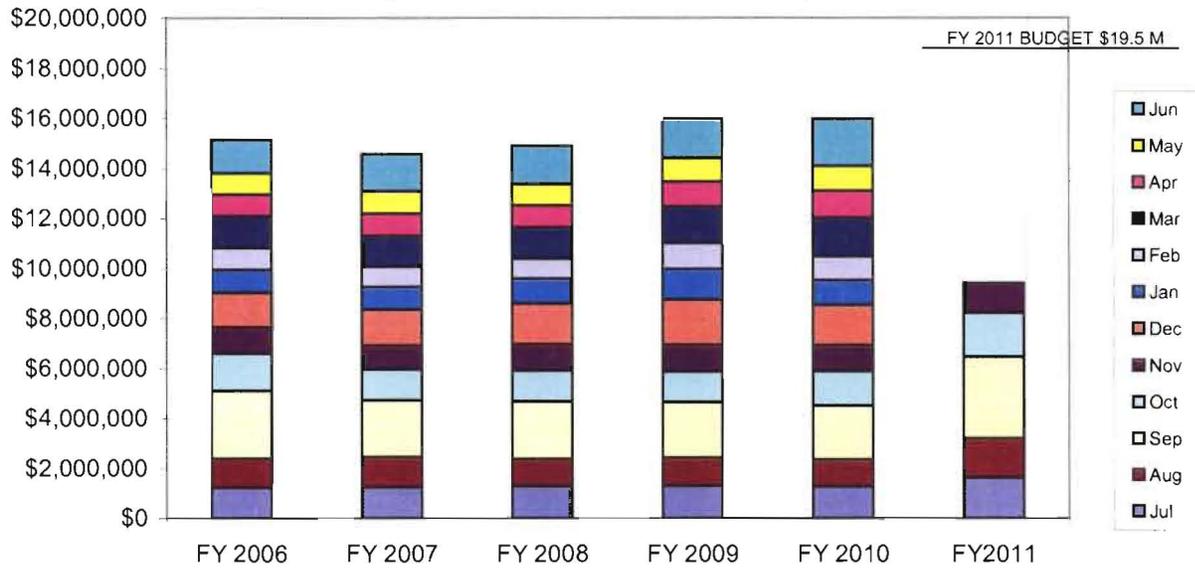
December 16, 2010

**KCWA Retail Sales (cu ft)  
(ADJUSTED THROUGH FISCAL YEAR)**



	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Average</u> <u>1993-2010</u>
Jul	31,166,341	23,434,450	35,675,727	32,924,298	31,568,876	34,896,847	32,569,688	42,244,836	36,137,181	39,712,171	37,344,969	31,216,955	38,372,661	39,328,902	32,818,879	33,820,078	32,587,456	25,479,216	29,009,059	33,961,085
Aug	29,496,839	40,983,970	35,729,785	33,698,860	32,087,539	34,676,826	32,884,745	36,664,653	31,742,014	34,874,583	34,836,375	23,643,289	31,993,818	35,282,020	32,860,080	29,181,497	28,673,672	21,901,416	28,979,127	32,289,555
Sep	92,675,368	83,477,051	76,639,200	88,144,330	63,085,204	76,730,031	72,304,538	77,906,505	75,037,920	75,355,179	79,973,540	55,893,747	77,173,780	79,425,840	63,525,862	63,377,204	58,767,146	45,731,087	61,981,016	72,512,418
Oct	36,081,366	33,450,876	35,492,623	33,411,789	32,902,558	35,497,772	37,736,729	35,385,917	32,155,415	42,817,000	41,803,155	36,596,343	38,347,582	41,185,131	32,804,312	32,573,375	30,952,671	27,571,908	31,911,125	35,375,918
Nov	24,111,804	28,721,800	24,804,658	28,267,964	28,500,044	24,426,304	37,729,560	27,134,049	24,544,468	26,724,707	25,526,658	42,017,692	28,335,650	28,244,619	25,357,437	27,545,171	24,680,957	20,726,464	21,432,504	27,633,334
Dec	40,721,627	42,908,050	41,245,283	52,570,986	44,481,585	43,847,145	49,599,162	48,239,698	40,797,592	46,823,979	36,855,534	33,778,386	38,741,176	38,468,759	39,053,481	42,975,929	40,218,627	33,146,777		41,915,210
Jan	19,796,482	26,012,513	19,670,079	24,388,343	25,927,700	24,950,911	24,945,776	23,731,961	26,328,331	28,557,123	22,160,188	32,118,267	26,376,263	23,958,125	23,366,291	24,750,708	24,748,596	19,124,974		24,495,146
Feb	21,607,837	28,480,302	22,873,089	23,468,473	23,159,687	22,419,215	22,332,050	22,720,838	22,929,002	22,982,552	24,871,967	26,090,117	24,963,555	23,065,415	21,267,482	19,949,204	21,237,102	18,458,669		22,937,586
Mar	44,872,039	39,576,843	36,738,041	39,085,682	34,948,939	38,988,967	38,011,007	36,728,821	39,735,079	42,656,631	42,965,781	42,199,230	35,012,663	34,267,566	33,254,240	32,100,655	30,324,008	31,579,418		37,391,423
Apr	21,569,965	20,840,594	23,005,205	23,704,086	23,876,840	20,435,109	21,728,495	25,407,312	22,519,202	25,305,695	31,333,281	26,274,300	24,628,181	22,660,069	23,298,633	21,812,470	19,720,431	21,348,231		23,303,783
May	33,473,412	23,646,325	26,300,915	23,559,336	24,032,658	22,334,489	20,711,964	22,202,351	21,165,886	22,810,276	24,647,238	24,046,461	23,055,344	22,504,179	23,368,169	21,535,256	18,722,655	18,662,291		23,154,400
Jun	49,234,168	44,165,529	48,750,629	43,353,581	47,440,371	44,311,927	60,041,396	43,550,355	53,638,248	46,214,704	42,301,063	32,443,692	43,855,340	36,101,758	40,144,353	39,774,724	33,295,084	36,181,221		43,599,897
<b>Total</b>	<b>444,807,248</b>	<b>435,698,303</b>	<b>426,925,234</b>	<b>446,577,728</b>	<b>412,012,001</b>	<b>423,515,543</b>	<b>450,595,110</b>	<b>441,917,296</b>	<b>426,730,338</b>	<b>454,834,600</b>	<b>444,619,749</b>	<b>406,318,479</b>	<b>430,856,013</b>	<b>424,492,383</b>	<b>391,119,219</b>	<b>389,396,271</b>	<b>363,928,405</b>	<b>319,911,672</b>		<b>418,569,755</b>

**KCWA Retail Sales (Revenue)  
(ADJUSTED THROUGH FISCAL YEAR)**



	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY2011</u>	<u>Average 2006-2010</u>
Jul	1,220,608	1,229,190	1,273,073	1,288,644	1,263,438	1,609,884	1,254,991
Aug	1,169,350	1,223,669	1,098,818	1,130,737	1,085,792	1,588,342	1,141,673
Sep	2,709,331	2,267,233	2,295,455	2,221,963	2,156,968	3,261,681	2,330,190
Oct	1,493,476	1,235,514	1,232,660	1,219,120	1,370,419	1,751,242	1,310,238
Nov	1,046,071	954,670	1,059,152	1,076,228	1,041,554	1,194,541	1,035,535
Dec	1,376,094	1,437,752	1,621,393	1,798,669	1,608,467		1,568,475
Jan	911,281	897,111	994,084	1,215,914	988,450		1,001,368
Feb	874,594	806,984	801,152	1,043,575	943,007		893,863
Mar	1,269,483	1,229,541	1,248,076	1,465,521	1,542,252		1,350,975
Apr	877,772	899,337	881,939	1,000,835	1,093,469		950,670
May	854,149	895,127	855,355	940,731	990,568		907,186
Jun	1,333,045	1,483,304	1,533,183	1,587,693	1,891,970		1,565,839
<b>Total</b>	<b>15,135,253</b>	<b>14,559,432</b>	<b>14,894,339</b>	<b>15,989,631</b>	<b>15,976,355</b>		<b>15,311,002</b>

**RATE INCREASES EFFECTIVE:**

PWSB PASS THROUGH	1/01/2006
PWSB PASS THROUGH	11/01/2007
KCWA DOCKET	11/01/2008
PWSB PASS THROUGH	10/5/2009
KCWA & PWSB FILINGS	4/27/2010

# **EXHIBIT E**

Kent County Water Board Meeting

December 16, 2010

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

<b>PROJECT</b>	<b>STATUS</b>
Water Supply System Management Plan WSSMP	Approved
Hunt River Interim Management & Action Plan	Removed
2008 CIP Program Plan	Approved
Clean Water Infrastructure Plan 2008	Approved

**UPDATED CIP PROJECTS BOND FUNDING**

<b>PROJECT</b>	<b>STATUS</b>
Mishnock Well Field (new wells) CIP - 1A	Permitting Completed
Mishnock Transmission Mains CIP - 1B	Design Review, Funding will be critical to plant operation
Mishnock Treatment Plant CIP - 1C	Can move to bid for construction
East Greenwich Well Treatment Plant - CIP-2	Pending Finalization
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completed
Read School House Road Tank CIP - 7B	Online-Final Payment - Damage Dispute
Read School House Road Main CIP 7c, 7d, 8a	Paving Failures - Board Direction - Letter From Coventry

**IFR FUNDED PROJECTS**

<b>PROJECT</b>	<b>STATUS</b>
IFR 2005	Completed C. O. #1 Asphalt Adjustment
IFR 2006 A	Closed out, Paying Issue West Warwick, Need Resolution
IFR 2006 B / IFR 2007	Repairs Completed, Cranston Letter
IFR 2009 A & 2009 B	2009A - Construction Ongoing, 2009B Design Complete, Bid Date
IFR 2010	Design Review, Funding
Prospect Street	Completed
PWSB 78 <sup>th</sup> / Johnson Blvd. P.S. Modification	Completed
Greenwich Avenue Replacement	Completed
Hydraulic Tank Evaluation	Completed
Quaker P. S. Design	Bid on Hold, Funding Needed, Easement Negotiations for Extension
Tech Park Tank Recoating	Completed
Tlogue Tank Re-Service	Completed
Hydrant Painting	Winter shut down - spring proposal