

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

February 16, 2012

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 16, 2012.

Chairman, Robert B. Boyer opened the meeting at 3:35 p.m. Board Members, Mr. Gallucci, Mr. Giorgio, Mr. Inman and Mr. Masterson were present together with the General Manager, Timothy J. Brown, Technical Service Director, John R. Duchesneau Director of Administration and Finance, Jo-Ann Gershkoff and Legal Counsel, Joseph J. McGair. Board Member Gallucci led the group in the pledge of allegiance.

The minutes of the Board meeting minutes of January 19, 2012 were moved for approval by Board Member Masterson and seconded by Board Member Inman and were unanimously approved.

### **LEGAL MATTERS**

#### **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. On May 13, 2011 Legal Counsel sent a letter to Counsel for potential buyer inquiring as to the status of the sale. Legal Counsel

followed up with counsel for Buyer on June 14, 2011 regarding response to May 13, 2011 correspondence. On July 18, 2011 Legal Counsel was informed by Buyer's Counsel that the sale is on hold pending resolution of Supreme Court Appeals in receivership case. There has been no further word as of February 15, 2012.

#### 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 progress on scheduling a closing as of February 15, 2012.

#### 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. On March 16, 2011 and March 17, 2011, the General Manager received email communications from Rockwood requesting KCWA response to Rockwood performing its February 18th proposal on March 21, 2011. Further, the email stated that Mr. Northrop is no longer with Lincoln and provided an alternate contact for forwarding of the claim of KCWA.

On March 29, 2011 Legal Counsel sent correspondence to Mr. Northrop's successor, Paul Poppish pursuant to Mr. Law of Rockwood. After receiving no reply, Legal Counsel sent a follow up letter to Mr. Poppish on April 13, 2011. On May 16, 2011, Legal Counsel called Lincoln General and Mr. Poppish is no longer with the company and was directed to Mr. Bob Griffith and Legal Counsel spoke with him and was asked to send the correspondence to him which was accomplished on even date. No response was received from Mr. Griffith and Legal Counsel sent a follow up letter on June 9, 2011.

On July 14, 2011 Legal Counsel had a telephone conference with Bob Griffith from Lincoln General who stated that he would get something out to Legal Counsel the beginning of the week of July 18, 2011 and a letter was received on July 17, 2011 stating that he would discuss it with his insured and would respond thereafter. On August 5, 2011, Legal Counsel sent a follow up letter to Mr. Griffith since no response was received. A second follow up letter was sent to Mr. Griffith on November 16, 2011 since there has been no response. Several drafts of the complaint have been done with an eye to filing in Court very soon.

## 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 was 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.

Mr. Resnick appeared at the May 19, 2011 Board Meeting and the staffs are working together with the Developer and Legal Counsel. Mr. Resnick will draft agreements with respect to flushing and constructing the water line. On August 15, 2011 Legal Counsel left a message with Mr. Resnick for status update and as of February 14, 2012 Legal Counsel has not received a response.

### **Director of Finance Report:**

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. Statement of Revenues, Expenditures and Change in Fund Balance as of January, 2012, Cash Location FY 2011-2012 and Cash Receipts and Disbursements FY 2011-2012 attached as "A", and after thorough discussion with regard to the sales and revenue. 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 and Statement of Revenues, Expenditure and Change in Fund Balance as of January, 2012, Cash Location FY 2011-2012 and Cash receipts and Disbursements FY 2011-2012 attached as "A" be approved as presented and be incorporated herein and are made a part hereof.

**Point of Personal Privilege and Communications:**

Chairman informed the Board about the General Manager's report to the Town Council of West Greenwich last week and it was professional and extremely well done as to the status of Kent County Water Authority system.

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

**Old Business:**

Bond Refinancing (Status)

The General Manager stated the interviews need to be postponed due to scheduling problems. He said that a schedule of expenditures on IFR bonds will need to be formulated for the rating agencies and that the schedule should demonstrate the excellent risk status of the Authority. Barclay's submitted a negotiated reduced fee as evidenced and attached as "B".

The General Manger stated that mid April would be a target for the possible refinance with reduced savings of approximately \$2 million.

**New Business:**

Salary Benefits, Workers Compensation

Jo-Ann Gershkoff spoke to a 12 week cap and provide a two year adjustment payment for 12 weeks which would amount to \$17,587.70 of reimbursement which would be exempt and non-exempt as evidenced attached as "C" and an adjusted 2011-2012 annual budget which was prepared as evidenced and attached as "D". Board Member Inman reiterated that the total was \$17,587.70 based on 12 week cap. There was further lengthy discussion the General Manager stating that he was not in favor of this modification.

It was moved by Board Member Giorgio and seconded by Board Member Gallucci to approve that the exempt and non-exempt employees Worker's Compensation payment plan be retroactive to June 1, 2010 resulting in a total reimbursement to eligible employees in the sum of \$17,587.70 based on a twelve (12) week cap and it was:

VOTED: Chairman Boyer, Board Member Gallucci and Board Member Giorgio voted to approve that the exempt and non-exempt employees' Worker's Compensation payment plan be retroactive to June 1, 2010 resulting in a total reimbursement to eligible employees in the sum of \$17, 587.70 based on a twelve (12) week cap and Board Member Inman and Board Member Masterson voted in the negative and by a 3 to 2 vote, it was approved that the exempt and non-exempt employees' Worker's Compensation payment plan be retroactive to June 1, 2010 resulting in a total reimbursement to eligible employees in the sum of \$17, 587.70 based on a twelve (12) week cap.

### Revised Employee Handbook Approval

The General Manager referred to pages 3 and 4 of the Revised Employee Handbook with revisions as of February 16, 2012 as evidenced and attached as "E" regarding the adoption of the exempt and non-exempt employees' temporary disability payment plan and Worker's Compensation payment plan and after further discussion regarding these provisions, it was noted that there were no employees receiving Worker's Compensation benefits at the present time and Board Member Masterson indicated he was comfortable that these provisions would not be applied retroactively.

It was moved by Board Member Gallucci and seconded by Board Member Giorgio to approve the Revised Employee Handbook as evidenced and attached as "E" with revisions dated February 16, 2012 and it was unanimously,

VOTED: To approve the Revised Employee Handbook as evidenced and attached as "E" with revisions dated February 16, 2012.

### Budget Amendment (Workers Compensation Retroactive Payment)

The revised February 16, 2012 Budget as previously attached as "D" was presented to the Board with the revision including funding for the Worker's Compensation retroactive payment in the sum of \$17,587.70 and after further discussion regarding the revised budget, it was moved by Board Member Gallucci and seconded by Board Member Giorgio to approve the revised February 16, 2012 Budget as previously attached as "D" and it was:

VOTED: Chairman Boyer, Board Member Gallucci and Board Member Giorgio voted to approve the revised February 16, 2012 Budget as evidenced and attached as "D" to include the Worker's Compensation retroactive payment and Board Member Inman and Board Member Masterson voted in the negative and by a 3 to 2 vote, the revised February 16, 2012 Budget as evidenced and attached as "D" was approved.

### Summit Financial Proposal GASB Reporting (approval)

The General Manager stated \$4,000 fee needs to be done every three years and issue purchase order with two following years as evidenced and attached as “F”.

Board Member Masterson moved and it was seconded by Board Member Gallucci to approve the Summit Financial proposal as evidenced and attached as “F” which is fair and reasonable for the GASB Reporting pursuant to federal mandate and it was unanimously,

VOTED: To approve the Summit Financial proposal as evidenced and attached as “F” which is fair and reasonable for the GASB Reporting pursuant to federal mandate.

### Bid Awards:

#### IFR 2010 Construction

The General Manager stated there were three proposals for IFR 2010 Construction and Boyle & Fogarty Construction Co., Inc. was the lowest bidder and met the requirements of the contract documents and it was fair and reasonable and he recommended acceptance of the bid for IFR 2010 Construction as evidenced and attached as “G” and the Chairman said great work.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to award the proposal for IFR 2010 Construction to Boyle & Fogarty Construction Co., Inc. the amount of \$3,887,826.00 as evidenced and attached as “G” and it was unanimously,

VOTED: to award the proposal for IFR 2010 Construction to Boyle & Fogarty Construction Co., Inc. the amount of \$3,887,826.00 as evidenced and attached as “G”

#### Billing Forms Printing

The General Manager stated there was only one bid for printing billing forms and that it was the recommendation of the General Manager that RR Donnelly had met the requirements of the contract documents and it was necessary, fair and reasonable as evidenced and attached as “H” and is in the best interests of Kent County Water Authority.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to award the bid for printing bills forms to RR Donnelly in the amount of \$14,315.50 as evidenced and attached as “H” and it was unanimously,

VOTED: To award the bid for printing bills forms to RR Donnelly in the amount of \$14,315.50 as evidenced and attached as “H”.

### CCR Design & Printing

The General Manager stated there were three bids for CCR Design and Printing and that it was the recommendation of the General Manager that Meridian had met the requirements of the contract documents and it was necessary, fair and reasonable as evidenced and attached as “I” and is in the best interests of Kent County Water Authority.

It was moved by Board Member Masterson and seconded by Board Member Gallucci to award the CCR Design & Printing to Meridian in the amount of \$9,873.00 as evidenced and attached as “I” and it was unanimously,

VOTED: To award the CCR Design & Printing to Meridian Printing in the amount of \$9,873.00 as evidenced and attached as “I”.

### Proposal Awards

#### Professional Services Auditing

The General Manager stated there were three proposals for professional services auditing.

Jo-Ann Gershkoff stated that her recommendation and that the lowest bidder Bacon & Company LLC have a smaller staff and Braver, P.C. has a staff of 150 and have the resources for very time sensitive action. The General Manager stated he was not concerned about Braver previous compliance. The Chairman stated that the price differential is small in regard to the responsibility which the Kent County Water Authority has in this area.

Masterson stated that the lowest firm has a great reputation but that he was concerned about a smaller staff.

It was the recommendation of the General Manager that Braver, P.C. had met the requirements of the contract documents and it was necessary, fair and reasonable as evidenced and attached as “J” and is in the best interests of Kent County Water Authority.

It was moved by Board Member Gallucci and seconded by Board Member Giorgio to award the proposal for professional services auditing to Braver, P.C. in the amount as evidenced and attached as “J” for 2012-2014 audit fee, financial statement audit and reports and PWSB water protection funds annual reconciliation audits and it was unanimously,

VOTED: To award the proposal for professional services auditing to Braver, P.C. in the amount as evidenced and attached as “J” for 2012-2014 audit fee, financial statement audit and reports and PWSB water protection funds annual reconciliation audits.

### Website Inactivity

The General Manager stated that the website has been transferred over and there are some problems and another RFP will be necessary to review other possible services mentioned by the Board for the website such as account review/online payment. He cautioned that the charges/fees may be extraordinary high.

### Draft Capital Improvement Program Update

The General Manager stated that the summary sheet CIP and IFR 2012-2017 is attached for review as evidenced and attached as “K”. The General Manager described a system presentation as to projects contained in the summary sheet “K”.

### Employee Review (4:30 p.m.)

The Chairman stated that the employee affected was notified in writing on February 14, 2012 and hand delivered on February 14, 2012 at 7:28 a.m. that a discussion concerning job performance was to be held in executive (closed) session at 4:30 p.m. 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 notice statement was read 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 Masterson moved and Board Member Gallucci 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 of the Board Members present,

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 Members Masterson moved and Board Member Inman 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 of the Board Members present,

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.

### Employee Review

The Chairman stated that the employee affected was notified in writing on February 14, 2012 and hand delivered on February 14, 2012 at 7:28 a.m. that a discussion concerning job performance was to be held in executive (closed) session at 4:30 p.m. 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 notice statement was read 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 Masterson moved and Board Member Gallucci seconded the motion to re-enter 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 of the Board Members present,

VOTED: To re-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 Members Inman moved and Board Member Gallucci seconded to exit executive session and to keep the executive session minutes closed for this meeting 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 of the Board Members present,

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.

## Employee Review

Board Member Inman moved and Board Member Giorgio seconded the motion to re-enter 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 of the Board Members present,

VOTED: To re-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 Members Inman moved and Board Member Giorgio seconded to exit executive session and to keep the executive session minutes closed for this meeting 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 of the Board Members present,

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.

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

### Tech Park Storage Tank Painting (Legal Action)

The Complaint is being reviewed by the General Manager and should be verified by the General Manager and filed on February 17, 2012.

All other Capital 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 “L”.

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

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

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Secretary Pro Tempore

# **EXHIBIT A**

Kent County Water Board Meeting

February 16, 2012

KENT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSEMENTS  
FY 2011 - 2012

	JULY 2011	AUGUST 2011	SEPTEMBER 2011	OCTOBER 2011	NOVEMBER 2011	DECEMBER 2011	JANUARY 2012	FEBRUARY 2012	MARCH 2012	APRIL 2012	MAY 2012	JUNE 2012	RATE REVENUE FY 10-11	RATE REVENUE FY 11-12
BEGINNING MONTH BALANCE	37,726,775	34,181,115	34,175,000	34,235,508	35,184,171	35,514,748	34,910,053						JUL 1,608,840	1,458,444.12
<b>CASH RECEIPTS:</b>													AUG 1,588,117	1,422,222.99
Collections	1,966,570	1,533,789	1,507,240	3,333,369	1,967,940	1,472,113	2,290,840						SEP 3,697,980	3,425,570.55
Interest Earned	24,595	287	312	265	300	1,577	242						OCT 1,740,472	1,773,750.10
Other													NOV 1,193,207	1,293,229.87
TOTAL CASH RECEIPTS	39,717,940	35,715,191	35,682,553	37,569,141	37,152,410	36,988,438	37,201,135	-	-	-	-	-	DEC 2,315,872	2,252,906.16
													JAN 977,667	1,145,952.53
<b>CASH DISBURSEMENTS:</b>													FEB 943,649	
Purchased Water	619,643	317,621	298,557	849,466	298,580	331,457	393,445						MAR 1,879,971	
Electric Power	24,408	25,012	34,274	37,769	27,363	27,356	29,204						APR 1,119,045	
Payroll	143,753	186,550	149,225	134,783	166,162	141,808	245,253						MAY 912,317	
Operations	67,012	78,251	42,183	75,936	78,684	94,784	39,473						JUN 2,042,267	
Employee Benefits	282,802	109,906	53,346	57,148	55,556	54,861	54,971							
Legal	2,856	1,765	2,715	3,634	4,039	2,570	3,514							
Materials	166,404	129,947	51,562	79,855	77,651	46,567	33,319							
Insurance	60,983	122,022	1,048	-	-	-	-							
Sales Taxes	27,682	12,489	11,623	40,586	14,062	11,067	28,412							
Refunds	251	7,874	547	1,607	564	1,427	394							
Rate Case														
Conservation														
Pilot	8,265													
Capital Expenditures (Other)				91,750										
Mishnock Well/Storage/Pump/T 221C	7,666	8,257	12,282	32,458	35,551	51,146	71,167							
Mishnock Treatment Facility 230A				378,429	358,196	365,857	366,452							
Read School House 234C			148,807											
CIP Update 235A				780	1,020	2,550	1,235							
Read School House Tank 236C						177,925								
Quaker Lane 240C				2,490	11,920		332							
2007 Infrastructure 284B	213,665													
2009 A Infrastructure 243C	270,845													
2009 B Infrastructure 248C	316,733	488,950	590,595	485,362	444,797	723,483	317,886							
2010 Infrastructure Design 249C				2,575			1,020							
Water Street EG 250C						3,016								
U. S. Bank - Debt Service (P. & I.)	3,264,328						616,556							
Water Protection	59,527.62	51,547	50,282	110,342	63,517	42,511	20,089							
TOTAL DISBURSEMENTS	5,536,825	1,540,191	1,447,045	2,384,971	1,637,663	2,078,385	2,222,722	-	-	-	-	-		
BALANCE END OF MONTH	34,181,115	34,175,000	34,235,508	35,184,171	35,514,748	34,910,053	34,978,412	-	-	-	-	-		

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CASH LOCATION  
FISCAL YEAR 2011-2012

	JUL 2011	AUG 2011	SEP 2011	OCT 2011	NOV 2011	DEC 2011	JAN 2012	FEB 2012	MAR 2012	APR 2012	MAY 2012	JUN 2012
<b>CASH LOCATION:</b>												
Citizens Bank - Payroll	\$ 40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00					
Fleet Bank - Deposit	305,831.16	64,248.86	150,908.96	1,046,044.68	78,477.24	165,309.32	670,726.30					
Fleet Bank - Checking	156,293.32	3,350.65	199,148.91	73,321.40	136,350.06	202,743.97	144,229.70					
	502,124.48	107,599.51	390,057.87	1,159,366.08	254,827.30	408,053.29	854,956.00	0.00	0.00	0.00	0.00	0.00
<b>U. S Bank - Project Funds</b>												
Revenue	1,431,740.63	1,456,433.84	1,131,621.93	1,041,850.80	2,658,199.96	2,298,204.62	2,391,272.32					
Infrastructure Fund	8,424,924.93	8,428,020.46	8,319,036.54	8,362,425.08	8,214,922.08	7,998,651.81	8,174,706.13					
Operation Reserve Allowance	364,593.01	388,900.55	413,208.33	437,516.25	461,824.40	486,132.68	510,440.96					
Operation & Maintenance Reserve	2,367,556.27	2,367,576.41	2,367,596.56	2,373,447.05	2,373,467.19	2,373,486.69	2,373,506.87					
Renewal & Replacement Fund	343,057.93	351,394.00	359,730.18	368,066.47	239,442.31	247,778.17	256,113.62					
Renewal & Replacement Reserve	786,143.95	786,150.71	786,157.49	1,023,851.04	1,023,858.05	1,023,866.59	1,023,876.57					
Debt Service Fund - 2001	94,044.99	159,660.15	225,273.46	290,887.12	358,053.57	424,056.43	339,057.44					
Debt Service Reserve - 2001	781,148.43	781,148.43	781,148.43	781,148.43	781,148.43	781,148.43	781,148.43					
General Project - 2002	15,562,632.13	15,562,764.25	15,414,089.25	15,035,787.90	14,578,687.11	14,035,284.92	13,668,955.12					
Debt Service Fund - 2002	213,944.89	370,804.93	527,660.62	684,517.42	840,975.75	997,735.24	748,973.71					
Debt Service Reserve - 2002	1,823,614.72	1,823,614.72	1,823,614.72	1,823,614.72	1,823,614.72	1,823,614.72	1,823,614.72					
Debt Service Fund - 2004	182,706.53	288,050.43	393,390.58	498,731.55	602,740.26	707,749.68	752,728.91					
Debt Service Reserve - 2004	1,302,166.08	1,302,882.73	1,302,921.82	1,302,960.91	1,302,986.97	1,304,289.97	1,279,061.84					
	\$ 34,180,398.97	34,175,001.12	34,235,507.78	35,184,170.82	35,514,748.10	34,910,053.24	34,978,412.64	0.00	0.00	0.00	0.00	0.00

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 12/2011

ACCOUNT DESCRIPTION	----- C U R R E N T M O N T H -----			----- Y E A R - T O - D A T E -----		
	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
<b>REVENUES</b>						
1-4150 MERCHANTISING & JOBBING	416.66	278.84	-137.82	2499.96	4161.60	1661.64
1-4160 M & J COSTS & EXPENSES	1500.00	-4737.66	-6237.66	9000.00	7170.44	-1829.56
1-4190 INTEREST & DIVIDEND INC.	7500.00		-7500.00	45000.00	25694.00	-19306.00
1-4210 MISC. NON-OPER. INCOME	2083.33	1016.25	-1067.08	12499.98	17113.86	4613.88
TOTALS FOR OTHER INCOME	11499.99	-3442.57	-14942.56	68999.94	54139.90	-14860.04
1-461A METERED SALES - GC	1136282.83	1245143.59	108860.76	6817696.98	8275640.15	1457943.17
1-461B METERED SALES - IC	290093.66	418289.64	128195.98	1740561.96	1893400.53	152838.57
1-4620 PRIVATE FIRE PROTECTION	48112.25	46298.53	-1813.72	96224.50	94452.15	-1772.35
1-4630 PUBLIC FIRE PROTECTION	325554.50	325415.11	-139.39	651109.00	650830.22	-278.78
1-4640 SALES -PUBLIC AUTHORITIES	62229.08	107435.65	45206.57	373374.48	460967.51	87593.03
1-4660 SALES FOR RESALE	25000.00	23816.07	-1183.93	50000.00	91798.50	41798.50
1-4710 MISC. SERVICE REVENUE	14172.16	15637.97	1465.81	85032.96	94038.48	9005.52
1-4740 OTHER WATER REVENUES	3750.00		-3750.00	22500.00	19131.65	-3368.35
TOTALS FOR OPERATING REVENUE ACCTS.	1905194.48	2182036.56	276842.08	9836499.88	11580259.19	1743759.31
TOTALS FOR REVENUES	1916694.47	2178593.99	261899.52	9905499.82	11634399.09	1728899.27
<b>EXPENDITURES</b>						
1-6020 PURCHASED WATER	402500.00	393610.46	8889.54	2415000.00	2489290.43	-74290.43
1-6140 MAINTENANCE OF WELLS	20.00		20.00	120.00	489.98	-369.98
TOTALS FOR SOURCE OF SUPPLY EXPENSES	402520.00	393610.46	8909.54	2415120.00	2489780.41	-74660.41
1-6210 FUEL FOR PUMPING	95.83		95.83	574.98	100.52	474.46
1-6230 POWER PURCHASED	36500.00	27335.69	9164.31	219000.00	151835.82	67164.18
1-624A PUMPING LABOR	3333.33	4306.77	-973.44	19999.98	29852.59	-9852.61
1-624B PUMPING EXPENSES	289.16	719.00	-429.84	1734.96	1647.35	87.61
1-6310 MAINT STRUCT & IMPROVE	2358.33	1820.44	537.89	14149.98	32023.53	-17873.55

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 12/2011

ACCOUNT DESCRIPTION	C U R R E N T M O N T H			Y E A R - T O - D A T E		
	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
1-6330 MAINT PUMPING EQUIPMENT	3166.66	578.35	2588.31	18999.96	13796.58	5203.38
TOTALS FOR PUMPING EXPENSES	45743.31	34760.25	10983.06	274459.86	229256.39	45203.47
1-6410 CHEMICALS	13775.00	7708.14	6066.86	82650.00	61053.09	21596.91
1-642A OPERATION LABOR	6391.66	5145.65	1246.01	38349.96	35095.75	3254.21
1-642B OPERATION EXPENSES	3041.66	-694.08	3735.74	18249.96	20229.75	-1979.79
1-6520 MAINT WATER TREAT EQUIP	133.33	605.51	-472.18	799.98	1533.86	-733.88
TOTALS FOR WATER TREATMENT EXPENSES	23341.65	12765.22	10576.43	140049.90	117912.45	22137.45
1-662A T & D LABOR	2108.33		2108.33	12649.98	10880.73	1769.25
1-662B T & D SUPPLIES & EXP	5354.16	1474.87	3879.29	32124.96	27294.28	4830.68
1-663A T & D METER LABOR	3829.16	2930.43	898.73	22974.96	19648.28	3326.68
1-663B T & D METER SUPP & EXP	1095.83	4021.77	-2925.94	6574.98	8785.32	-2210.34
1-6650 T & D MISC	937.50	270.28	667.22	5625.00	1503.71	4121.29
1-6710 MAINT STRUCT & IMPROV	520.83		520.83	3124.98	4999.00	-1874.02
1-6720 MAINT RESERVOIR & STDPIPE	1041.66	1524.48	-482.82	6249.96	11027.88	-4777.92
1-6730 MAINT T & D MAINS	48893.75	24254.37	24639.38	293362.50	297587.51	-4225.01
1-6750 MAINT SERVICES	22208.33	10470.27	11738.06	133249.98	98068.92	35181.06
1-6760 MAINT METERS	6060.83	17593.21	-11532.38	36364.98	54511.26	-18146.28
1-6770 MAINT HYDRANTS	7250.00	8263.10	-1013.10	43500.00	42588.03	911.97
1-6790 TRANSFER TO CONSTRUCTION	-927.91	-49.41	-878.50	-5567.46	-247.05	-5320.41
TOTALS FOR TRANS. & DISTR. EXPENSES	98372.47	70753.37	27619.10	590234.82	576647.87	13586.95
1-902A METER READING LABOR	10516.75	8388.59	2128.16	63100.50	43026.74	20073.76
1-902B METER READING SUPP & EXP	186.25		186.25	1117.50	216.73	900.77
1-903A CUSTOMER RECORDS LABOR	14779.66	15000.69	-221.03	88677.96	92368.21	-3690.25
1-903B CUSTOMER RECORDS SUPP	5683.33	5394.80	288.53	34099.98	25827.82	8272.16
TOTALS FOR CUSTOMER ACCT. EXPENSES	31165.99	28784.08	2381.91	186995.94	161439.50	25556.44

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

AS OF 12/2011

ACCOUNT DESCRIPTION	C U R R E N T M O N T H			Y E A R - T O - D A T E		
	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET	BUDGET	ACTUAL	ACTUAL OVER/ UNDER BUDGET
1-9200						
ADM & GENERAL SALARIES	26274.41	26247.17	27.24	157646.46	151071.51	6574.95
1-9210						
OFFICE SUPPLIES & EXP	11083.33	1948.34	9134.99	66499.98	63377.00	3122.98
1-9230						
OUTSIDE SERVICES	10416.66		10416.66	62499.96	59223.22	3276.74
1-9240						
PROPERTY INSURANCE				234287.00	177205.23	57081.77
1-9250						
INJURIES & DAMAGES	50.83		50.83	304.98	102.38	202.60
1-9260						
EMPLOYEE PENSION & BENEF	54868.58	50920.48	3948.10	551211.52	589091.50	-37879.98
1-9280						
REGULATORY COMM EXP	5625.00		5625.00	33750.00	53179.26	-19429.26
1-930B						
MISC GENERAL EXPENSE	1125.00	1250.00	-125.00	6750.00	7531.09	-781.09
1-930C						
MISC GENERAL EXPENSE	3000.00		3000.00	18000.00		18000.00
1-932A						
MAINT GENERAL PLANT	9166.66	10490.44	-1323.78	54999.96	59810.76	-4810.80
1-932B						
MAINT VEHICLES	12416.66	6125.76	6290.90	74499.96	94814.11	-20314.15
1-9330						
UNASSIGNED TIME VAC HOL	17901.91	12467.78	5434.13	107411.46	127397.41	-19985.95
TOTALS FOR ADM. & GENERAL EXPENSES	151929.04	109449.97	42479.07	1367861.28	1382803.47	-14942.19
1-4030						
DEPRECIATION EXPENSE	96666.66	96666.67	-.01	579999.96	580000.02	-.06
1-4080						
TAXES OTHER THAN INCOME	12541.66	21959.85	-9418.19	75249.96	138864.39	-63614.43
1-4270						
INTEREST-LONG TERM DEBT	107157.00	107157.00		642942.00	642942.00	
1-4280						
AMORTIZATION OF DEBT DISC	5833.33	5833.33		34999.98	34999.98	
TOTALS FOR OTHER EXPENSES	222198.65	231616.85	-9418.20	1333191.90	1396806.39	-63614.49
TOTALS FOR EXPENDITURES	975271.11	881740.20	93530.91	6307913.70	6354646.48	-46732.78
EXCESS OF REVENUE OVER EXPENDITURES						
FOR general	941423.36	1296853.79	355430.43	3597586.12	5279752.61	1682166.49

# **EXHIBIT B**

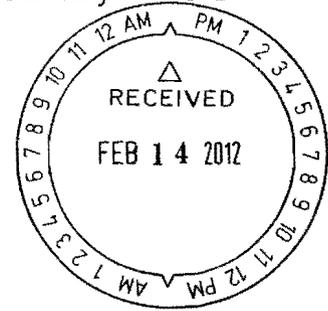
Kent County Water Board Meeting

February 16, 2012



Timothy J. Brown  
General Manager and Chief Engineer  
Kent County Water Authority  
1072 Main Street  
PO Box 192  
West Warwick, Rhode Island 02893-0192

February 14<sup>th</sup> 2012



Dear Mr. Brown,

Attached you will find the details of the agreed upon revised fee structure based upon negotiations with First Southwest. We believe this revised takedown and fee structure is indicative of current market rates. Please contact me with any questions. We look forward to executing a successful refunding transaction for the Authority.

Regards,

A handwritten signature in cursive script, appearing to read "Paul Haley".

Paul Haley  
Managing Director  
125 High Street, 16<sup>TH</sup> Floor  
Boston, MA 02110  
617-330-5845  
[Paul.Haley@BarclaysCapital.com](mailto:Paul.Haley@BarclaysCapital.com)

CC: Maureen Gurghigian, First Southwest Company  
Enclosure

"B"

## Barclays Capital's Proposed Underwriter's Takedown and Expenses Kent County Water Authority Series 2012A Revenue Refunding Bonds

\*Numbers are based upon a \$18,890,000 par amount

Summary of Proposed Underwriter Expenses		
	Amount	Per Bond**
Underwriter's Takedown	79,188	4.19
Underwriter's Expenses	29,762	1.58
Management Fee	0	0.00
<b>Total</b>	<b>108,950</b>	<b>5.77</b>

Maturity	Proposed Underwriters Takedown		Total
	Preliminary Par Amount	Proposed Takedown	
7/15/2012	1,575,000	Sealed Bid*	1,575
7/15/2013	1,370,000	2.50	3,425
7/15/2014	1,420,000	3.75	5,325
7/15/2015	1,475,000	3.75	5,531
7/15/2016	1,535,000	3.75	5,756
7/15/2017	1,610,000	5.00	8,050
7/15/2018	1,695,000	5.00	8,475
7/15/2019	1,780,000	5.00	8,900
7/15/2020	1,875,000	5.00	9,375
7/15/2021	1,965,000	5.00	9,825
7/15/2022	1,265,000	5.00	6,325
7/15/2023	1,325,000	5.00	6,625
<b>Total</b>	<b>18,890,000</b>	<b>4.19</b>	<b>79,188</b>

\*To be determined through a bid process

Proposed Management Fee	
Per Bond	Amount
0	0

Proposed Estimated Underwriters Expenses		
Description	S.Amount	Per Bond
Underwriters' Counsel (Not to Exceed)	25,000	1.32
Dalcomp Electronic Order Entry Charges	150	0.01
Dalcomp Wire (\$30 per member)	150	0.01
Dalcomp Computer (\$0.06 per bond)	1,141	0.06
Dalcomp Branch News Services (\$45)	45	0.00
Estimated Interest on Day Loan (Par*.75% / 360)	396	0.02
DTC Charges	500	0.03
CUSIP (11 CUSIPs)	345	0.02
CUSIP Disclosure fee	35	0.00
Underwriter Miscellaneous Expenses	2,000	0.11
<b>Total</b>	<b>29,762</b>	<b>1.58</b>

\*No RI Public Financial Management Fee

# **EXHIBIT C**

Kent County Water Board Meeting

February 16, 2012

**KENT COUNTY WATER AUTHORITY  
WORKERS' COMPENSATION 12 WEEK CAP  
as of FEBRUARY 16, 2012**

<u># of Weeks</u>	<u>Employee</u>	<u>2010 Gross Wages</u>	<u>Payment from Beacon Mutual</u>	<u>Total</u>
10.4		\$ 16,692.60	\$ (9,991.40)	\$ 6,701.20
2.6		\$ 1,601.60	\$ (1,144.16)	\$ 457.44
12		\$ 9,969.60	\$ (7,151.64)	\$ 2,817.96
	Total	\$ 28,263.80	\$ (18,287.20)	\$ 9,976.60

<u># of Weeks</u>	<u>Employee</u>	<u>2011 Gross Wages</u>	<u>Payment from Beacon Mutual</u>	<u>Total</u>
12		\$ 10,742.40	\$ (7,182.24)	\$ 3,560.16
12		\$ 9,969.60	\$ (7,151.64)	\$ 2,817.96
4.2		\$ 2,755.20	\$ (1,531.22)	\$ 1,223.98
	Total	\$ 23,467.20	\$ (15,865.10)	\$ 7,602.10

Total Budget Adjustment

\$ 17,578.70

11  
C  
11

# **EXHIBIT D**

Kent County Water Board Meeting

February 16, 2012

KENT COUNT WATER AUTHORITY  
FISCAL YEAR 2011 / 2012  
ANNUAL BUDGET

REVISED FEBRUARY 16, 2012

Approved \_\_\_\_\_

RDK

**REVISED 2/16//2012**  
**SUMMARY SHEET**

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**OPERATING:**

PROJECTED TOTAL REVENUES	\$19,811,000
PROJECTED TOTAL OPERATING EXPENSES	<u>\$9,542,897</u>

INCOME	\$10,268,103
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**OPERATING REVENUE ALLOWANCE**

1/2 AVAILABLE	\$291,656
1/2 RESTRICTED	\$291,656
RESTRICTED DEBT SERVICE REQUIRED	\$3,880,884
IFR RESTRICTED	\$5,400,000
CASH CAPITAL RESTRICTED	<u>\$100,000</u>

TOTAL RESTRICTED REQUIRED	\$9,964,196
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ACCT. #	REVISED 2/16/2012 2011/2012 BUDGET YEAR OPERATING REVENUE	FY	FY	FY	FY	%
		08-09 Actual	09-10 Actual	10-11 11+1	11-12 Budget	
461A	METERED SALES RESIDENTIAL	\$12,155,338	\$12,192,173	\$14,690,541	\$13,635,394	-7.7%
461B	METERED SALES COMM / IND	\$3,173,009	\$3,081,579	\$3,499,076	\$3,481,124	-0.5%
462	PRIVATE FIRE PROTECTION	\$174,426	\$177,945	\$188,715	\$192,449	1.9%
463	PUBLIC FIRE PROTECTION	\$1,179,033	\$1,225,471	\$1,299,710	\$1,302,218	0.2%
464	SALES TO PUBLIC AUTHORITIES	\$668,867	\$703,828	\$802,634	\$746,749	-7.5%
466	SALES FOR RESALE	\$109,262	\$115,096	\$143,231	\$100,000	-43.2%
471	MISC. SERVICE REVENUE ( Interest)	\$159,940	\$226,611	\$220,611	\$170,066	-29.7%
474	OTHER WATER REVENUES (WP Admin Fee)	\$50,586	\$46,180	\$43,475	\$45,000	3.4%
415	PROFIT ON METER SALES	\$3,128	\$2,936	\$3,184	\$5,000	36.3%
416	PROFIT FOR MATERIAL & LABOR	\$38,517	\$21,466	\$18,408	\$18,000	-2.3%
		\$17,712,105	\$17,793,285	\$20,909,585	\$19,696,000	-6.2%
NON OPERATING INCOME						
419	INTEREST ON INVESTMENTS	\$97,044	\$6,915	\$89,581	\$90,000	0.5%
421	DISCOUNT ON PURCHASES/MISC	\$81	\$2,904	\$24,253	\$25,000	3.0%
434	MISC. CREDIT TO SURPLUS					
	TOTAL	\$97,125	\$9,819	\$113,834	\$115,000	1.0%
	TOTAL REVENUE	\$17,809,231	\$17,803,103	\$21,023,419	\$19,811,000	-6.1%
OPERATING EXPENSES						
SOURCE OF SUPPLY						
601	OPERATION & LABOR	\$8,625				
602	PURCHASED WATER	\$4,276,950	\$4,123,544	\$4,822,304	\$4,830,000	0.2%
614	MAINTENANCE/WELLS	\$5,717	\$1,769	\$236	\$240	1.8%
	TOTAL	\$4,291,292	\$4,125,314	\$4,822,540	\$4,830,240	0.2%
PUMPING						
621	FUEL FOR PUMPING	\$4,733	\$956	\$1,154	\$1,150	-0.4%
623	POWER PURCHASED	\$502,667	\$429,121	\$437,935	\$438,000	0.0%
624A	PUMPING LABOR	\$68,315	\$55,998	\$30,997	\$40,000	22.5%
624B	PUMPING EXPENSE	\$4,423	\$4,437	\$3,471	\$3,470	0.0%
631	MAINTENANCE/STRUCT/IMP.	\$36,681	\$29,486	\$28,292	\$28,300	0.0%
633	MAINTENANCE PUMPING EQUIP.	\$35,635	\$36,242	\$38,057	\$38,000	-0.1%
	TOTAL	\$652,455	\$556,239	\$539,907	\$548,920	1.6%
WATER TREATMENT						
641	CHEMICALS	\$111,410	\$169,431	\$165,370	\$165,300	0.0%
642A	OPERATION LABOR	\$51,480	\$75,718	\$76,656	\$76,700	0.1%
642B	OPERATION EXPENSE	\$37,521	\$32,751	\$36,509	\$36,500	0.0%
651	MAINTENANCE OF STRUCTURE					
652	MAINTENANCE OF WATER TR.	\$4,353	\$4,437	\$1,600	\$1,600	0.0%
	TOTAL	\$204,765	\$282,336	\$280,134	\$280,100	0.0%
TRANSMISSION & DISTRIB.						
661	STORAGE FACILITIES	\$697				
662A	LABOR	\$22,774	\$14,370	\$25,326	\$25,300	-0.1%
662B	SUPPLIES EXPENSE	\$38,315	\$38,597	\$64,240	\$64,250	0.0%
663A	METER EXPENSE LABOR	\$26,314	\$32,008	\$45,945	\$45,950	0.0%
663B	METER EXPENSE MATERIAL	\$11,611	\$17,642	\$13,149	\$13,150	0.0%
664A	CUSTOMER INSTALLATION					
664B	CUSTOMER INSTALLATION SUP.					
665	MISCELLANEOUS	\$15,184	\$11,922	\$11,234	\$11,250	0.1%
671	MAINT. STRUCTURES & IMP.	\$5,083	\$7,410	\$6,226	\$6,250	0.4%
672	MAINT. RESV. & STAND PIPES	\$10,764	\$13,245	\$12,430	\$12,500	0.6%
673	MAINTENANCE MAINS	\$529,972	\$583,645	\$586,723	\$586,725	0.0%
675	MAINTENANCE SERVICES	\$153,553	\$181,907	\$266,401	\$302,365	11.9%
675	MAINTENANCE SERVICES	\$116,588	\$100,371	\$72,728	\$72,730	0.0%
676	MAINTENANCE METERS	\$97,045	\$76,727	\$86,951	\$87,000	0.1%
677	MAINTENANCE HYDRANTS					
679	TRAN. TO CONST. & CUST	(\$7,694)	(\$32,926)	(\$11,134)	(\$11,135)	0.0%
	TOTAL	\$1,020,206	\$1,044,919	\$1,180,218	\$1,216,335	3.0%

	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 10+2	FY 11-12 Budget	%	
<b>CUSTOMER ACCOUNTING</b>						
902A	METER READING LABOR	\$79,344	\$77,207	\$110,640	\$133,060	16.8%
902B	METER READING SUPPLIES	\$814	(\$200)	\$2,234	\$2,235	0.0%
903A	CUSTOMER RECORDS LABOR	\$167,104	\$185,078	\$157,418	\$178,134	11.6%
903B	CUSTOMER RECORDS SUPPLIES	\$80,714	\$57,488	\$68,160	\$68,200	0.1%
904	UNCOLLECTIBLE ACCOUNTS					
	TOTAL	\$327,975	\$319,573	\$338,452	\$381,629	11.3%
<b>ADMINISTRATIVE &amp; GENERAL</b>						
920	ADMINISTRATIVE SALARIES	\$299,023	\$298,991	\$295,254	\$321,530	8.2%
921	OFFICE SUPPLIES & EXPENSE	\$153,134	\$124,221	\$132,643	\$133,000	0.3%
923	OUTSIDE SERVICES	\$116,192	\$131,528	\$89,335	\$125,000	28.5%
924	PROPERTY INSURANCE & WC	\$160,278	\$145,782	\$209,145	\$234,287	10.7%
925	INJURIES & DAMAGES	\$431		\$608	\$610	0.3%
926	EMPLOYEE PENSION & BENEFITS	\$642,628	\$893,341	\$898,651	\$880,423	-2.1%
927	OPEL		\$413,310			
928	REGULATORY COMMISSION	\$129,353	\$74,882	\$59,572	\$67,500	11.7%
930	MISC. GENERAL EXPENSE		\$34,326			
930A	MISC. GENERAL EXPENSE	\$49,431	(\$682)			
930B	MISC. GENERAL EXPENSE	\$13,930	\$21,696	\$13,517	\$13,500	-0.1%
930C	CONSERVATION PROGRAM	\$5,228	\$5,000		\$36,000	100.0%
932A	MAINTENANCE GENERAL PLANT	\$166,729	\$115,225	\$110,224	\$110,000	-0.2%
932B	MAINTENANCE VEHICLES	\$99,147	\$93,535	\$148,640	\$149,000	0.2%
933	UNASSIGNED TIME VAC. HOL. SICK	\$376,018	\$231,578	\$206,383	\$214,823	3.9%
	TOTAL	\$2,211,521	\$2,582,732	\$2,163,972	\$2,285,673	5.3%
	TOTAL O&M EXPENSES	\$8,708,213	\$8,911,113	\$9,325,222	\$9,542,897	2.3%
	OTHER EXPENSES					
401	OPERATING EXPENSE					
403	DEPRECIATION	\$1,392,172	\$1,510,967	\$1,160,000	\$1,160,000	0.0%
408	TAXES OTHER THAN INCOME	\$158,378	\$146,880	\$150,522	\$150,500	0.0%
427	INTEREST LONG TERM DEBT	\$807,349	\$902,923	\$1,477,212	\$1,285,884	-14.9%
428	AMORTIZATION OF DEBT DISC	\$120,376	\$120,375	\$60,120	\$70,000	14.1%
	TOTAL	\$2,478,275	\$2,681,146	\$2,847,854	\$2,666,384	-6.8%
	TOTAL EXPENSES	\$11,186,489	\$11,592,259	\$12,173,076	\$12,209,281	0.3%
	INCOME (LOSS)	\$6,622,742	\$6,210,844	\$8,850,342	\$7,601,719	-16.4%
<b>DEBT SERVICE:</b>						
	PRINCIPAL	\$2,330,000	\$2,415,000	\$2,500,000	\$2,595,000	
	INTEREST	\$1,558,919	\$1,477,213	\$1,387,881	\$1,285,884	
		\$3,888,919	\$3,892,213	\$3,887,881	\$3,880,884	

MISCELLANEOUS  
CAPITAL BUDGET FY 2011 - 2012

CAPITAL ASSETS:

VEHICLES:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Replacement Van #4	\$25,000	Replace existing Van #4 1,500 HD
2	Replacement Truck #19 4WD	\$27,000	Replace existing Truck #19 4WD 6.0 L
3	GIS Van (new)	\$25,000	GIS Small Van
4	Replacement Truck #14 4WD	\$25,000	Replace existing Truck #14, 2WD Pick Up
5	Replacement of Truck #11	\$25,000	Replace with Van 2,500 HD (Tad's)
6	Car 1	\$27,000	Replacement Car 1
	Allowance Trade-in's	(\$5,000)	
	SUB TOTAL	\$149,000	
OFFICE EQUIPMENT:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	New PC's Office Upgrade	\$5,000	Replace aging equipment
2	PC Computer Field Laptops	\$9,000	Add to System Field Use
3	AS 400 Replacement	\$25,000	Obsolete - New Hardware & Software
4	GPS cell phones	\$3,000	New system
5	Software cross connection control	\$5,000	New system state law
6	Software large meter testing	\$5,000	New system Division Rules & Regulations
	SUB TOTAL	\$52,000	
MISCELLANEOUS CAPITAL:			
ITEM #	DESCRIPTION	EST. COST	NOTES
1	Meter Reading Equipment	\$38,000	Replace obsolete reading equipment
2	Misc. hand / power tools	\$10,000	
3	Utility Body Dump Refurbishments	\$40,000	Add 5 years to bodies
4	Re-keying Facilities	\$5,000	Securing System Vulnerability
5	Exterior Tank Cleaning	\$30,000	Tech Park, West Street
	SUB TOTAL	\$123,000	
	TOTAL PROPOSED EXPENDITURES	\$324,000	
	Remaining FY 10-11 funds	\$363,251	
	FY 11-12 funds	\$100,000	
		\$463,251	
	AVAILABLE	\$139,251	Purchase New Backhoe This Fiscal Year

PROPOSED IFR FUNDING

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FUNDING AS OF MAY 1, 2011 RESTRICTED ACCOUNT	\$	7,609,480
MAY & JUNE 2011 FUNDING DEPOSIT	\$	900,000
FY 11-12 FUNDING AS OF JUNE 30, 2012	\$	<u>5,400,000</u>
TOTAL	\$	13,909,480
*11-12 PROPOSED BUDGET EXPENDITURES AS OF JUNE 30, 2012	\$	15,100,000
POTENTIAL DEFICIT	\$	(1,190,520)**

\*5,000,000 2010 IFR PROJECT INCLUDED

\*\*DO NOT EXPECT ALL CONSTRUCTION COMPLETED AND PAID  
IN FY 11-12. NO DEFICIT WILL BE REALIZED

TOTAL CUSTOMERS  
 FY 2011 - 2012

	FY 2010	AS OF 5/30/2011	EST. GROWTH	TOTAL FOR BUDGET
RESIDENTIAL	25,003	24,966		24,966
COMMERCIAL/INDUSTRIAL	1,580	1,567		1,567
PRIVATE FIRE	293	293		293
PUBLIC FIRE	2,331	2,331		2,331
PUBLIC AUTHORITIES	340	340		340
SALES FOR RESALE	1	1		1

# PRIVATE FIRE HYDRANTS

HYDRANTS	145
FIRE LINES	148

REVENUES

		FY 10-11	11+1	BASE REVENUE	NEW CUSTOMERS	BUDGET FY 11-12
461A	RESIDENTIAL	\$14,690,541		\$13,635,394		\$13,635,394
461B	COMMERCIAL/INDUSTRIAL	\$3,499,076		\$3,481,124		\$3,481,124
462	PRIVATE FIRE	\$188,715		\$192,449		\$192,449
463	PUBLIC FIRE	\$1,299,710		\$1,302,218		\$1,302,218
464	PUBLIC AUTHORITIES	\$802,634		\$746,749		\$746,749
466	SALES FOR RESALE	\$143,231		\$100,000		\$100,000
471	MISC SERVICE REVENUE	\$220,611		\$170,066		\$170,066
474	OTHER WATER REVENUE	\$43,475		\$45,000		\$45,000
415	PROFIT ON METERS	\$3,184		\$5,000		\$5,000
416	PROFIT ON SERVICE	\$18,408		\$18,000		\$18,000
		\$20,909,585		\$19,696,000		\$19,696,000

ADMINISTRATIVE & GENERAL  
OUTSIDE SERVICES

	10-11 ACTUAL	BUDGET ESTIMATE
PETRARCA & MCGAIR	\$40,000	\$45,000
AMTEC	\$1,800	\$1,800
AUDIT BRAVER PC	\$33,600	\$34,000
SUMMIT FINANCIAL	\$7,150	\$7,200
BANK OF NEW YORK MELLON TRUSTEES FEES	\$6,000	\$6,000
IFR & CIP - 5 YEAR PLANS (PUC ALLOCATION)		
BOND COUNSEL	-	
CE ENGINEERS (UPDATED CIP 2012-2017)	-	
<b>TOTAL OUTSIDE SERVICES</b>	<b>\$88,550</b>	<b>\$94,000</b>
IFR & CIP 5 YEAR PLANS PUC ALLOCATION		\$25,000
TOTAL		\$119,000
BUDGET		\$125,000

EMPLOYEE BENEFITS

BUDGET  
ESTIMATE

MEDICAL - BLUE CROSS: (34 EMPLOYEES)

\$45,458.47/MO. X 12	\$545,501.64	
Employee 10% Contribution	(\$54,550.16)	\$491,000

DENTAL - DELTA: (34 + 15 RETIREES)

\$3463.11/MO. X 12	\$41,557.32	\$42,000
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GROUP P-65 RETIREES:

\$8,280.45/MO.X12	\$99,365.40	\$100,000
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LIFE INSURANCE - MUTUAL OF OMAHA:

\$506.54/MO.X12	\$6,078.48	\$6,200
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LONG TERM DISABILITY - MUTUAL OF OMAHA:

\$589.38/MO. X 12	\$7,072.56	\$7,100
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RIEAS:

\$1,200		\$1,300
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EDUCATION:

\$5,000

PENSION CONTRIBUTION - NATIONWIDE:

\$222,723	\$222,723	\$222,723
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XMAS BONUS:

\$150.00 X 34	\$5,100	\$5,100
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Total		\$880,423
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Budget		\$880,000
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ADMINISTRATIVE & GENERAL  
REGULATORY COMMISSION

	10-11 ACTUAL	BUDGET ESTIMATE
PETRARCA & MCGAIR	\$6,377	\$10,000
WOODCOCK & ASSOCIATES	\$600	\$1,000
DIVISION OF PUBLIC UTILITIES	\$3,412	\$5,000
A-1 COURT REPORTERS	\$555	\$1,000
CAPITOL COURT REPORTERS		\$500
DIVISION OF PUBLIC UTILITIES ASSESSMENT	\$45,874	\$50,000
<b>SUBTOTAL</b>	<u>\$56,818</u>	<u>\$67,500</u>

PAYROLL BUDGET

REVISED 2/16/2012

	BASE PAY 7/1/2011 (Includes Proposed Step & Increases)	SCHEDULED OT	NSCHEDULED OT	TOTAL	BONUS	11-12 BUDGET	10-11 ACTUAL 10+2
107 CWIP	7,007			7,007		7,007	6,026
184A MJC - METERS	9,658			9,658		9,658	7,800
184D MJC - REPAIRS	12,712			12,712		12,712	12,996
601 OPERATION - LABOR							
602 OPERATION - SUPERVISION							
624A PUMPING - LABOR	58,703	\$5,000		63,703		63,703	55,600
631 MAINTENANCE - STRUCTUR	22,250			22,250		22,250	20,346
633 MAINTENANCE - PUMPING I	18,937			18,937		18,937	22,720
642A OPERATION - LABOR	71,959	\$5,000		76,959		76,959	76,656
651 MAINTENANCE - STRUCTUR							
652 MAINTENANCE - TREATMEN							
662A TRANS & DIST - LABOR	16,308			16,308		16,308	25,326
663A METER - LABOR	33,112			33,112		33,112	45,944
664A CUSTOMER INSTALLATION							
672 MAINTENANCE - TANKS	10,092			10,092		10,092	12,430
673 MAINTENANCE - MAINS	366,911		\$30,000	396,911		396,911	411,466
675 MAINTENANCE - SERVICES	183,463		\$30,000	213,463		249,329	153,448
676 MAINTENANCE - METERS	45,247			45,247		45,247	51,600
677 MAINTENANCE - HYDRANT	54,651		\$10,000	64,651		64,651	70,440
902 METER READING	176,201			176,201		183,060	169,440
920 ADMINISTRATIVE SALARIES	315,293			315,293		316,071	310,000
903 CUSTOMER ACCOUNTING	177,356			177,356		183,593	157,418
926 EMPLOYEE BENEFITS					5,100	5,100	5,100
930-F DIRECTORS FEE							
930C CONSERVATION							
932A MAINTENANCE - PLANT	89,237	\$10,000		99,237		99,237	80,527
932B MAINTENANCE - VEHICLES	24,617			24,617		24,617	23,212
933 NON-PRODUCTIVE - LABOR	214,823			214,823		214,823	206,382
<b>TOTAL</b>	<b>\$1,908,535</b>	<b>\$20,000</b>	<b>\$70,000</b>	<b>\$1,998,535</b>	<b>\$5,100</b>	<b>\$2,053,377</b>	<b>\$1,924,876</b>

IFR FUNDING  
CURRENT AND PROPOSED PROGRAM  
(JUNE 2011)

**FUNDING:**

FUNDING AS OF MAY 1, 2011	\$7,609,480
MAY & JUNE 2011 PAYMENT	\$900,000
<b>FUNDING AVAILABLE AS OF JUNE 30, 2011</b>	<b>\$8,509,480</b>

**FUNDING:**

IFR 2011 CONSTRUCTION - JULY 2011 - JUNE 2012	\$5,400,000
<b>TOTAL FUNDING</b>	<b>\$13,909,480</b>

**ESTIMATED ALLOCATED ONGOING EXPENDITURES 2011/2012**

IFR 2006B & 2007 CONSTRUCTION (RETAINAGE)	(\$214,000)
IFR 2006B & 2007 CONSTRUCTION ENGINEERING SERVICES (CLOSE OUT SERVICES)	(\$10,000)
IFR 2009A CONSTRUCTION (BALANCE & RETAINAGE)	(\$256,000)
IFR 2009A CONSTRUCTION ENGINEERING SERVICES (CLOSE OUT SERVICES)	(\$10,000)
IFR 2009B CONSTRUCTION	(\$5,710,000)
IFR 2009B CONSTRUCTION SERVICES & CONTINGENCIES	(400,000)
<b>TOTAL ALLOCATED</b>	<b>(\$6,600,000)</b>

**ESTIMATED FOR CONSTRUCTION**

QUAKER BOOSTER REFURBISHMENT	(\$3,300,000)
QUAKER BOOSTER REFURBISHMENT ENGINEERING & CONSTRUCTION SERVICES	(\$200,000)
IFR 2010 CONSTRUCTION	(\$12,000,000)
IFR 2010 CONSTRUCTION SERVICES	(\$500,000)
<b>TOTAL ESTIMATED</b>	<b>(\$16,000,000)</b>
<b>TOTAL EXPENDITURES</b>	<b>(\$22,600,000)</b>
<b>POTENTIAL DEFICIT</b>	<b>(\$8,690,520)</b>

**RECOMMEND THIS BUDGET YEAR:**

Construct Quaker Booster refurbishment and split 2010 Construction IFR into 2 contracts. One at approximately \$5,000,000 and the second at \$7,000,000. Bid \$5,000,000 2010 IFR this year and hold remaining for next fiscal year. No potential deficit for budget year.

## CIP PROJECTED EXPENSES

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MISHNOCK TREATMENT FACILITY (CIP 1a & 1c)	(EST.)	\$14,000,000
MISHNOCK TRANSMISSION (CIP 1b)	(EST.)	\$8,000,000
READ SCHOOL HOUSE ROAD TRANSMISSION REMAINING (CIP 7e, 7d & 8a)		\$150,000
READ SCHOOL HOUSE STORAGE TANK REMAINING (CIP 7b)		\$50,000
	<b>TOTAL</b>	<b>\$22,200,000</b>
<b>CAPITAL ACCOUNT (APRIL 30, 2011)</b>		<b>\$15,594,526</b>
	<b>SHORTFALL</b>	<b>\$6,605,474</b>