

KENT COUNTY WATER AUTHORITY

BOARD MEETING MINUTES

February 17, 2011

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 February 17, 2011.

Vice Chairman, Peter Masterson, opened the meeting at 3:35 p.m. The Chairman, Robert B. Boyer was excused for medical reasons and Board Member Inman was running late due to scheduling issues. Board Members, Mr. Gallucci and Mr. Giorgio were present together with the General Manager, Timothy J. Brown, Director of Administration and Finance, Joanne Gershkoff and Legal Counsel, Joseph J. McGair and other interested parties. Board Member Masterson led the group in the pledge of allegiance.

The minutes of the Board meeting of December 16, 2010 were moved for approval by Board Member Gallucci and seconded by Board Member Giorgio and were unanimously approved.

GUESTS:

High Service Requests

2285 New London Turnpike, VHB

Brian Murphy, PE appeared for the applicant. He stated that the 165 gal/day usage will have no irrigation and it will re-use the existing connection for this Coastway Community Bank. The General Manager stated that this had been a previous approval and the current application will not increase the previous approval.

It was moved by Board Member Giorgio and seconded by Board Member Gallucci to conditionally approve the request for water supply to service the commercial site 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 application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the 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 with the Board Members present (Masterson, Gallucci and Giorgio):

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 application with the necessary design drawings, flow calculations, including computer hydraulic modeling to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the 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.

Brookside Center, Coventry, Kevin Morin

Kevin Morin, PE of DiPrete Engineering appearing with Ray Lavey of Churchill and Banks (Developer) for the applicant stated that this matter was re-approved on January 10, 2010. He stated that the project has a mix of uses and is a hybrid system

with domestic low service and fire high service. He stated that construction has been delayed due to past economic conditions but anticipates construction in the spring.

The General Manger stated the inspection fee is due.

Mr. Lavey stated that he was commencing construction and it is bid and inspection fee is to be paid post haste and that he had a check with him for immediate payment.

It was moved by Board Member Gallucci and seconded by Board Member Giorgio to approve the proposed hybrid system service concept using high service to supply the fire service only and low service for domestic supply to this site with the stipulation that a flushing program be designed and implemented that will assure water quality within the fire main is maintained consistent with the requirements contained in the Rhode Island Department of Health and EPA Regulations. Domestic supply must remain connected to the low service until such time as domestic supply becomes available in the high service to support the domestic requirements of the site. A complete design application submission for the infrastructure necessary to support high service fire service and low service domestic service to the site must be submitted for approval prior to construction of any infrastructure within this site.

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

6. 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.
7. 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 with the Board Members present (Masterson, Gallucci and Giorgio),

VOTED: To approve the proposed hybrid system service concept using high service to supply the fire service only and low service for domestic supply to this site with the stipulation that a flushing program be designed and implemented that will assure water quality within the fire main is maintained consistent with the requirements contained in the Rhode Island Department of Health and EPA Regulations. Domestic supply must remain connected to the low service until such time as domestic supply becomes available in the high service to support the domestic requirements of the site. A complete design application submission for the infrastructure necessary to support high service fire service and low service domestic service to the site must be submitted for approval prior to construction of any water infrastructure within this site.

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 application with the necessary design drawings, flow calculations, including computer hydraulic modeling

to fully evaluate this project supply availability and the potential impact on the existing public water supply system. The applicant/customer understands that any undetected error in any calculation or drawing or an increase or change in demand as proposed, which materially affects the ability to supply water to the 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 was December 20, 2010. GTECH did not file an appeal. The General Manager and Legal Counsel met with GTECH representative on January 24, 2011 and the matter will be resolved in the spring with full compliance to the Rules and

Regulations.

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 February 15, 2011, 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 February 15, 2011 and Legal Counsel attempted to contact Atty. DeAngelis and was informed that he is on vacation and will be back on February 21, 2011.

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 and KCWA is awaiting final restoration plans from the vendor.

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. 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 sent another follow up letter on February 16, 2011.

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.

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 February 15, 2011 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 response 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.

Mai Tai Investments forwarded to Legal Counsel response to the first set of data requests. On January 18, 2011 Legal Counsel sent out a Motion to Compel More Responsive Answers and a Motion to Dismiss regarding inadequate responses. This matter was scheduled before the DPUC on February 9, 2011 and discovery was ordered by the Hearing Officer to be completed by February 15, 2011 and a hearing date is scheduled for March 9, 2011.

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 met with the Town Administrator and the annual PILOT has been established at \$4,228.26.

National Grid/Dig Safe violation

This matter is scheduled for a hearing at the DPUC on March 7, 2011.

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, however, the revenues are closely in line with the budget. The General Manager stated the revenue was somewhat lower in the winter but it is usual for this season of the year.

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 January, 2011, 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.

Board Member Gallucci moved and seconded by Board Member Giorgio 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 January, 2011 be approved as presented and be incorporated herein and are made a part hereof.

Point of Personal Privilege and Communications:

None.

GENERAL MANAGER/CHIEF ENGINEER'S REPORT

Old Business

Water Use & Efficiency Rules WRB, Board Direction

There will be a hearing on March 15, 2011 and fiscal note was received and reviewed there is legislation filed to modify the Water Use & Efficiency Act. He suspects others will be filed. Kent County Water Authority will bring its concerns to this meeting.

New Business

Employee Handbook Vacation Modification

This matter is held for further study.

Modification to Capital Budget

This matter is held for further study.

Warwick Storage Tanks, Cost Share

Pursuant to the agreement with the City of Warwick regarding Quaker Lane infrastructure and Kent County Water Authority will assist in necessary improvements to infrastructure and the projected start date will be after the Kent County Water Authority budget process.

Board Member Inman arrived at 4:00 p.m. as he was detained by scheduling issues.

IFR 2009B Potential Contamination Ottawa Street, Cost Extra

There were two abandoned gas stations and may have petroleum in the road.

It is not in the best interests of Kent County Water Authority to commence construction without an analysis. James J. Geremia & Associates, Inc. submitted a quote for analysis in the amount of approximately \$5,600.00. The General Manager stated that this is important and should be added to the existing contract as evidenced and attached as “**B**”.

It was moved by Board Member Giorgio and seconded by Board Member Gallucci to approve the anticipated cost of \$5,616.00 for James J. Geremia & Associates, Inc. as evidenced and attached as “**B**” and it was unanimously of the Board Members present (Masterson, Gallucci, Giorgio, Inman)

VOTED: To approve the anticipated cost of \$5,616.00 for James J. Geremia & Associates, Inc. as evidenced and attached as “**B**”.

2011 Legislation

This matter is held for further study.

Payroll System Discussion

This matter is held for further study.

Rules and Regulations Discussion

This matter is held for further study.

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 “**C**”.

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

VOTED: To adjourn the meeting at 4:20 p.m.

Secretary Pro Tempore

EXHIBIT A

Kent County Water Board Meeting

February 17, 2011

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	31,638,965	29,755,919	30,254,970	29,996,609	32,301,692	33,381,976	34,049,502						JUL \$ 1,260,704.09	1,408,412.79
CASH RECEIPTS:													AUG \$ 1,086,327.67	1,888,116.69
Water Collections	2,224,217	1,692,403	1,654,242	3,434,063	2,238,869	1,426,803	2,400,951						SEP \$ 2,566,722.88	3,697,916.21
Interest Earned	24,549	243	243	233	1,189	259	24,569						OCT \$ 1,362,068.07	1,840,472.00
Inspection Fees													NOV \$ 1,022,260.62	1,193,707.00
Contribution in Aid-Construction													DEC \$ 1,966,266.00	2,315,872.00
Other													JAN \$ 977,666.96	1,154,428.17
FEB \$ 941,649.21													MAR \$ 1,887,332.96	
TOTAL CASH RECEIPTS	33,887,731	31,448,565	31,909,455	33,430,905	34,521,751	34,809,038	36,475,022						APR \$ 1,106,048.00	
													MAY \$ 991,050.62	
													JUN \$ 2,263,749.00	
CASH DISBURSEMENTS:														
Purchased Water	444,539	656,595	553,076	315,423	549,142	247,487	360,338							
Electric Power	37,587	42,039	38,257	58,524	24,713	38,498	38,840							
Payroll	151,636	133,721	163,928	133,626	133,743	149,323	165,291							
Operations	58,917	81,773	46,768	59,268	39,347	45,935	97,211							
Employee Benefits	1,456	140,703	127,440	90,832	36,811	144,142	5,453							
Legal	5,102	5,295	3,102	3,173	4,371		6,486							
Materials	42,978	39,638	44,509	53,103	28,683	41,401	14,107							
Insurance	10,883	10,893	4,137	5,446	130,011	21,786								
Sales Taxes	30,244	13,081	12,698	39,098	13,953	10,396	28,932							
Refunds	86	823	17,379	4,493	409	871								
Rate Case		3,412												
Conservation														
Pilot	11,650					303	4,229							
Capital Expenditures (Other)		23,229												
2004 Infrastructure 278B														
Mishrock 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			97,081							
Read Schoolhouse Road - Tank 236C														
Greenwich Avenue - 8" & 12" Mains 2006A Infrastructure 239C	7,848													
Quaker Lane Pump Station 240C														
7007 Infrastructure 284B	13,467	10,715	281,084	7,329		4,055								
Garcau Street 8" 242C														
Arthur-Bleach-Jefferson 8" 2009 Infrastructure 243C	23,451	26,654	254,978	352,384	14,906	35,673	5,425							
2010 Infrastructure 287b	290													
Tobin Street 8" 285B														
Lemoine Court 244C														
Mishrock Transmission Main 245C														
Mill Street & Hope 286B														
Prospect Street 288b														
U. S. Bank - Debt Service (P. & I.)	3,218,553						669,328							
Water Protection	71,169.49		94,696		163,686	19,069	12,235							
TOTAL DISBURSEMENTS	4,131,812	1,193,595	1,912,845	1,129,213	1,139,775	759,536	1,502,957							
BALANCE END OF MONTH	29,755,919	30,254,970	29,996,609	32,301,692	33,381,976	34,049,502	34,972,065							

CASH RECEIPTS & DISBURSEMENTS BY 2011 DATE
2/16/2011 3:08 PM
JGWA:kjg

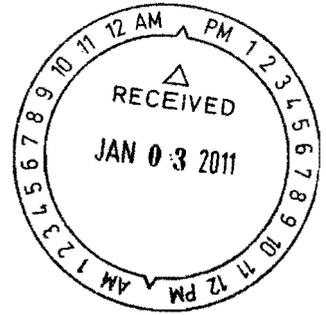
EXHIBIT B

Kent County Water Board Meeting

February 17, 2011



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



December 23, 2010

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

Re: 2009B Infrastructure Improvements Project
Ottawa Street, West Warwick

Dear Mr. Brown:

JGA was informed by the West Warwick Sewer Department that when they were TVing the sewer main on Ottawa St. to locate sewer service, there was a petroleum odor in the dead end sewer on Ottawa St. in the vicinity of Washington St. We were told that there were two former gas stations at this intersection. I verified the petroleum odor in the sewer manhole. The RIDEM LUST list was reviewed: 200 Washington St. had a leaking underground tank and the files are inactive.

JGA recommends that soil borings be performed in this area and soil samples be analyzed for Paint Filter Test, RCRA metals, TPH, pH, PCB, reactivity, Cyanide, Sulfide, VOC and Flash Point (which are the parameters that are required by D'Ambra Construction to determine if the material can be disposed of at their site).

JGA proposes to have four (4) split spoon borings taken to a depth of 10-feet with a soil sample taken at 3-feet (or when there is a petroleum odor). The following is a cost breakdown.

Allstate Drilling (per day)	\$ 1,500.00
Soils Analysis (Allowance) - \$600/sample x 6	3,600.00
Engineering (Layout borings, review, submit info to disposal site)	516.00
Total Anticipated Cost	<u>\$ 5,616.00</u>

JGA will proceed with the work upon receiving a Notice to Proceed. If you have any questions, please call.

Very truly yours,

Richard M. Hencler, P.E.
Project Manager

"B"

COPY SENT TO	
BOARD MEMBERS	1/4/11
CHAIRMAN	
LEGAL COUNSEL	

EXHIBIT C

Kent County Water Board Meeting

February 17, 2011

PLANNING DOCUMENT \$25,000/YEAR ALLOCATION

PROJECT	STATUS
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

PROJECT	STATUS
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	Set Bid Date
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
Read School House Road Main CIP 7c, 7d, 8a	Paving Failures

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	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" / 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
Tiogue Tank Re-Service	Completed
Hydrant Painting	Winter shut down - spring proposal

" C 24