

KENT COUNTY WATER AUTHORITY

MINUTES OF THE MEETING  
OF THE BOARD

April 25, 2013

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 25<sup>th</sup> day of April, 2013, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

Chairman Boyer opened the meeting at 3:30 p.m. Chairman Boyer, Board Members Vice-Chairman Masterson, Mr. Inman and Mr. Giorgio were present together, along with the General Manager/Chief Engineer Timothy J. Brown, legal counsel Patrick J. Sullivan, Esq. as well as Mr. Duscheneau and Jo-Anne Gershkoff and Mr. Simmons. Chairman Boyer led the group in the pledge of allegiance.

**APPROVAL OF THE MINUTES**

The minutes of the regular board meeting of March 21, 2013 were presented for approval. Mr. Gallucci moved passage, seconded by Mr. Giorgio and the minutes were unanimously approved.

**GUESTS**

**3:30 p.m. High Service Requests:**

Firestone, Centre of New England Boulevard, Coventry, RI  
Millstone Engineers

Mr. McGowan, receiver for Center of New England entities, appeared before the Board along with Benjamin J. Caito, P.E. from Millstone Engineering, P.C., seeking water service in the high service area. The engineer informed the board that Firestone plans to put in a complete auto care retail store at the location. He indicated that this identical plan received approval in 2011. He added that the project received technical review approval.

Mr. Brown added that he reviewed the plan and had no concerns, and recommends approval. After a discussion the board acted.

It was moved by Mr. Inman, seconded by Mr. Masterson, to conditionally approve the request for water supply to a single family home with the following conditions in lieu of a moratorium:

1. The Kent County Water Authority is not a guarantor of water supply for this or any

other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.

2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA, 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 KCWA.
3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors 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) slow preparation shall be employed throughout the project.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That based upon health and safety concerns to conditionally approve the request for water supply to service a single family home with the following conditions in lieu of a moratorium:

1. The Kent County water Authority is not a guarantor of water supply for this or any other approval and KCWA can only supply water reasonably available to it and therefore any applicant/customer of KCWA understands that any third-party commitments made by an applicant/customer are subject to the reasonable availability of water supply and limits of the existing infrastructure to support service.
2. A deficient condition associated with accelerated commercial and residential development exists in the area serviced by the KCWA. 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 KCWA.

3. Ventures, commitments or agreements are at the applicant's sole risk if supply for existing infrastructure is found to be insufficient to support service. The applicant may afford the authority with system improvements to facilitate adequate service.
4. The applicant shall file a formal single-family home application. The applicant/customer understands that any undetected error in the application or an increase or change in demand as proposed, which materially affects the ability to supply water to the site, will be the responsibility of the applicant/customer and not the KCWA.
5. Only conservation-wise plumbing fixtures are to be installed including, but not limited to, low flow shower heads, low flow toilets and low flow guarantors 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) slow preparation shall be employed throughout the project.

### **LEGAL MATTERS**

Legal counsel Patrick J. Sullivan updated the Board on the Central Coventry Fire District receivership. He reports that the District remains in receivership. There was an Order from the Judge that the taxpayers pay the second and third quarter tax payments. He also reported activity by the RI General Assembly in an effort to revive the District. Mr. Brown reports that the District owes approximately \$135,000.00 to the KCWA.

Mr. Sullivan also updated the Board regarding the receivership of the Commerce Park Properties at the Centre of New England. He continued that there is a sale of real estate scheduled for hearing in court for \$1,650,000.00 that should raise capital to pay ongoing receivables. Mr. Brown reports that the company continues to pay the \$10,000.00 every other week pursuant to the agreement, but that ongoing bills continue to come due. Further, Mr. Sullivan reports that there was a restraining order scheduled for hearing relating to the relationship between the receiver and Mr. Cambio. Then Mr. Sullivan reports that there is a looming issue related to the infrastructure, increasing water sales, and the common area maintenance agreements. The receiver contemplates a long term resolution to the issue.

### **Director of Finance Report (Attachment "A")**

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She introduced and explained the Statement of Cash Location FY 2012-2013 (through March 31, 2013) and the Statement of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2012 attached as exhibit "A". A thorough discussion ensued by the board with regard to the sales and revenue.

Chairman Boyer noted that the purchase of water dropped off twenty five (25%) percent. Mr. Brown added that the predictions were for a drier summer than normal.

Mr. Gallucci moved and seconded by Mr. Masterson to accept the reports and attach the

same as an exhibit and that the same be incorporated by reference and be made a part of these minutes.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Statement of Cash Location FY 2012-2013 (through March 2013) and the Statement of Revenues, Expenditures and Changes in Fund Balance as of December 31, 2012 attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

### **Point of Personal Privilege & Communication**

There was no activity in this area.

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

#### **GENERAL:**

#### **Division Hearing – Service Availability – Appeal –**

General Manager reports that the appeal of IN RE: DOCKET NO. D-111-45 COMPLAINT FILING BY GREGORY M. DECUBELLIS AGAINST THE KENT COUNTY WATER AUTHORITY sits in the Superior Court for Providence County and still awaits scheduling by a Judge. KCWA has circulated a proposed schedule to all parties.

#### **642 Washington Street, Status of Engineering Review – Action to Date**

General Manager Brown reports that a meeting with the owner had to be postponed, but is being rescheduled.

#### **IFR 2009B Industrial Lane, West Warwick - Paving Issue Agreement**

Mr. Brown reports that we still await action from the Town of West Warwick.

#### **PWSB Rate Case Intervention**

General Manager Brown requests that KCWA enter the Providence Water Supply Board rate case as an intervener. He indicated that he needs board approval. They are currently looking for a date for a pre-hearing conference. He reports that Providence is looking for a 32.8% increase on wholesale rate, vs. a residential rate of 22.7%. He reports that it is a pass though filing. If approved, Mr. Brown indicates it would be a 10% rate increase to our customers.

Mr. Brown reports errors in their filing. He concludes that it is a complicated rate case,

and recommends the board approve intervention.

Mr. Inman moved and seconded by Mr. Masterson to direct rate counsel to intervene in the Providence Water Supply Board Rate Case filed March 29, 2013.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That rate counsel is authorized to intervene in the Providence Water Supply Board Rate Case filed March 29, 2013.

### **Pension Plan Valuation**

Mr. Brown discussed the pension plan valuation. He advises the board that the consultant will be present at the next meeting to make a presentation to the members. There will be a larger increase in the minimum contribution resulting from a smoothing effect over five years. The change in benefits resulted in a short-term spike in the Authority's annual contribution, which is expected to drop the following year.

### **Tax Audit**

The Division of Taxation completed their audit reported Mr. Brown. They left a bill for approximately \$33,000.00. He reported that the Authority sent out bills to the parties who owe the amounts. The Division expects the Authority to pay the bill. Mr. Brown reports that he will ask the Administrator Sullivan to waive interest and penalties for a short period. Mr. Masterson queries how this tax deficiency could happen. Mr. Brown explains this is due to a property's character changing in use, without the owner notifying the Authority.

### **Policy Memo Miles of Main**

Mr. Brown discusses the memo on the miles of water main the Authority has. He reports that on the books, there are about 700 miles of main. Models were done since that determination, and the newly revised number is in the area of 440 miles of main. Mr. Inman asks the age of the main, and how old is the oldest. Mr. Brown reports the oldest portions of the main was built in 1882. He further reports that 50% of the system is 50 years old or older. He reports the Prospect Hill area being replaced now.

### **CAPITAL PROJECTS:**

#### **CIP 1C Mishnock Well Treatment Plant and CIP 1B Mishnock Transmission**

The General Manager reports the project is currently behind schedule. Mr. Brown reports pump number 5 is not producing as much water as predicted. All wells are operational but not on line, pending approvals. He reports that the Authority will be training two employees as well as the new engineer/operator manager for the plant. He adds that advertising will be

done for a treatment operator to fill one of the two remaining positions. In addition, Mr. Brown recommended Change Order no. 2, for the building perimeter drains around the building and gutters on the building. This change order is for \$17,902.50. Additionally, Change Order No. 3 was discussed by Mr. Brown. It deals with bollards, widening of the roadway as well as a ladder credit.

It was moved by Mr. Masterson, seconded by Mr. Giorgio, to approve Change Order No. 2 in the amount of \$17,902.50 for perimeter drain work and gutter installation.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That change order No. 2 for perimeter drain work and gutter installation is approved in the amount for \$17,902.50.

It was moved by Mr. Inman, seconded by Mr. Masterson, to approve Change Order No. 3 in the amount of \$19,881.11 for bollards, widening of the roadway as well as a ladder credit.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That Change Order No. 3 for bollards, widening of the roadway as well as a ladder credit is approved in the amount for \$19,881.11.

Mr. Brown indicates that at the next meeting the Revision Task Order No. 5 will be discussed since he just received that paperwork today.

## **INFRASTRUCTURE PROJECTS**

### **IFR 2009B (Closeout)**

The General Manager reports that construction is complete and final payment and closeout remain.

### **IFR 2010A**

The General Manager reports that there is a hold on all paving. The Warwick City Council approved a bond issue, which also needs general assembly approval for revenue bonds to be sold. Mr. Brown recommends that those areas affected not be paved, and one half the cost, if they accept the roads, will be paid to the City.

### **IFR 2010B**

The General Manager informs the board that this project is scheduled to startup mid April 2013. He reports that temporary piping is being installed now. It should be going all this year.

### **Quaker Lane Pump Station Upgrade**

The General Manager reports that there was a butterfly valve that began to leak. Then a second valve began to leak as well. Both require replacement. He pointed the blame at the contractor, who has accepted responsibility. The valves need rubber gaskets as well. He recommends Change Order #1 to replace the valves in the amount of \$14,750.00.

It was moved by Mr. Masterson, seconded by Mr. Giorgio, to approve Change Order No. 1 in the amount of \$14,750.00 for replacement of the butterfly valves.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That Change Order No. 1 in the amount of \$14,750.00. for replacement of the butterfly valves is hereby approved.

Mr. Brown also indicated that there are structural deficiencies in the block walls that will need to be addressed at the May 2013 meeting. The block walls are not adhered to the foundation.

**Tech Park Storage Tank Painting**

The General Manager reports that the tank is ready to drain. The contract with Corr Tech, an inspection company is recommended for approval to conduct the inspection of the work to be done at the tank at an amount not to exceed \$9,000.00. Mr. Brown adds that this is well within the settlement funds of \$80,000.00. The tank should be down for approximately 1-5 months.

It was moved by Mr. Masterson, seconded by Mr. Inman, to approve the agreement with Corr Tech for inspection services in an amount not to exceed \$9,000.00.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That the agreement with Corr Tech for inspection services in an amount not to exceed \$9,000.00. is hereby approved.

**Water Street Replacement**

The General Manager reports that the water line replacement portion of this job is complete, and that the sewer work being done by the Town of East Greenwich should be complete this week.

**Apponaug Circulator Water Replacement**

The General Manager reports that this project, initially began in 2004, is now ready. The

Authority has been notified by the State of the bid documents. This project was engineered in 2004. At that time, the Authority proposed a water main project to replace the Apponaug water main. It did not proceed at the time. He now believes that cost savings will be realized if the board adds the project to the state DOT construction. He recommends engaging Geremia and Associates to complete the engineering, as they did the initial engineering in 2004 in the amount of \$12,344.00.

It was moved by Mr. Masterson, seconded by Mr. Giorgio to approve the engineering agreement with Geremia and Associates to complete the engineering for the Apponaug Circulator water replacement in the amount of \$12,344.00.

Upon Motion made, and duly seconded, and unanimously voted,

VOTED: That the engineering agreement with Geremia and Associates to complete the engineering for the Apponaug Circulator water replacement in the amount of \$12,344.00 is hereby approved.

**Executive Session in Accordance with RIGL 42-46-5(a)(1) - Employee Performance Review, Employment Status**

Chairman Boyer addresses Mr. Glen Dixon as follows:

“Mr. Glen Dixon, you were notified in writing on April 17, 2013 that a discussions concerning your job performance was to be held in executive closed session at 4:30 p.m. by the Board of Kent County Water Authority unless you require the proceeding to be held in open session. Do you wish these proceedings to be held in open session?” to which Mr. Dixon requested the proceedings be held in closed session.

Mr. Masterson moved and seconded by Mr. Inman that the board move into executive session for discussion of job performance, character, physical or mental health pursuant to RIGL 42-46-4 and 42-46-5(a)(1)

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the board move into executive session for discussion of job performance, character, physical or mental health pursuant to RIGL 42-46-4 and 42-46-5(a)(1).

The board goes into executive session at 4:15 p.m.

At 4:30 p.m. the board emerges from executive session.

Mr. Inman moved and seconded by Mr. Giorgio that the board exit from executive session and that the minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5

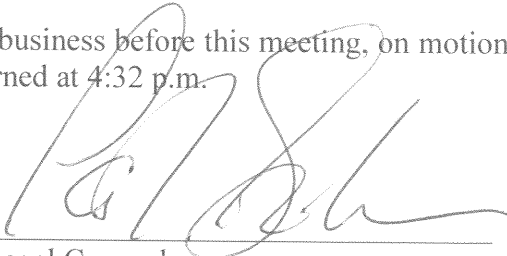
Upon Motion duly made and seconded, it was unanimously,



VOTED: That the board exit from executive session and that the minutes of the meeting shall remain under seal pursuant to RIGL 42-46-4 and 42-46-5.

There being no further business before this meeting, on motion duly made, seconded and carried, the meeting was adjourned at 4:32 p.m.

Dated: April 25, 2012



Legal Counsel

## **GENERAL MANAGER'S REPORT**

Board Meeting  
April 25, 2013

### **Division Hearing Service Availability**

Court petition filed scheduling by Judge to be determined. KCWA has proffered a schedule to all parties.

### **642 Washington Street, Engagement of Engineering Services**

Final report completed. Action by our attorney is necessary to compel the owner to rectify the situation. Meeting being scheduled through our attorney.

### **IFR 2009B Industrial Lane, West Warwick**

Awaiting action by the town to finalize. Letter from our attorney requesting update on status by Town has been sent.

### **PWSB Rate Case Intervention**

Request approval for KCWA to enter as an intervener in the PWSB General Rate Case filed March 29, 2013. Proposed wholesale rate increase is 32.8% vs. residential rate of 22.7%. There is also a presentation of seasonal rates for wholesale customers as well. I have great concern in the rate case proposed and urge the Board to file as an intervener. We will also prepare a wholesale pass through filing to cover any increase so granted the PWSB.

### **Pension Plan Valuation**

I will discuss the January 1, 2013 Pension Plan valuation with the Board and the affect it will have on our budget for the next year.

### **Tax Audit**

Copy of the final tax audit attached. Billings have been sent to all impacted parties and we have requested penalties and interest to be voided.

### **Policy Memo Miles of Main**

Memo is self explanatory.

### **Capital Projects**

#### **CIP 1C Mishnock Well Treatment Plant and CIP 1B Mishnock Transmission**

Project is behind schedule and scheduled for completion in April. Startup will be scheduled when completion occurs. We will be training, initially, two employees as well as our new engineer/operator manager. I will be requesting approval of Change Order #2 for the building perimeter drain for future gutter and drain provisions and Change Order #3 for bollards, roadway and a ladder credit. A discussion will occur on the cost of the project overage and how it will affect KCWA. The high service transmission main is completed. It, however, is not active as the remainder will need to be constructed when funds are secured. We will be advertising for a treatment operator and if successful this will fill one of our two open positions.

## Infrastructure Projects

### **IFR 2009B**

Final payment and closeout remains.

### **IFR 2010A**

Construction startup for 2013. Paving of Murphy Highway and O'Donnell area will begin prior to June 1, 2013. I am requesting the engineer to calculate the cost of the O'Donnell area paving for a credit change order and a payment to Warwick Sewer for our share of half the cost of street paving based on bid pricing.

### **IFR 2010B**

Construction startup for 2013.

### **Quaker Lane Pump Station Upgrade**

Construction has restarted with a June completion date. Request approval of Change Order #1 for the suction and discharge valve replacement. Valves were found to be leaking and need replacement. Structural deficiencies have been found in the block walls (no vertical reinforcing). A change will be required to install reinforcement and grout, and the structural plates between the wall and foundation. Will need approval with ratification of C.O. in the May meeting of the Board.

### **Technical Paint Tank Painting**

Contractor to begin work in April for refurbishment. Approval of Inspection Services Agreement from settlement sum is requested.

### **Water Street Replacement**

Our water main is being installed and is operational.

### **Apponaug Circulator Water Replacement**

We have been notified by the State of the bid documents for the long awaited Apponaug Circulator. In 2004 we proposed a water main project to replace the Apponaug water main. Due to a state project and cost KCWA did not proceed. We now believe cost savings (paving, curbing, sidewalks, etc.) will be realized if we add this project to the State DOT Construction. We have been granted that if we provide the design and specifications for the work. I recommend we do and utilize the 2014/15 IFR funds for the project. If approved by the Board, we will proceed with the design modification to the existing design documents. (\$12,344.00 Geremia Contract) and a state cost share for the contractor work (to be determined). I request approval.



STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT

KENT COUNTY WATER AUTHORITY :

vs. :

STATE OF RHODE ISLAND :  
DIVISION OF PUBLIC UTILITIES AND  
CARRIERS and GREGORY M.  
DECUBELLIS :

C.A. NO.: PC13-0270

CONSENT ORDER

Now come the parties in the above-entitled cause and hereby consent as to the following briefing schedule in the above-entitled cause:

1. Plaintiff's Brief shall be submitted on or before sixty (60) days from the entry of this Order.
2. Defendants' Briefs shall be submitted no later than sixty (60) days after the date of the receipt of the Plaintiff's Brief.
3. Plaintiff's Reply Brief, if any, shall be submitted no later than thirty (30) days after the date of the receipt of Defendants' Brief.

Plaintiff:

Defendants:

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Joseph J. McGair, #0304  
Petrarca and McGair, Inc.  
797 Bald Hill Road  
Warwick, RI 02886  
Phone: (401) 821-1330  
Facsimile: (401) 823-0970  
jjm@petrarcamcgair.com

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Leo Wold, Esq.  
Department of the Attorney General  
150 South Main Street  
Providence, RI 02895

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John A. Pagliarini, Jr., Esq. #6237  
67 Cedar Street  
Providence, RI 02903

ENTER:

PER ORDER:

CERTIFICATION

I hereby certify that a true copy of the within Consent Order was mailed electronically on the 23<sup>rd</sup> day of April, 2013 to the following:

John A. Pagliarini, Jr., Esq. #6237  
67 Cedar Street  
Providence, RI 02903

Leo Wold, Esq.  
Department of the Attorney General  
150 South Main Street  
Providence, RI 02895

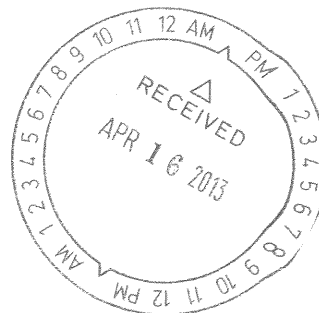
  
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# SULLIVAN & SULLIVAN

505 TIOGUE AVENUE  
SUITE B  
COVENTRY, RI 02816

Patrick J. Sullivan  
Richard P. Sullivan, Of Counsel



April 11, 2013

Timothy Williamson, Esq.  
1193 Tiogue Ave.  
Coventry, RI 02816

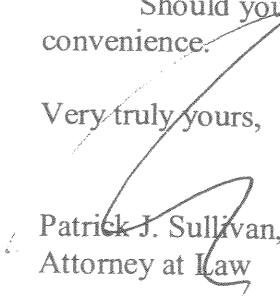
**RE: KENT COUNTY WATER AUTHORITY**

Dear Mr. Williamson:

You and I met regarding this matter recently. You indicated that there was no particular response to this from the Council as of yet as there was quite a bit going on in the Town of West Warwick at the time. I am meeting with the Board of Directors on the 18<sup>th</sup> of this month. If there is any news, kindly pass it along. Otherwise, I will so inform the Board.

Should you have any questions or concerns, kindly contact me at your convenience.

Very truly yours,

  
Patrick J. Sullivan, Esq.  
Attorney at Law

PJS/bms

Cc: Timothy Brown, General Manager





**KENT COUNTY WATER AUTHORITY**

Kent County Water Authority  
Pension Plan

Actuarial Funding Valuation  
Plan Year Beginning January 1, 2013

April 2013

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## PURPOSE AND ACTUARIAL STATEMENT


As requested by the Kent County Water Authority, this report documents the results of an actuarial valuation of the Kent County Water Authority Pension Plan. The primary purpose of this valuation is determination of the contribution requirements for the plan for the plan year beginning January 1, 2013 and ending December 31, 2013 and should not be relied on for other purposes.

The results of this valuation are based on data and other information provided by the Kent County Water Authority. We have examined the data for reasonability and consistency with prior results, but we have not performed a formal audit. We have relied on all of the information provided, including plan provisions and asset information, as complete and

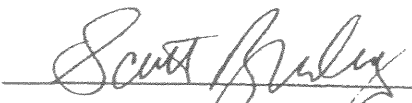
This valuation involves actuarial calculations that require assumptions regarding future events. We believe that the assumptions used are appropriate for the purposes for which they have been used.

To the best of our knowledge, the calculations contained herein, the procedures followed and presentation of results have been completed in accordance with generally accepted actuarial principles and practices. The undersigned consultants possess the actuarial credentials required to meet the Qualification Standards of the American Academy of Actuaries to render the opinions contained herein.

There is no relationship between the Kent County Water Authority and Summit Financial Corporation that would impair or appear to impair our objectivity.

  
\_\_\_\_\_  
Jason A. Denton, F.S.A., E.A.  
Consulting Actuary

4/10/2013  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Scott Boulay, A.S.A., E.A., M.A.A.A.  
Consulting Actuary

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## SUMMARY OF KEY RESULTS

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# SUMMARY OF KEY RESULTS

## Summary of Changes from Prior Fiscal Year

### Contribution History

Plan Year Beginning	<u>1/1/2013</u>	<u>1/1/2012</u>	<u>1/1/2011</u>
Minimum Required Contribution	\$ 311,745	\$ 256,566	\$ 222,723
Actual Amount Contributed	TBD	\$ 256,566	\$ 222,723

### Key Assumptions & Provisions

Appendix A summarizes the actuarial assumptions and cost methods used to determine plan liabilities. There have been no changes in assumptions or methods since the last valuation.

Appendix B summarizes key provisions of the plan as of the valuation date. To our knowledge, there have been no changes in any key plan provisions since the last valuation and none are pending.

### Comments on Results

The annual required contribution increased from \$256,566 for 2012 to \$311,745 for 2013. This increase in cost is due primarily to one-time pay adjustments made during 2012 as well as recognition of the final \$243,526 of investment losses incurred in 2008 under the asset smoothing method used to determine the actuarial value of assets. A change in fringe benefit policy during 2012 resulted in one-time retroactive payments which are included in 2012 W-2 compensation. As a result, average compensation increased greater than expected adding approximately \$300,000 to the present value of future benefits for active employees. The increase in payroll also increases the portion of unfunded future benefits which needs to be paid in the current year. Since these one-time amounts do not represent permanent increases in base salary, it is expected that average compensation, and as a result cash funding requirements, will decrease next year. On the asset side, recognition of the final portion of 2008 market losses drops the actuarial value of assets adding approximately \$20,000 to the 2013 funding cost.

Investment return was roughly \$176,000 greater than expected in the prior plan year. The actuarial smoothing method, however, is deferring mostly asset gains causing the actuarial value of assets to lag behind the market value. On a market basis, the plan's funding ratio has increased from 70.7% last year to 73.2% as of the current valuation date.

# SUMMARY OF KEY RESULTS

## Participant Information

### Participant Information

Key figures with respect to the participant data used in this actuarial valuation are summarized below along with comparable information from prior years.

<b>Plan Year Beginning</b>	<u>01/01/2013</u>	<u>01/01/2012</u>	<u>01/01/2011</u>
<b>Participating Employees</b>			
Number	31	31	32
Number with Vested Benefits	29	28	28
Number Fully Vested (7 years of service)	22	23	23
Average Attained Age	47.4	46.4	45.9
Average Credited Service	12.9	12.6	12.9
Average Annual Pay	\$ 59,362	\$ 53,908	\$ 53,121
Average Annual Benefit	\$ 10,813	\$ 10,385	\$ 10,333
<b>Participants with Deferred Benefits</b>			
Number	10	9	8
Average Attained Age	51.0	51.0	51.1
Average Annual Deferred Benefit	\$ 5,698	\$ 4,342	\$ 3,550
<b>Participants Receiving Benefits</b>			
Number	24	25	24
Average Attained Age	74.0	72.3	71.9
Average Annual Benefit	\$ 12,687	\$ 12,346	\$ 12,121

**Kent County Water Authority Pension Plan**  
**Reconciliation of Plan Data**

	<u>Active</u> <u>Participants</u>	<u>Vested Term</u> <u>Participants</u>	<u>Retirees</u>	<u>Beneficiaries</u>	<u>TOTAL</u>
Participants as of January 1, 2012	31	9	19	6	65
+ New hires	1	0	0	0	1
+ Acquisitions	0	0	0	0	0
- Non-vested terminations	0	0	0	0	0
- Vested terminations	(1)	1	0	0	0
- Rehired employees	0	0	0	0	0
- Retirees	0	0	0	0	0
- Beneficiaries	0	0	0	0	0
- Deaths	0	0	0	(1)	(1)
- Disabled participants	0	0	0	0	0
- Lump Sum Distributions	0	0	0	0	0
- Data adjustments	0	0	0	0	0
Participants as of January 1, 2013	31	10	19	5	65



**KENT COUNTY WATER AUTHORITY PENSION PLAN**  
Age & Service Chart

	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 and up
Under 25	0	0	0	0	0	0	0	0	0	0
25 to 29	0	1	0	0	0	0	0	0	0	0
30 to 34	0	0	2	0	0	0	0	0	0	0
35 to 39	0	2	0	0	0	0	0	0	0	0
40 to 44	0	1	2	1	0	0	1	0	0	0
45 to 49	0	2	0	2	2	0	1	0	0	0
50 to 54	0	0	0	4	3	0	1	0	0	0
55 to 59	0	0	1	0	1	1	0	0	1	0
60 to 64	0	0	1	0	0	0	0	0	0	0
65 to 69	0	0	0	0	0	0	0	0	0	0
70 and up	0	0	0	0	0	0	0	0	0	0

# SUMMARY OF KEY RESULTS

## Assets and Liabilities

### Plan Assets

The market value of assets and actuarial (smoothed) value of assets are shown below for both current and prior plan years.

<b>Plan Year Beginning</b>	<u>01/01/2013</u>	<u>01/01/2012</u>	<u>01/01/2011</u>
<b>Value of Assets</b>			
Market Value of Assets (MVA)	\$ 4,188,518	\$ 3,784,648	\$ 3,853,105
Actuarial Value of Assets (AVA)	4,058,255	3,980,253	3,976,358
<b>Rate of Return on Assets</b>			
Market Value of Assets	11.88%	0.45%	12.08%
Actuarial Value of Assets	3.06%	2.28%	2.90%

### Plan Liabilities

We have provided a summary of key liability measures for the current plan year below along with comparable information from prior plan years.

<b>Plan Year Beginning</b>	<u>01/01/2013</u>	<u>01/01/2012</u>	<u>01/01/2011</u>
Present Value of Future Benefits	\$ 6,827,695	\$ 6,384,086	\$ 6,155,885
Normal Cost (plan funding)	290,671	239,222	207,667
EAN Actuarial Accrued Liability	5,723,004	5,351,926	5,061,493
EAN Normal Cost	124,834	111,281	111,297
Interest Rate	7.25%	7.25%	7.25%

### Funding Ratios

We have provided a summary of key funding ratios for the current plan year below along with comparable information from prior plan years.

<b>Plan Year Beginning</b>	<u>01/01/2013</u>	<u>01/01/2012</u>	<u>01/01/2011</u>
Actuarial Value of Assets to Present Value of Future Benefits	59.4%	62.3%	64.6%
Actuarial Value of Assets to Actuarial Accrued Liability	70.9%	74.4%	78.6%
Market Value of Assets to Actuarial Accrued Liability	73.2%	70.7%	76.1%

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## ACTUARIAL EXHIBITS

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# SUMMARY AND COMPARISON OF RESULTS

## Key Valuation Measurements

Plan Year Beginning	<u>1/1/2013</u>	<u>1/1/2012</u>
Present Value of Future Benefits		
- Active participants	\$ 4,030,598	\$ 3,529,645
- Vested terminated participants	265,331	204,025
- <u>Retirees, beneficiaries, and disabled participants</u>	<u>2,531,766</u>	<u>2,650,416</u>
- TOTAL	\$ 6,827,695	\$ 6,384,086
<u>Actuarial Value of Assets less Credit Balance</u>	<u>4,058,255</u>	<u>3,980,253</u>
Present Value of Future Normal Costs (PVFNC)	\$ 2,769,440	\$ 2,403,833
Present Value of Future Salaries	\$ 18,059,285	\$ 17,296,333
<u>Current Payroll</u>	<u>1,895,438</u>	<u>1,721,275</u>
Temporary Annuity Factor	9.527764	10.048559
Normal Cost (plan funding) = PVFNC / Temp Annuity Factor	\$ 290,671	\$ 239,222
Entry Age Normal Actuarial Accrued Liability		
- Active participants	\$ 2,925,907	\$ 2,497,485
- Vested terminated participants	265,331	204,025
- <u>Retirees, beneficiaries, and disabled participants</u>	<u>2,531,766</u>	<u>2,650,416</u>
- TOTAL	\$ 5,723,004	\$ 5,351,926
Normal Cost (EAN, includes assumed expenses)	\$ 124,834	\$ 111,281
Plan Assets		
- Market Value of Plan Assets (MVA)	\$ 4,188,518	\$ 3,784,648
- Actuarial Value of Plan Assets (AVA)	4,058,255	3,980,253
- Receivable contributions included in assets	0	0
Minimum required contribution	\$ 311,745	\$ 256,566
Actual Contribution History	TBD	\$ 256,566
Key Assumptions		
- Valuation interest rate	7.25%	7.25%
- Rate of compensation increase	3.00%	3.00%

## RECONCILIATION OF PLAN ASSETS

Results for Plan Year Ending December 31, 2013

	Market Value	Actuarial Value
<b><i>Reconciliation of Assets During Plan Year</i></b>		
Plan assets at the beginning of the prior plan year	\$ 3,784,648	\$ 3,980,253
Employer contributions		
- Deposited during the prior plan year	256,566	256,566
- <u>Receivable at the beginning of the prior plan year</u>	<u>0</u>	<u>0</u>
- SUBTOTAL	\$ 256,566	\$ 256,566
- <u>Receivable at the beginning of the current plan year</u>	<u>0</u>	<u>0</u>
- TOTAL	\$ 256,566	\$ 256,566
Participant benefit payments	(299,867)	(299,867)
Administrative expenses paid by the plan	0	0
Net transfers	0	0
<u>Investment return</u>	<u>447,171</u>	<u>121,303</u>
Plan assets at the beginning of the current plan year	\$ 4,188,518	\$ 4,058,255

***Form 5500 (Schedule B) Rate of Return on Invested Assets***

Plan assets at the beginning of the prior plan year (A)	\$ 3,784,648	\$ 3,980,253
Plan assets at the beginning of the current plan year (B)	4,188,518	4,058,255
Investment return (i)	447,171	121,303
 Rate of Return = $2i / (A + B - i)$	 11.88%	 3.06%

# DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

## Under the Adjusted Market Value Method

### Expected Return on Market Value of Assets for Prior Year

	<u>Amount</u>	<u>Time Weighting</u>	<u>Time Weighted Amount</u>
Market Value of Assets (MVA) at beginning of prior plan year	\$ 3,784,648	100.00%	\$ 3,784,648
Contributions for prior plan year	256,566	42.43%	108,855
Participant benefit payments	(299,867)	50.00%	(149,934)
Administrative expenses paid by the plan	0	50.00%	0
<u>Net transfers</u>	0	0.00%	0
Total weighted asset value			\$ 3,743,569
<u>Assumed rate of return on plan assets for the year</u>			<u>7.25%</u>
Expected plan asset return			\$ 271,409

### Actual Return on Market Value of Assets for Prior Year

Market Value of Assets (MVA) at beginning of prior plan year		\$ 3,784,648
Contributions for prior plan year		256,566
Participant benefit payments		(299,867)
Administrative expenses paid by the plan		0
Market Value of Assets (MVA) at end of prior plan year	\$	4,188,518
Actual plan asset return		447,171

### Investment Gain/(Loss) for Prior Plan Year

\$ 175,762

### Development of Actuarial Value of Assets

Market Value of Assets (MVA) as of beginning of current plan year		\$ 4,188,518
Deferred investment gains/(losses) for last five years:		

<u>Plan Year Ending</u>	<u>Gain/(Loss)</u>	<u>Percent Recognized</u>	<u>Percent Deferred</u>	<u>Deferred Amount</u>
December 31, 2012	\$ 175,762	20%	80%	\$ 140,610
December 31, 2011	(257,609)	40%	60%	(154,565)
December 31, 2010	172,140	60%	40%	68,856
<u>December 31, 2009</u>	376,810	80%	20%	75,362
TOTAL				\$ 130,263

Asset value adjusted for deferred gains and losses		\$ 4,058,255
Corridor for actuarial value:		
Minimum = 80% of market value of assets		3,350,814
Maximum = 120% of market value of assets		5,026,222
Actuarial value of assets	\$	4,058,255

# CALCULATION OF MINIMUM REQUIRED CONTRIBUTION

## Minimum Funding Standard Account

### Prior Year Minimum Funding Standard Account

Interest Rate	7.25%
<b>Charges</b>	
Prior year funding deficiency	0
Normal Cost	239,222
Amortization	0
Interest	17,344
Additional funding charge	N/A
<u>Late quarterly interest</u>	<u>N/A</u>
<b>TOTAL</b>	<b>256,566</b>
<b>Credits</b>	
Prior year credit balance	N/A
Employer contribution	256,566
Amortization	0
<u>Interest</u>	<u>0</u>
<b>TOTAL</b>	<b>256,566</b>

### Current Year Minimum Funding Standard Account

Interest Rate	7.25%
<b>Charges</b>	
Prior year funding deficiency	0
Normal Cost	290,671
Amortization	0
Interest	21,074
Additional funding charge	N/A
<u>Late quarterly interest</u>	<u>N/A</u>
<b>TOTAL</b>	<b>311,745</b>
<b>Credits</b>	
Prior year credit balance	N/A
Employer contribution	N/A
Amortization	0
<u>Interest</u>	<u>0</u>
<b>TOTAL</b>	<b>0</b>
<b>Minimum Funding Requirement</b>	<b>311,745</b>

### *Reconciliation of Change in Minimum Required Contribution*

Prior year minimum funding requirement as of the end of the plan year (not limited to \$0 for illustration)	\$	256,566
Net change in plan normal cost		55,179
Net change in amortization items		0
Change in credit balance		N/A
<u>Change in additional funding charge</u>		<u>N/A</u>
Net changes		55,179
Current year minimum funding requirement as of the end of the plan year (not less than zero)	\$	311,745

# ACTUARIAL ACCRUED LIABILITY

## Reconciliation of Liability from Prior Year

	Plan Year Beginning	
	<u>1/1/2013</u>	<u>1/1/2012</u>
Accumulated Plan Benefits		
- Active participants <sup>1</sup>	\$ 2,855,106	\$ 2,448,641
- Vested terminated participants	265,331	204,025
- <u>Retirees, beneficiaries, and disabled participants</u>	<u>2,531,766</u>	<u>2,650,416</u>
- SUBTOTAL	\$ 5,652,203	\$ 5,303,082
- <u>Non-vested benefits</u>	<u>70,801</u>	<u>48,844</u>
- TOTAL	\$ 5,723,004	\$ 5,351,926
Reconciliation of Accumulated Plan Benefits		
- Present value of accumulated plan benefits at January 1, 2012		\$ 5,351,926
- Changes attributable to:		
- Benefits accumulated (incl. gains/losses from non-investment experience)		293,801
- Decrease in the discount period		377,144
- Actual benefits paid		(299,867)
- Plan amendment		0
- Change of assumptions		0
- Present value of accumulated plan benefits at January 1, 2013		\$ 5,723,004

1 - There are a total of 31 active participants. Of these, 22 are fully vested and 7 are partially vested.



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## APPENDICES

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## APPENDIX A: STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

<b>Plan Sponsor</b>	Kent County Water Authority					
<b>Key Interest Rates</b>	Valuation discount rate		7.25%			
<b>Compensation Increases</b>	Compensation is assumed to increase at the rate of 3.0% annually.					
<b>Social Security Wage Base</b>	The taxable wage base is assumed to increase 2.5% annually.					
<b>Administrative Expenses</b>	For purposes of this valuation, we have assumed that no administrative expenses will be paid from plan assets.					
<b>Mortality</b>	Mortality rates are assumed in accordance with the Sex-Distinct IRS 2008 Combined Static Mortality Table.					
<b>Retirement</b>	All participants are assumed to retire at age 62 or current age, if older.					
<b>Disability</b>	None assumed.					
<b>Disabled Mortality</b>	Not applicable.					
<b>Representative Termination Rates</b>	Termination of employment is assumed according to Scale T-1 from the Pension Actuary's Handbook. Representative termination rates are listed below and are the same for both males and females.					
	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
	20	5.44%	35	2.35%	50+	0.00%
	25	4.89%	40	1.13%		
	30	3.70%	45	0.27%		
<b>Form of Payment</b>	Participants are assumed to elect the normal form of annuity.					
<b>Marriage</b>	75% of participants are assumed to be married; husbands are assumed to be three years older than wives.					
<b>Employees</b>	No new or rehired employees are assumed for valuation purposes.					
<b>Employee Data</b>	Employee data was supplied by Kent County Water Authority as of January 1, 2013.					

## APPENDIX A: STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

***Cost Method***

Aggregate funding method.

***Asset Method***

Actuarial value of assets is based on a five-year smoothing method. The difference between actual and expected gains and losses are recognized at a rate of 20% per year. Smoothed value of assets is adjusted, as needed, to remain within 20% of market value.

***Nature of Actuarial Calculations***

The results documented in this report are estimates based on data that may be imperfect as well as on assumptions with respect to future events. Certain plan provisions may be approximated or deemed immaterial and therefore are not valued. Reasonable efforts were made to ensure that items significant to the context of the actuarial liabilities and costs are treated appropriately.

Future experience may differ from the assumptions used in these calculations. As differences arise, future expenses will be adjusted to reflect actual plan experience.

***Changes in Assumptions and Methods Since Most Recent Actuarial Valuation***

None.

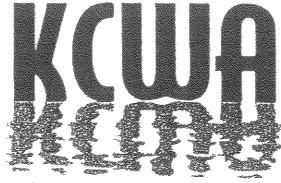
## APPENDIX B: SUMMARY OF PRINCIPAL PLAN PROVISIONS

<b>Plan Sponsor</b>	Kent County Water Authority
<b>Effective Date</b>	January 1, 1976
<b>Eligibility</b>	<u>Employment Classification:</u> All employees of Kent County Water Authority <u>Minimum Age &amp; Service:</u> Attainment of age 21 and the completion of one year of service.
<b>Entry Date</b>	January 1 nearest the completion of eligibility requirements.
<b>Service</b>	<u>Credited Service:</u> 1,000 hours per plan year <u>Vesting Service:</u> 1,000 hours per plan year
<b>Accrued Benefit</b>	<p>The monthly benefit is equal to 1.25% of average compensation plus 0.4% of average compensation in excess of covered compensation. That result is multiplied by the number of years of credited service, up to a maximum of 35 years.</p> <p>The minimum monthly benefit for employees hired before January 1, 1996 is equal to 30% of average compensation plus 19.67% of average compensation in excess of \$550. The excess portion of the benefit is reduced 1/15th for years of participation below 15 years at retirement.</p> <p>The accrued benefit at any calculation date is the monthly benefit above times Years of Service as of the calculation date divided by estimated Years of Service at Normal Retirement.</p>
<b>Normal Retirement</b>	<u>Eligibility:</u> First of the month coincident with or next following the attainment of age 62. <u>Benefit Formula:</u> Benefit is the accrued benefit. <u>Commencement Date:</u> Payments will commence on the retired participant's Normal Retirement Date. <u>Form of Payment:</u> Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.
<b>Early Retirement</b>	<u>Eligibility:</u> First of the month coincident with or next following the attainment of age 52. <u>Benefit:</u> The accrued benefit reduced 6.66% for each of the first five years and 3.33% for each of the next five years that early retirement precedes age 62. <u>Commencement Date:</u> Payments will commence on the retired participant's Early Retirement Date. <u>Form of Payment:</u> Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.

## APPENDIX B: SUMMARY OF PRINCIPAL PLAN PROVISIONS

<b>Late Retirement</b>	<p><u>Eligibility:</u> Retirement after age 62.</p> <p><u>Benefit:</u> The benefit calculated as of the participant's Normal Retirement Date with actuarial increase for late retirement.</p> <p><u>Commencement Date:</u> Payments will commence on the retired participant's Deferred Retirement Date.</p> <p><u>Form of Payment:</u> Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.</p>
<b>Vested Deferred Retirement</b>	<p><u>Eligibility:</u> Termination other than by retirement, death, or disability after at least three years of vesting service.</p> <p><u>Benefit:</u> Accrued benefit to date of termination times a vesting percentage. Vesting percentage is equal to 20% at 3 years of service increasing 20% each year to 100% at year 7.</p> <p><u>Commencement Date:</u> Deferred until normal retirement date or a reduced amount at early retirement.</p> <p><u>Form of Payment:</u> Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.</p>
<b>Death Before Retirement</b>	<p><u>Eligibility:</u> Payable to surviving spouse.</p> <p><u>Benefit:</u> Lifetime benefit equal to 50% of the participant's deferred vested benefit (including a reduction to reflect an assumed election of a 50% joint &amp; survivor option).</p> <p><u>Commencement Date:</u> Payable at the earliest date that the participant would have become eligible for early retirement.</p> <p><u>Form of Payment:</u> Payable monthly for life.</p>
<b>Death After Retirement</b>	Death benefits payable after a participant has attained normal retirement date are paid according to the form of annuity elected by the participant at retirement.
<b>Disability Benefit</b>	The plan does not provide special disability benefits.
<b>Forms of Payment</b>	The normal form of payment for single participants is the life annuity with 10 years certain. The normal form for married participants is an actuarially equivalent 50% joint & survivor annuity.
<b>Benefits Not Valued</b>	None.
<b>Changes Since Prior Valuation</b>	None.





Kent County Water Authority

April 18, 2013

Mr. David M. Sullivan  
Tax Administrator  
Division of Taxation  
One Capitol Hill  
Providence, RI 02908

Re: Sales Tax Deficiency Notice  
Kent County Water Authority Permit No.: 056000634-00  
Case No.: 10402092

Dear Mr. Sullivan:

Kent County Water Authority (KCWA) is a public benefit corporation which was incorporated by the Rhode Island General Assembly pursuant to RIGL 39-16-3 as is regulated by the Rhode Island Public Utilities Commission and is funded by the customers in its service area.

KCWA was notified of a deficiency determined under the Sales and Use Tax Law by the Division of Taxation Collection Section that it owed \$32,798.25 of which \$7,700.40 was interest and \$2,281.62 was penalty.

KCWA is notifying those customers this week and will attempt to collect the entire tax amount of \$22,816.23.

KCWA hereby tenders an "offer-in-compromise" in the amount of the tax we ultimately collect from our customers and requests that the interest and penalties be waived. In addition, we believe we will require additional time to collect the taxes due from our customers. Therefore, we request that the due date be extended from May 15, 2013 to June 15, 2013. KCWA has corrected its collection system to avoid this inadvertence in the future. Your acceptance of this offer-in-compromise would benefit the public by not passing on additional cost during this depressed economy.

I look forward to hearing from you and thank you for your consideration.

Very truly yours,  
Kent County Water Authority

A handwritten signature in black ink, appearing to read "Timothy J. Brown".

Timothy J. Brown, P.E.  
General Manager/Chief Engineer

Enclosure

REPORT OF FIELD AUDIT  
SALES & USE TAX  
Division of Taxation - Field Audit Section

Taxpayer: Kent County Water Authority

Date of Audit: 4/11/2013

Doing Business as: Same

Permit No.: 056 000634-00

Business Address: 1072 Main St  
West Warwick, RI 02893

SS/FEI No.: 05-6000634

Mailing Address: Same

Attention: Timothy J. Brown, PE

Case No.: 10402 092

Responsible Officer Name: N/A

SSN: N/A

Mailing Address: N/A

Power of Attorney Name: N/A

Mailing Address: N/A

Period Covered: 12/1/2009 - 11/30/2012 Billing Purposes Only: Yes      No   X  

Ownership Type:      Sole Owner      Partnership      Corporation      X Other     

LIABILITY (OR CREDIT) DISCLOSED BY AUDIT

Amount Due		
Tax.....	\$ 22,816.23	Additional <u>  X  </u> Delinquent <u>    </u>
Interest.....	\$ 7,700.40	Interest to: 5/15/2013
Penalty.....	\$ 2,281.62	
<b>Total Tax, Interest &amp; Penalty.</b>	<b>\$ 32,798.25</b>	

ANALYSIS OF MEASURE OF TAX BY TRANSACTION

	Measure of Tax
Sch 16 - Miscellaneous Deductions Disallowed	\$ 325,946.20
<div style="text-align: right; padding-right: 20px;">Total Measure of Tax</div> <div style="text-align: right;">\$ 325,946.20</div>	

Signature of Revenue Agent(s)







STATE OF RHODE ISLAND AND PROVIDENCE  
 PLANTATIONS  
 DEPARTMENT OF REVENUE  
 Division of Taxation  
 One Capitol Hill  
 Providence, RI 02908-5813  
 Telephone: (401) 574-8962

**KENT CTY WATER AUTHORITY**  
**1072 MAIN ST**  
**WEST WARWICK, RI 02893-3724**

Notice of Deficiency Determination	
Assessment Type	Field Audit
Tax Type:	Sales Tax
Date of Notice:	04/17/2013
Case Number:	10402092
Bill Number:	2013801
Taxpayer ID:	056000634-00
Period Begin Date:	12/01/2009
Period End Date:	11/30/2012
Total Tax Due:	\$22,816.23
Total Interest:	\$7,700.40
Total Penalty:	\$2,281.62
<b>Total Amount Assessed:</b>	<b>\$32,798.25</b>
<b>Net Amount Due:</b>	<b>\$32,798.25</b>

This notice is the result of a recently completed audit.

Amount of Tax, Interest and Penalty Due	Total Tax:	\$22,816.23
	Late Payment Interest:	\$7,700.40
	Negligence Penalty:	\$2,281.62
	Fraud Penalty:	\$0.00
	<b>Total Amount Assessed:</b>	<b>\$32,798.25</b>
	<b>Total Amount Collected:</b>	<b>\$0.00</b>
	<b>Net Amount Due:</b>	<b>\$32,798.25</b>

Additional Interest and Penalty	Additional Interest Per Day	\$11.25	If not paid by	05/17/2013
	Additional Penalty	\$0.00	If not paid by	05/17/2013

**Appeal Procedures** Request for hearing on this determination, stating reasons therefore, in writing, must be made to the Tax Administrator within **thirty days** from date of this notice.



STATE OF RHODE ISLAND  
 DIVISION OF TAXATION \* ONE CAPITOL HILL, PROVIDENCE, RI 02908-5813

TAX BILL  
 Sales Tax

**SB201380105600063400003279825**

RETURN THIS BILL WITH REMITTANCE TO ABOVE ADDRESS

**KENT CTY WATER AUTHORITY**  
**1072 MAIN ST**  
**WEST WARWICK, RI 02893-3724**

Assessment Type	Field Audit
Tax Type:	Sales Tax
Date of Notice:	04/17/2013
Case Number:	10402092
Taxpayer ID Number:	056000634-00
Bill Number:	2013801
Tax Period Begin Date:	12/01/2009
Tax Period End Date:	11/30/2012
<b>Total Amount Assessed:</b>	<b>\$32,798.25</b>
<b>Net Amount Due:</b>	<b>\$32,798.25</b>

**STB**

ENTER AMOUNT REMITTED:



Background

The Director of Finance prepares an estimate for the total miles of main in the KCWA system annually. The Director of Finance reviews company records and provides “miles of main” information as part of inventory and also for DigSafe billing purposes. Existing records of “miles of main” did not align closely with our GIS records. In the early 1990’s, Kent County Water Authority engaged a firm to do a system wide leak detection survey. Payment was based on miles of main reviewed in the study. Upon completion of that study the billed main length (field measured) compared to the company booked length of main was half of what it should have been. Through research the booked main length could not be affirmed. The value was adjusted to the actual measured length of the leak detection study. This estimate based on measured “value” can and should be questioned. It has been decided that the GIS calculation is accurate and complete and will be utilized as the standard for the “miles of main” booked for the company.

Steps to calculate KCWA’s “Miles of Main” with GIS

1. Creation of a text field in “MAINS” feature class called “InvCalc”
2. Select abandoned or proposed mains. Calculate “InvCalc” as “N”
3. Select mains with a diameter of 2” or less and calculate as “N”
4. Select private mains and calculate as “N”
5. Select private system services (displayed as short mains, but technically services), and calculate as “N: Private Service”
6. Select all mains not coded as “N” or “N: Private Service” and try to identify any abnormal features that should not be included in the calculation and code them as “N”
7. Again, select all mains not coded as “N” or “N: Private Service” and calculate them as “Y”
8. Calculate the geometry of the “LENGTH” field, select “InvCalc” = “Y”, and review the statistics of the “LENGTH” field to find the sum of all miles of main owned by KCWA.

Miles of Main

As of 4-19-2013: **445 miles**



**SECTION 00842  
CHANGE ORDER**

**No. 02**

Date of Issuance: April 16, 2013 Effective Date: August 16, 2012

Project: <b>Mishnock Treatment Facility</b>	Owner: <b>Kent County Water Authority</b>	Owner's Contract No.:
Contract: <b>Mishnock Treatment Facility, Coventry, RI</b>		Date of Contract: <b>8/11/12</b>
Contractor: <b>Hart Engineering Corporation, Inc.</b>		Engineer's Project No.: <b>11054</b>

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description:  
**Additional French drains along the building perimeter.**

Attachments: (List documents supporting change):

- Hart Engineering Corp. proposal letter dated April 1, 2013 to Wright-Pierce**
- Wright-Pierce Sketch: Proposed French Drain & Gutter Layout (2 sheets)**

<b>CHANGE IN CONTRACT PRICE:</b>	<b>CHANGE IN CONTRACT TIMES:</b>
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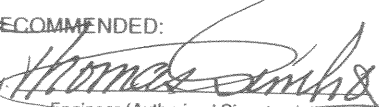
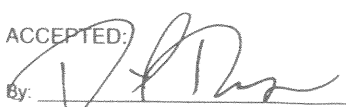
Original Contract Price:  <b><u>\$11,570,000.00</u></b>	Original Contract Times: <input type="checkbox"/> Working days <input type="checkbox"/> Calendar days Substantial completion (days or date): <b><u>420</u></b> Ready for final payment (days or date): <b><u>450</u></b>
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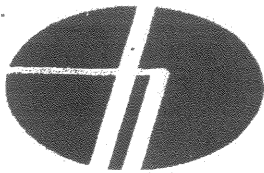
[Increase] [Decrease] from previously approved Change Orders No. 00 to No.01  <b><u>\$18,690.00</u></b>	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial completion (days): <b><u>n/a</u></b> Ready for final payment (days): <b><u>n/a</u></b>
---	---

Contract Price prior to this Change Order:  <b><u>\$11,588,690.00</u></b>	Contract Times prior to this Change Order: Substantial completion (days or date): <b><u>n/a</u></b> Ready for final payment (days or date): <b><u>n/a</u></b>
---	---

Increase of this Change Order:  <b><u>\$17,902.50</u></b>	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): <b><u>n/a</u></b> Ready for final payment (days or date): <b><u>n/a</u></b>
---	--

Contract Price incorporating this Change Order:  <b><u>\$11,606,592.50</u></b>	Contract Times with all approved Change Orders: Substantial completion (days or date): <b><u>420</u></b> Ready for final payment (days or date): <b><u>450</u></b>
--	--

RECOMMENDED: By: <u></u> Engineer (Authorized Signature)	ACCEPTED: By: _____ Owner (Authorized Signature)	ACCEPTED: By: <u></u> Contractor (Authorized Signature)
Date: <u>4/16/13</u>	Date: _____	Date: <u>4/16/13</u>



# HART

ENGINEERING CORPORATION

60 YEARS OF EXPERIENCE

Attn: Tom Simbro

April 1, 2013

Wright Pierce  
10 Dorrance Street, Suite 840  
Providence, RI 02903

Re: KCWA - Mishnock Treatment Facility  
COR 18 - French Drain System

Dear Mr. Simbro;

As discussed, please find attached Hart's Change Order Request 18 to furnish and install the French Drain System per attached Sketch by Wright-Peirce for a total price of ~~\$19,902.50~~ <sup>\$17,902.50</sup>. Please review the attached Change Order Request Summary Sheet and advise if you have any questions or require additional information.

Sincerely,  
Hart Engineering Corporation

  
Daniel F. Kampone  
Project Manager

Attached: COR Summary Sheet  
ECW Quote  
Wright Peirce Sketch

COR 18 - Furnish and Install French Drain System around Building per Wright-Peirce Sketch sent on 3/14/2013

	Totals
<b>Labor</b>	
Hart Material Cost	\$ -
Hart Labor Costs	\$ -
Hart Rentals Costs	\$ -
Hart Equipment Costs	\$ -
Hart Subtotal Costs=	\$ -
Subcontractor's Material	\$ -
Subcontractor's Labor	\$ -
Subcontractor's Equipment	\$ -
Subcontractor's Subtotal Costs=	\$ 17,050.00
Hart OH & P(15%)	\$ -
Hart OH & P on Subs (5%)	\$ 852.50
<b>Overall Total=</b>	<b>\$ 17,902.50</b>

**Rampone, Daniel**

---

**From:** Al Borden <awb865@yahoo.com>  
**Sent:** Monday, April 01, 2013 9:59 AM  
**To:** Rampone, Daniel  
**Subject:** KCWA Mishnock CO Prices

Dan,

\$17,050.00 for french drain work.

Al

*Albert Borden  
Project Manager  
Equality Construction Work, Inc  
37F Lark Industrial Parkway  
Greenville, RI 02828  
ph: 401-949-4525  
fax: 401-949-4749  
cell: 401-215-0173*



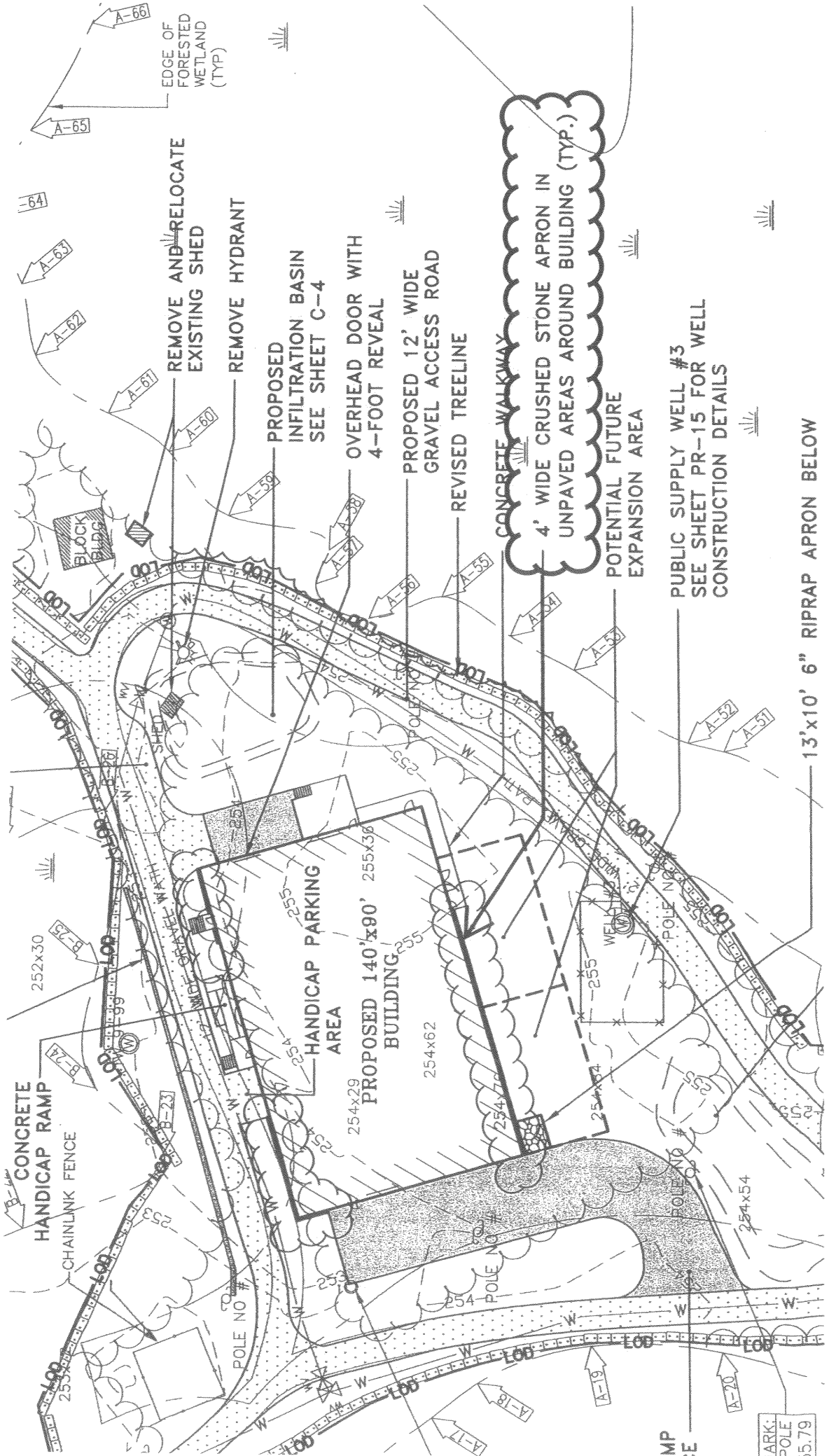
### Kcwa Mishnock French Drains

Item	Quantity	Unit	Cost	Prod	Days	Crew Cost	Crew Cost Total	Materials	Sub Cost	Total
Install Pipefor French Drain	195				3.5	\$2,600.00	\$9,100.00			\$9,100.00
Backfill					1	\$2,600.00	\$2,600.00			\$2,600.00
pipe materials	1	ls	\$2,876.00				\$0.00	\$2,876.00		\$2,876.00
filter fabric	1	ls	\$250.00				\$0.00	\$250.00		\$250.00
							\$0.00		\$0.00	\$0.00

\$14,826.00

oh&p \$2,223.90

Total \$17,049.90

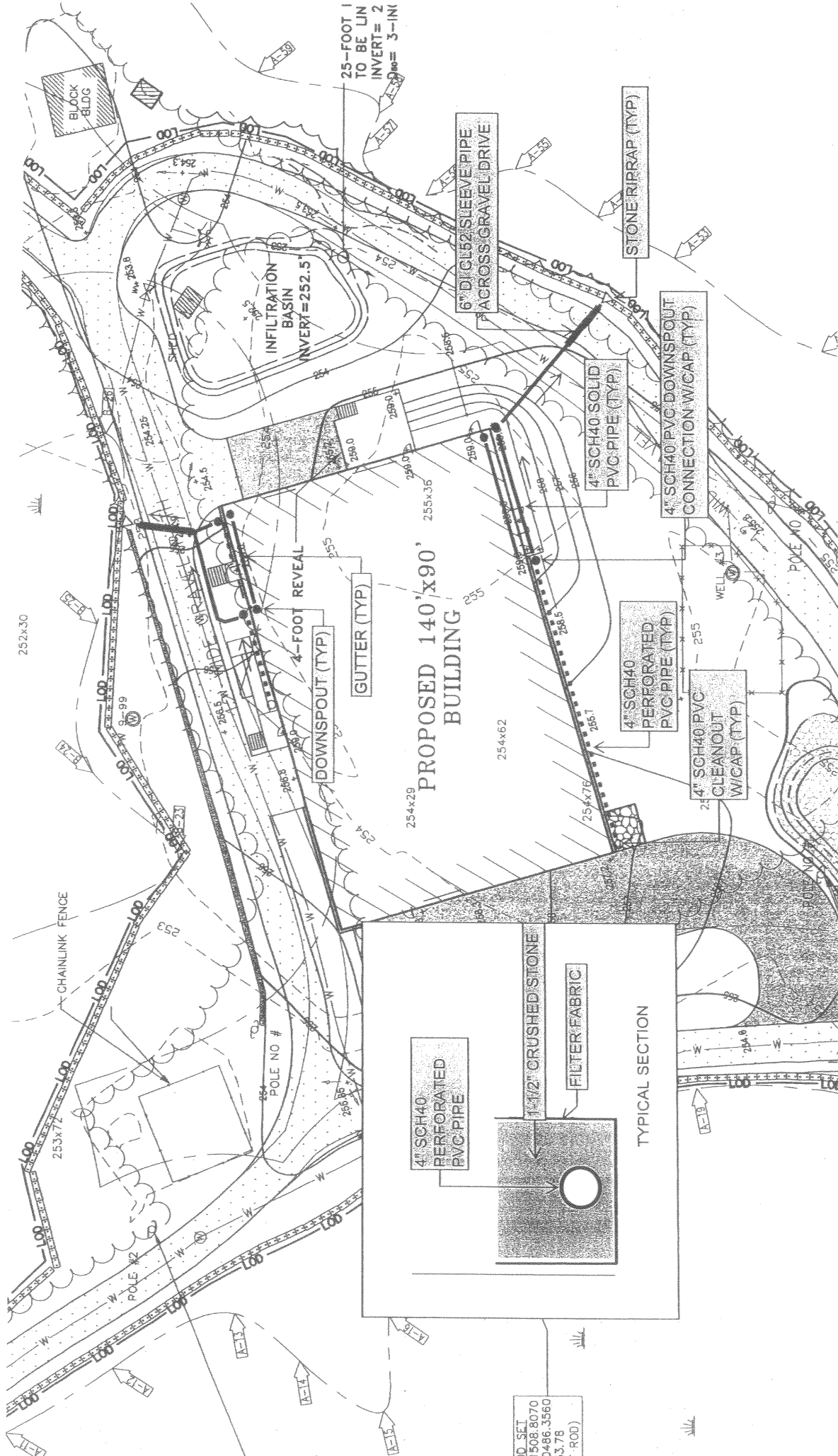


4' WIDE CRUSHED STONE APRON IN UNPAVED AREAS AROUND BUILDING (TYP.)

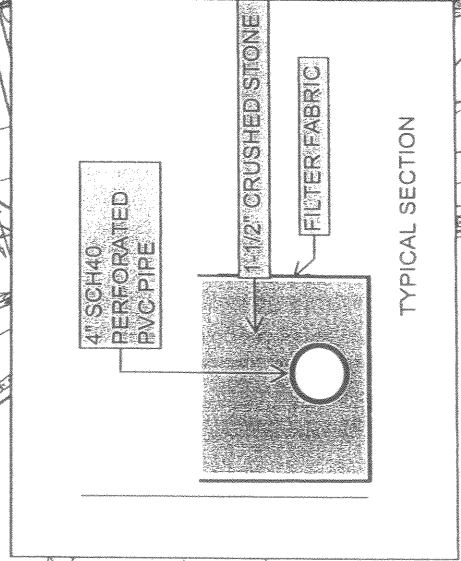
PUBLIC SUPPLY WELL #3  
SEE SHEET PR-15 FOR WELL CONSTRUCTION DETAILS

13'x10' 6" RIPRAP APRON BELOW

MARK: POLE 55.79



PROPOSED 140' X 90'  
BUILDING



ROD SET  
211508.8070  
300486.3560  
253.78  
OF - ROD

25'-FOOT 1  
TO BE UN  
INVERT = 2  
3-IN

INFILTRATION  
BASIN  
INVERT = 252.5'

6" DI CL62 SLEEVE PIPE  
ACROSS GRAVEL DRIVE

STONE RIPRAP (TYP)

4" SCH40 SOLID  
PVC PIPE (TYP)

4" SCH40 PVC DOWNSPOUT  
CONNECTION W/CAP (TYP)

4-FOOT REVEAL

GUTTER (TYP)

DOWNSPOUT (TYP)

4" SCH40  
PERFORATED  
PVC PIPE (TYP)

4" SCH40 PVC  
CLEANOUT  
W/CAP (TYP)

TYPICAL SECTION

4" SCH40  
PERFORATED  
PVC PIPE

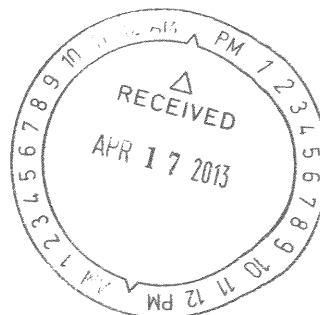
1 1/2" CRUSHED STONE

FILTER FABRIC



April 16, 2013  
W-P Project No. 11054

Mr. Timothy J. Brown, P.E.  
General Manager / Chief Engineer  
Kent County Water Authority  
1072 Main Street  
West Warwick, RI 02893-0192



Subject: **Engineering Services to Complete  
Mishnock Water Treatment Facility**

Dear Mr. Brown,

As requested in your letter dated April 1, 2013, Wright-Pierce is hereby providing our estimate for engineering construction administration services to complete the Mishnock Water Treatment Facility. As you are aware the Mishnock Treatment Facility construction project is behind schedule. (For reference, the contract completion dates are Substantial Completion October 3, 2012 and Final Completion November 2, 2012.) Please note that in an effort to control project costs, we have limited our construction observation from “full-time” to “as-needed” periodic observation since December 2012. Also, per your direction, we are limiting our efforts to only those authorized by KCWA which are necessary to maintain progress of work.

The Mishnock project had been on schedule and progressing well through the summer 2012. Since that time there have been three major causes for the construction delay. First, the installation of the standing seam roof was several months behind schedule which created a domino effect for completing all the building interior work (piping, electrical, mechanical, painting, etc.). Second, the seating of the GE/Zenon supplied wafer-style butterfly valves were not compatible with the stainless steel piping; replacement of these valves with new compatible valves has resulted in a four month delay. And third, the electrical / instrumentation cabling work was longer than anticipated, however some of this may be attributed to the first two causes.

Our estimate for additional construction administration engineering services is \$120,000. We will **maintain the billing rates** (Exhibit “A” attached) of our existing Task 5 Construction Administration engineering services agreement dated September 16, 2010. This proposed estimate includes our services provided in January, February and March 2013 (not invoiced) in the amount of \$45,000. Moving forward we estimate our level of effort through an August 2013 Project Closeout (5 month period) at \$75,000 including expenses. Below is a general breakdown of effort for this period.

Project Administration / Miscellaneous Tasks:	200 staff hrs.
Periodic Field Observation / Testing:	60 staff hrs.
Shop Drawing / O&M	80 staff hrs.
Tracer Study	40 staff hrs.
Start-up	60 staff hrs.
Commissioning	40 staff hrs.
Project Closeout	40 staff hrs.

Mr. Timothy J. Brown, P.E.  
Kent County Water Authority  
Page 2 of 2



At this time we ask for the Authority's direction on how best to proceed with engineering efforts beginning in January 2013 through project completion. Should you have any questions or comments, or require additional information, please contact me at (401) 383-2276.

Very Truly Yours,  
WRIGHT-PIERCE

A handwritten signature in black ink, appearing to read "Thomas Simbro". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Thomas Simbro, P.E.  
Senior Project Manager

CC: Jeffrey P. Musich, P.E.

Enclosures

**WRIGHT-PIERCE**  
**TASK 5 CONSTRUCTION ADMINISTRATION**  
**BILLING HISTORY**

<u>Invoice No.</u>	<u>Invoice Date</u>	<u>Invoice Amount</u>	<u>Cumulative</u>
78568	8/19/2011	\$ 8,257.00	\$ 8,257.00
79025	9/16/2011	\$ 12,281.85	\$ 20,538.85
79767	10/24/2011	\$ 32,458.04	\$ 52,996.89
79802	11/3/2011	\$ 35,551.30	\$ 88,548.19
80834	12/9/2011	\$ 51,145.97	\$ 139,694.16
81434	1/13/2012	\$ 64,150.11	\$ 203,844.27
81961	2/22/2012	\$ 48,490.71	\$ 252,334.98
82375	3/20/2012	\$ 38,937.44	\$ 291,272.42
82497	4/9/2012	\$ 50,265.78	\$ 341,538.20
82946	5/9/2012	\$ 40,700.83	\$ 382,239.03
83747	6/19/2012	\$ 40,131.97	\$ 422,371.00
84268	7/1/2012	\$ 47,818.55	\$ 470,189.55
84468	8/8/2012	\$ 33,283.72	\$ 503,473.27
85160	9/14/2012	\$ 36,052.58	\$ 539,525.85
85348	10/4/2012	\$ 24,749.91	\$ 564,275.76
86185	11/12/2012	\$ 35,535.63	\$ 599,811.39
86755	12/20/2012	\$ 33,998.84	\$ 633,810.23
88097	1/1/2013	\$ 13,971.56	\$ 647,781.79

**Substantial Completion 10/03/2012**  
**Final Completion 11/02/2013**

\*Task 5 Amount: \$639,432.00

**BILLING PROJECTION**

***	2/1/2013	\$ 13,512.27	\$ 661,294.06
***	3/1/2013	\$ 13,759.22	\$ 675,053.28
***	4/1/2013	\$ 17,000.00	\$ 692,053.28 *Estimated
***	5/1/2013	\$ 15,000.00	\$ 707,053.28 *Estimated
***	6/1/2013	\$ 15,000.00	\$ 722,053.28 *Estimated
***	7/1/2013	\$ 15,000.00	\$ 737,053.28 *Estimated
***	8/1/2013	\$ 15,000.00	\$ 752,053.28 *Estimated
***	9/1/2013	\$ 15,000.00	\$ 767,053.28 *Estimated
<b>Total:</b>		\$ 119,271.49	

**Estimated Add'l Eng Services \$ 120,000.00**

**EXHIBIT "A"**



**TASK 5  
CONSTRUCTION ADMINISTRATION  
& INSPECTION**

**ITEM 1: CONSTRUCTION ADMINISTRATION & ITEM 3: PROJECT MANAGEMENT**

<b>Classification</b>	<b>Est. Hours</b>	<b>Rate</b>	<b>Cost</b>
Project Manager / Principal	272.00	\$ 159.00	\$ 43,248.00
Lead Project Engineer	944.00	\$ 144.00	\$ 135,936.00
Process Engineer	676.00	\$ 105.00	\$ 70,980.00
Structural Engineer	120.00	\$ 116.00	\$ 13,920.00
Instrumentation Engineer	240.00	\$ 124.00	\$ 29,760.00
Technicians	160.00	\$ 83.00	\$ 13,280.00
Architect	120.00	\$ 118.00	\$ 14,160.00
Mechanical Engineer	12.00	\$ 104.00	\$ 1,248.00
Electrical Engineer	344.00	\$ 135.00	\$ 46,440.00
CADD Technician	120.00	\$ 83.00	\$ 9,960.00
Clerical	40.00	\$ 50.00	\$ 2,000.00
<b>SUBTOTAL:</b>	<b>3,048.00</b>		<b>\$ 380,932.00</b>
<b>EIMBURSIBLES (PRINTING, MILAGE, POSTAGE, ETC.):</b>		<b>ALLOWANCE</b>	<b>\$ 2,000.00</b>
<b>TOTAL NOT-TO-EXCEED FEE:</b>			<b>\$ 382,932.00</b>

**ITEM 2: FULL-TIME RESIDENT INSPECTION SERVICES**

<b>Classification</b>	<b>Hours</b>	<b>Rate</b>	<b>Cost</b>
Resident Engineer	2,700.00	\$ 95.00	\$ 256,500.00
<b>TOTAL ESTIMATED FEE (HOURLY BASIS CHARGE):</b>			<b>\$ 256,500.00</b>
<b>GRAND TOTAL:</b>			<b>\$ 639,432.00</b>



March 27, 2013  
W-P Project No. 11054

Mr. Timothy J. Brown, P.E.  
General Manager / Chief Engineer  
Kent County Water Authority  
1072 Main Street  
West Warwick, RI 02893-0192

Subject: **Engineering Services Task 5 Status  
Mishnock Water Treatment Facility**

Dear Mr. Brown,

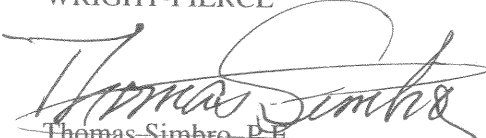
As you are aware the Mishnock Treatment Facility construction project is behind schedule. For reference, the contract completion dates are Substantial Completion October 3, 2012 and Final Completion November 2, 2012.

Due to these construction delays, our office has had to provide additional engineering services beyond our Task 5 Construction Administration scope of work. Our Task 5 budget was \$639,432 for which we were on track through the Final Completion date (actually we were below budget at \$599,811.39). Attached is our December 2012 Invoice #88097 in the Amount of \$13,971.56, which combined with our November invoice, puts our engineering efforts through the End of Year 2012 at \$647,781.79, which is \$8,349.79 beyond our current contract budget amount.

There are still remaining engineering services yet to be completed such as final inspections, tracer study, start-up, commissioning and project close-out. Please note that in an effort to control project costs, we have limited our construction observation from "full-time" to "as-needed" periodic observation since December 2012.

At this time we ask for the Authority's direction on how best to proceed with engineering efforts beginning in January 2013 through project completion. Should you have any questions or comments, or require additional information, please contact me at (401) 383-2276.

Very Truly Yours,  
WRIGHT-PIERCE

  
Thomas Simbro, P.E.  
Senior Project Manager

CC: Jeffrey P. Musich, P.E.

Enclosures



Water  
Wastewater  
Infrastructure

Kent County Water Authority  
1072 Main Street  
West Warwick, RI 02893

Invoice # : 88097  
Project : 11054  
Phase : F  
Project Name : KCWA - Mishnock Well Field Desig  
Invoice Date : Mar-28-2013

Attention: Timothy J. Brown, PE  
General Manager

For Professional Services Rendered for the Period Dec-01-2012 To Dec-28-2012

RELATED TO: Construction Services

REFERENCE: Task Order No. 5 dated September 16, 2010.

**Professional Services**

Wright-Pierce Personnel	13,820.00	
	<b>Total Professional Services</b>	<u>13,820.00</u>

**Reimbursable Expenses**

Vendor Expenses	128.25	
Unit Charges/Employee Expenses	23.31	
	<b>Total Reimbursable Expenses</b>	<u>151.56</u>
	<b>Amount Due This Invoice</b>	<u><u>13,971.56</u></u>

**BILLING RECAP**

Previous Billings	633,810.23
Current Billing Amount	13,971.56
Fee Earned To Date	<u>647,781.79</u>
Amount Received	633,810.23
<b>Balance Due</b>	<u><u>13,971.56</u></u>

Invoices are due upon receipt. If not paid by Apr-28-2013, interest will be computed at the rate stated in the agreement.

CC: Thomas Simbro

**Wright-Pierce Personnel**

	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
Thomas Simbro	40.00	159.00	6,360.00
Walter J. Flanagan III	1.00	116.00	116.00
Anthony J. D'Amelio	8.00	135.00	1,080.00
Peter A. Quern	28.00	144.00	4,032.00
Scott L. Hinckley	4.50	124.00	558.00
John W. Lucas	3.50	104.00	364.00
Inspector	13.00	95.00	1,235.00
Claudia J. Northway	0.50	50.00	25.00
Holly J. Finlay	1.00	50.00	50.00
			<u>13,820.00</u>

**Vendor Expenses**

	<u>Cost</u>	<u>Multiplier</u>	<u>Amount</u>
POSTAGE & SHIPPING			
POSTAGE & SHIPPING	128.25	1.00	128.25
			<u>128.25</u>

**Unit Charges/Employee Expenses**

	<u>Units</u>	<u>Rate</u>	<u>Amount</u>
AUTO EXPENSE			
EMP VEH MILEAGE	42.00	0.555	23.31
			<u>23.31</u>

Total Project: 11054 -- KCWA - Mishnock Well Field Design

13,971.56





*70 Years of Excellence*

April 17, 2013

C & E Engineering Partners  
342 Park Avenue  
Woonsocket, RI 02895

Attn: Jonathan Gerhard  
Re: Rehab of Quaker Lane Pump Station  
24" Butterfly Valve Replacement

Gentlemen;

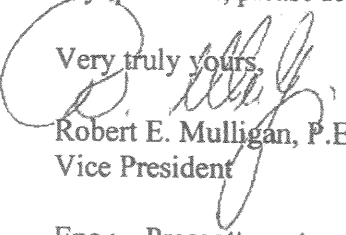
The cost to remove two existing 24" butterfly valves and replace with new valves follows:

1. New 24" butterfly valves per Approved submittal	\$11,160.00
2. Labor to support draining of Suction and discharge mains 24 MH @ 69.43/MH	\$1,666.00
3. Mark up @ 15%	\$1,924.00
TOTAL	\$14,750.00

Please note that it is anticipated that support labor is to be performed during normal working hours.

Please review and respond at your earliest opportunity. Should you have any questions, please feel free to call.

Very truly yours,

  
Robert E. Mulligan, P.E.  
Vice President

Enc.: Prescott quote

HART ENGINEERING CORPORATION  
800 SCENIC VIEW DRIVE  
CUMBERLAND, RI

TEAM EJP Lincoln, R.I.  
38 Albion Road  
Rt. 123  
Lincoln, RI

02864

02865

Telephone: 401-333-1317

4/19/13 Bid ID: 5253268 QUAKER BUTTERFLY VALVES

Page 1

Quantity	Sell Per	Description	Unit Price	Extended Price
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2	EA	24 FL BUTTERFLY VALVE OR 20N XR-70, 8" LAY LENGTH PRATT CO. AWWA-C504 SHORT BODY W/HAND WHL PAINT-AWWA C-550 SPEC	5,580.00	11,160.00
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CURRENTLY SHIPS IN 1 WEEK

IAN.YAPLE@EJPPRESCOTT.COM





March 20, 2013

Mr. John Duchesneau  
Kent County Water Authority  
PO Box 192  
West Warwick, RI 02893

**Re: Kent County Water Authority  
Industrial Park Tank-NACE Coating Inspection Services  
CorrTech, Inc. Proposal No. 7216**

Dear Mr. Duchesneau;

CorrTech is pleased to provide the following cost proposal for NACE Coating inspection for coating repair work on the Industrial Park Spheroid.

Our staff has been providing water tank corrosion evaluation and painting inspection services since 1997 on over 250 projects. As part of CorrTech we have enhanced our capabilities with expertise in water tank cathodic protection and project management.

#### **SCOPE OF WORK**

CorrTech will provide a NACE coating inspector to make periodic inspection visits to the Industrial Park Spheroid based on the schedule of the painting contractor, Worldwide. It is anticipated that there will be six (6) weeks of repair work. CorrTech will budget for 12 days of inspection, (2) days per week. Based on the fees listed below we anticipate an inspection budget will not exceed \$9,000 Dollars.

#### **PROJECT ADMINISTRATION**

CorrTech's field inspector will report directly to the Project Administrator (PM), Ted Lund, Technical Director of CorrTech. Mr. Lund is a NACE Certificated Coating Inspector, an SSPC C-3 Certified Supervisor/ Competent Person for Deleading Industrial Structures and has over 30+ years of experience with painting, lead paint removal and corrosion control.



**Fees:**

The inspector rates detailed below will be charged portal to portal. The overtime rate for the inspector will be charged for hours per day over 8 hours and for any Saturday, Sunday or Holiday work.

NACE Inspector –Regular Time	\$ 80/hr (M-F up to 8 hours)
NACE Inspector-Overtime rates	\$ 120/hr (M-F for hours in excess of 8 hrs/day, Sat., Sun & Holidays)
Mileage Rate for additional trips	\$.55/mi

Our Standard Terms and Conditions would apply. Payment terms are upon receipt of invoice for services performed. Pricing does not include applicable sales tax.

CorrTech offers a specialized staff of NACE International (formerly National Association of Corrosion Engineers) certified professional engineers, project managers and technicians. We offer corrosion engineering solutions and high-tech construction services. Our professional integrity and mission to “Do it Right” is the foundation of our success.

We look forward to the opportunity of working with Kent County Water Authority on this project. Please call if there are any questions.

Respectfully



Ted Lund, Technical Director

### CONTRACT AUTHORIZATION

I, the undersigned, hereby represent that I am authorized to sign this document consisting of the proposal scope of services, fee schedule and standard terms and conditions, on behalf of Kent County Water Authority and that my signature constitutes an acceptance of this proposal number 7062 as a valid and enforceable contract between Kent County Water Authority and CorrTech, Inc.

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

By \_\_\_\_\_  
Authorized Signature for Kent County Water Authority

\_\_\_\_\_  
PRINT NAME

We accept MasterCard, Visa and American Express



Fax authorization to (860) 526-5018  
Or email to [pmeskill@corrtech-inc.com](mailto:pmeskill@corrtech-inc.com)

Send payment to:

CorrTech Inc.  
25 South Street  
Unit B-1  
Hopkinton, MA 01748

## Timothy Brown

---

**From:** John Duchesneau [jduchesneau@kentcountywater.org]  
**Sent:** Wednesday, March 20, 2013 12:13 PM  
**To:** 'PE Timothy Brown'  
**Subject:** FW: Kent County Water Inspection Services Proposal No. 7216  
**Attachments:** Proposed Budget for Third Party Inspection-Kent County Water Authority.pdf

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**From:** Pat Meskill [mailto:pmeskill@corrtech-inc.com]  
**Sent:** Wednesday, March 20, 2013 11:03 AM  
**To:** jduchesneau@kentcountywater.org  
**Cc:** Ted Lund; Jacquelyn Parker  
**Subject:** Kent County Water Inspection Services Proposal No. 7216

John;

I've attached our proposal for third-party inspection services during coating repair work at your Industrial Park Spheroid. Please contact us if you have any questions regarding this proposal. We look forward to hearing from you.

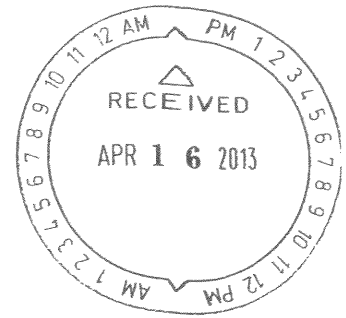
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Pat Meskill, Business Development Manager  
CorrTech  
455 Main St. Bldg. 1  
Deep River, CT 06417  
(860) 526-2610





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



April 15, 2013

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

Re: Water Main Redesign–RIDOT Appanoag Circulation Project  
 in the City of Warwick, RI

Dear Mr. Brown:

In accordance with KCWA's request, JGA is submitting herewith the cost to provide engineering design services to replace the existing water main as part of RIDOT's Appanoag Circulation Project in the City of Warwick, RI. The plans and technical specifications will be given to RIDOT to be incorporated into their bid package.

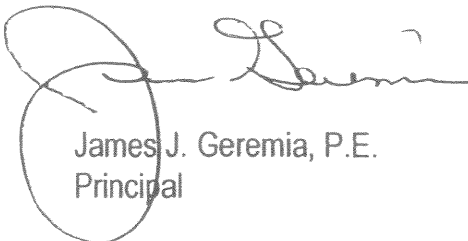
The engineering design cost is **Twelve Thousand Three Hundred Forty Four and No/100 Dollars (\$12,344.00)**.

JGA will proceed with the work upon receiving a Notice to Proceed.

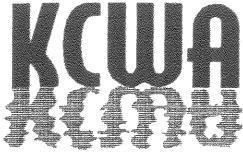
If you have any questions, please call.

Very truly yours,

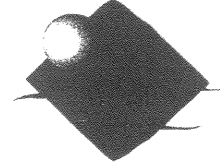
**JAMES J. GEREMIA & ASSOCIATES, INC.**

  
 James J. Geremia, P.E.  
 Principal

COPY SENT TO	
BOARD OF SUPERVISORS	4/16/13
CHIEF ENGINEER	
LEGISLATIVE COUNSEL	



AGREEMENT  
BETWEEN  
KENT COUNTY WATER AUTHORITY  
AND ENGINEER  
FOR SERVICES



THIS IS AN AGREEMENT made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013 between Kent County Water Authority (OWNER), and James J. Geremia Associates, Inc. (ENGINEER).

OWNER and ENGINEER agree as set forth below:

**SECTION 1. ENGINEERING SERVICES AND ADDENDA**

- 1.1 ENGINEER shall perform the following basic professional services for each Task Order.
  - 1.1.1 Consult with OWNER to clarify and define OWNER's requirements for each Task Order and review available data.
  - 1.1.2 Advise OWNER as to the necessity of OWNER's providing or obtaining from others special services and data required in connection with the Task Order and assist OWNER in obtaining such data and services.
  - 1.1.3 Provide analyses of OWNER's needs with evaluation and comparative studies of prospective solutions.
- 1.2 ENGINEER's specific scope of work, the time schedule, charges, and payment conditions are to be set forth on duly executed written "Task Order" attached hereto and incorporated herein by this reference. Task Order may be modified only upon a writing executed by the authorized representatives of both OWNER and ENGINEER.
- 1.3 The terms and conditions of this Agreement shall apply to each Task Order, except to the extent expressly modified. When a Task Order modifies any section of this Agreement, reference to the section(s) so modified shall be specifically indicated on the Task Order and the modification shall be specifically set forth on the Task Order.

**SECTION 2. ADDITIONAL SERVICES**

If authorized by OWNER, additional services related to the Task Order will be performed by ENGINEER for an additional professional fee as the parties may mutually agree to in a writing executed by authorized representative of both OWNER and ENGINEER.

**SECTION 3. OWNER'S RESPONSIBILITIES**

OWNER shall do the following in a timely manner so as not to delay the services of ENGINEER, including designation in writing of the person to act as OWNER's representative with respect to the services to be performed or furnished by ENGINEER under this Agreement. Such authorized representative of OWNER will have complete authority to transmit instructions, receive information,

interpret and define OWNER's policies and decisions with respect to ENGINEER's services as follows:

- 3.1 Provide all criteria and full information as to OWNER's requirements for the Task Order.
- 3.2 Furnish to ENGINEER all existing studies, reports and other available data and services pertinent to the Task Order, obtain or provide additional reports and data as required, and furnish to ENGINEER services of others required for the performance of ENGINEER's services for a Task Order.
- 3.3 Arrange for access to and make all provisions for ENGINEER to enter upon public and private property as required for ENGINEER to perform services under a Task Order.
- 3.4 Give prompt written notice to ENGINEER whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of ENGINEER's services, or any defect or non-conformance in the work of any Contractor.

#### **SECTION 4. PERIOD OF SERVICE**

- 4.1 The period of service of this Agreement shall be defined in the written Task Order attached hereto and incorporated herein by this reference.
- 4.2 ENGINEER's Additional Services for any Task Order will be performed and completed within the time period and compensation agreed to in writing by the parties at the time such services are authorized.

#### **SECTION 5. PAYMENTS TO ENGINEER**

ENGINEER shall invoice OWNER for services rendered under each Assignment as indicated in each Task Order and OWNER shall pay ENGINEER for such services in accordance with each task order.

#### **SECTION 6. COST CONTROL**

Opinions of probable construction cost, financial evaluations, feasibility studies, economic analyses of alternative solutions and utilitarian considerations of operations and maintenance cost prepared by ENGINEER hereunder will be made on the basis of ENGINEER's experience and qualifications and represent ENGINEER's best judgment as an experienced and qualified design professional. It is recognized, however, that ENGINEER does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractors' methods of determining their prices, and that any utilitarian evaluation of any facility to be constructed or work to be performed on the basis of the report must by necessity be speculative until completion of its detailed design. Accordingly, ENGINEER does not guarantee that proposals, bids or actual costs will not vary from opinions, evaluations or studies submitted by ENGINEER to OWNER hereunder.

## SECTION 7. GENERAL CONSIDERATIONS

- 7.1 All documents prepared or furnished by ENGINEER (and ENGINEER's independent professional associates, subcontractors, and consultants) pursuant to this Agreement are instruments of service and ENGINEER shall retain an ownership and property interest therein. OWNER may make and retain copies for information and reference; however, such documents are not intended or represented to be suitable for reuse by OWNER or others. Any reuse without written permission of ENGINEER for the specific purpose intended will be at OWNER's sole risk and without liability or legal exposure to ENGINEER, or to ENGINEER's independent professional associates, subcontractors, or consultants.
- 7.2 The obligation to provide further services under this Agreement may be terminated by either party upon thirty days' written notice through no fault of the terminating party. In the event of any termination, ENGINEER shall be paid for all services rendered and reimbursable expenses incurred to the date of termination.
- 7.3 OWNER and ENGINEER each is hereby bound and the partners, successors, executors, administrators and legal representatives of OWNER and ENGINEER (and to the extent permitted by paragraph 7.3 the assigns of OWNER and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.
- 7.4 Neither OWNER or ENGINEER shall assign, sublet or transfer any rights under or interest in (including, but without limitation, moneys that may become due or moneys that are due) this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent ENGINEER from employing such independent professional associates, subcontractors, and consultants as ENGINEER may deem appropriate to assist in the performance of services hereunder.
- 7.5 Nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than OWNER and ENGINEER, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and ENGINEER and not for the benefit of any other party.
- 7.6 The services provided by ENGINEER shall be performed or furnished by ENGINEER with the care and skill ordinarily used by members of ENGINEER's profession practicing under similar conditions at the same time in the same locality.
- 7.7 Severability. Any provision or part of this Agreement held to be void or unenforceable under any law or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and ENGINEER.



- 7.8 Unforeseen Conditions. At any time during the life of this Agreement should any substance be uncovered or encountered at the site that would void or otherwise adversely impact the ENGINEER's professional liability insurance, the ENGINEER reserves the right to renegotiate the terms and conditions of this Agreement, the fees for the ENGINEER's services, and the ENGINEER's services.
- 7.9 Insurance. ENGINEER shall procure and maintain insurance pursuant to the Task Order attached.
- 7.10 Controlling Law. This Agreement is to be governed by the law of the State of Rhode Island and Providence Plantations.
- 7.11 This Agreement together with Task Order No. 1 [including James J. Geremia & Associates, Inc.'s Professional Engineering Services Proposal dated April 15, 2013 (Attachment A) to redesign the water main replacement within the Appanoag Area of Warwick to coincide with the RIDOT Roadway Improvements Project constitute the entire Agreement between OWNER and ENGINEER and supersedes all prior written or oral understandings. This Agreement and said Task Order entered into prior to the execution of this Agreement, may only be amended, supplemented, modified or canceled by a written instrument duly executed by authorized representative of both OWNER and ENGINEER.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

**OWNER:**

KENT COUNTY WATER AUTHORITY

BY \_\_\_\_\_  
ROBERT B. BOYER, CHAIRMAN

Witness: \_\_\_\_\_

Address for Giving Notices

Kent County Water Authority  
1072 Main Street  
P. O. Box 192  
West Warwick, Rhode Island 02893

\_\_\_\_\_  
Date

**ENGINEER**

JAMES J. GEREMIA & ASSOCIATES, INC.

BY   
JAMES J. GEREMIA, PRESIDENT

Witness: 

Address for Giving Notices

James J. Geremia & Associates, Inc.  
272 West Exchange Street, Suite 201  
Providence, Rhode Island 02903-1061

April 15, 2013  
\_\_\_\_\_  
Date

**TASK ORDER NO. 1  
(REDESIGN WATER MAIN REPLACEMENT WITHIN THE APPANOAG CIRCULATION  
PROJECT BEING UNDERTAKEN BY RIDOT IN THE CITY OF WARWICK, RI)  
AGREEMENT BETWEEN  
KENT COUNTY WATER AUTHORITY  
AND  
ENGINEER FOR SERVICES**

This Task Order No. 1 is attached to and made part of the Agreement dated the \_\_\_\_\_ day of \_\_\_\_\_, 2013 between Kent County Water Authority (OWNER) and James J. Geremia & Associates, Inc. (ENGINEER). This Task Order describes the Scope of Services, Time Schedule, Charges, Payment Conditions, and required Insurances for the Task Order. In addition, ENGINEER'S original proposal (attached as Attachment A), ENGINEER'S for the **Redesign of the Water Main Replacement within the Appanoag Circulation Project being undertaken by RIDOT in the City of Warwick, RI** dated April 15, 2013 is made part of this Task Order.

**SCOPE OF SERVICES**

ENGINEER shall provide to OWNER the services outlined in OWNER's request and the following specific services for the **Redesign of Water Main Replacement within the Appanoag Circulation Project being undertaken by RIDOT in the City of Warwick, RI**. The design and bidding documents will be incorporated into the RIDOT Appanoag Circulation Project.

**1.1 PRELIMINARY ENGINEERING DESIGN SERVICES:**

- A. Topographic, planimetric mapping and subsurface investigations will be provided by the RIDOT consultant for the Appanoag Circulation Project. The ENGINEER will utilize this data in the design of the water main replacement.
- B. ENGINEER will verify all valves to isolate desired areas and any critical services in the areas.
- C. ENGINEER will coordinate with the Fire Chief for hydrant installation locations. The letter of acceptance will include a statement indicating acknowledgment of responsibility for the payment of standard quarterly hydrant fees.
- D. ENGINEER will prepare a cost estimate for the OWNER's review.
- E. ENGINEER will incorporate the water plans and specifications into the RIDOT contract plans.

**1.2 FINAL DESIGN SERVICES**

The final design will include the following:

- A. Plans will be prepared on mylar drafting media in formats compatible with the OWNER's standards. Computer-aided drafting (AutoCAD - Release 2008) methods will be used to develop the plans. Typical sheet size for plans will be 24" x 36". The plan of the water main alignment will be to a scale of one-inch is equal to forty-feet (1" = 40'). The plans will

incorporate the OWNER's standard details, as applicable. Otherwise, ENGINEER's standards for utility construction will be used.

- B. Contract specifications will include technical specifications, and other components, complete and ready for bidding in three-part CSI format. The project specifications will be incorporated into the **RIDOT Appanoag Circulation Project in Warwick, RI**.
- C. Two (2) paper copies of the final plans and specifications will be provided to the OWNER.

### **1.3 BIDDING SERVICES**

The ENGINEER, in conjunction with RIDOT, will assist the OWNER with the bids for the construction contract. ENGINEER will provide the following:

- A. Receive written requests for interpretation, clarification or exceptions from prospective bidders and issue addenda as required;
- B. Attend the pre-bid meeting;
- C. Assist RIDOT in analyzing bid results;
- D. Make recommendation to the OWNER for award of the construction contract;
- E. Review for the OWNER any formal protest issued by any contractor; and
- F. Otherwise consult and advise the OWNER during bidding period as reasonably necessary.

### **3. COMPENSATION INVOICING**

3.1 The method of payment for services rendered by ENGINEER shall be as set forth below:

- a. Compensation for the services of the ENGINEER will be paid by the "Salary Cost" method. The OWNER agrees to pay ENGINEER as follows:

- For work done by the ENGINEER, payment shall be made at the salary cost of such services for employees, plus overhead and profit, plus actual out-of-pocket expense costs.

- "Salary cost" is defined as the cost of salaries (including sick leave, vacation, and holiday pay applicable thereto) for time directly chargeable to the project, plus unemployment, excise, and payroll taxes; and contributions for social security, employment compensation insurance, retirement benefits, and medical and other group insurance benefits.

- "Actual out-of-pocket expense costs" are all costs other than salary costs that are incurred during the progress of work. The actual out-of-pocket expense costs include: air fare, automobile rental if required, mileage charges, parking,

tolls, taxi, meals, lodging, telephone, printing and reproduction costs, and other miscellaneous cost incurred specifically for this project.

For work done by subcontractor or subconsultants, payment shall be made at the actual cost to the ENGINEER.

ENGINEER shall not provide services which, if invoiced, would exceed any budgetary limit and OWNER shall not be invoiced above any such budgetary limit, unless additional funding is authorized by OWNER.

3.1.1 The total compensation for the services of the ENGINEER performed under **Section 1 – Design Services** of this task order shall be a lump sum fee of:

**Twelve Thousand Three Hundred Forty Four and No/100 Dollars (\$12,344.00)**

3.1.2 **Construction Services:** If required, the OWNER shall pay the ENGINEER monthly as charges accrue at an hourly rate, as presented herein. These rates are inclusive of payroll, fringe benefits, overhead and profit, and shall remain in effect for a two-year period from the date of this contract.

Principal	\$ 131.00	CADD Technician	\$ 57.00
Project Manager	\$ 104.00	Clerical	\$ 62.00
Engineer	\$ 77.00	Resident Inspector	\$ 60.00

Mileage during construction: \$0.50 per mile

#### 4. INSURANCE REQUIREMENTS

ENGINEER shall carry the following insurance limits:

General Liability Insurance in the amount of One Million Dollars (\$1,000,000) for each occurrence and Two Million Dollars (\$2,000,000) general aggregate.

Auto Liability Insurance in the amount of One Million Dollars (\$1,000,000) for each occurrence.

Rhode Island Worker's Compensation and Employer's Liability Insurance in the amount of Five Hundred Thousand Dollars (\$500,000) each accident.

Professional Liability Insurance for malpractice, errors and omissions in the amount of One Million Dollars (\$1,000,000) per claim or occurrence with an aggregate amount of \$2,000,000.

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

**OWNER**

KENT COUNTY WATER AUTHORITY

By: \_\_\_\_\_

ROBERT B. BOYER

Title: CHAIRMAN

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

**ENGINEER**

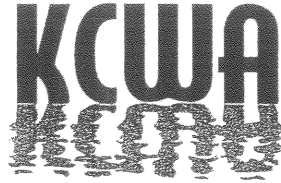
JAMES J. GEREMIA & ASSOCIATES, INC.

By:  \_\_\_\_\_

JAMES J. GEREMIA

Title: PRESIDENT

Date: April 15, 2013



Kent County Water Authority

April 16, 2013

Mr. Benjamin J. Caito, P.E.  
Senior Engineer  
Millstone Engineering, P.C.  
250 Centerville Road  
Building E-12  
Warwick, Rhode Island 02886

Re: Firestone, Centre of New England Boulevard, West Greenwich

Dear Mr. Caito:

We have reviewed your revised submission received in our office on April 15, 2013. Based on your professional engineer certification that the design complies with the Kent County Water Authority Regulations and will properly support future water service to this development, the technical review portion of the infrastructure design is acceptable to the staff and we, herewith, provide our approval for the installation. Any change in the design or property ownership made after this date requires a complete revised submission and review process prior to commencing construction on the water infrastructure.

All requirements of the Kent County Water Authority Regulations must be adhered to during construction. A copy of the plans and the Kent County Water Authority Regulations must be kept onsite while work is in progress. A letter from the property owner's attorney identifying the legal entity and/or property owner including point of contact and billing address must be provided to the Kent County Water Authority billing department prior to water service activation.

A complete set of as-built drawings must be received and approved by this office prior to final water service activation to the site. The owner and/or the developer is responsible to maintain all installation information and tie measurements necessary to produce finalized as-built drawings meeting the requirements of the Kent County Water Authority Regulations. Kent County Water Authority Regulations require that as-built drawings be prepared under the direct supervision of a professional engineer or professional land surveyor registered in the State of Rhode Island. As-built drawings will not be accepted with any disclaimers regarding measurements or location of appurtenances.

We require your construction contractor to notify us five days prior to construction commencement so that a field representative may be made available to observe work in progress. A \$5.00 per linear foot inspection fee must be paid in full prior to construction commencement. Measurements from the drawing show approximately 376 feet of infrastructure subject to the inspection fee resulting in a total fee of \$1,880. We must emphasize that the owner is solely responsible to control their contractor in the progression of work to ensure the water infrastructure installation is accomplished

in accordance with the requirements contained in the Kent County Water Authority Regulations and the accepted design.

A one-year warranty on all water lines and appurtenances is required upon completion acceptance by the Kent County Water Authority. All problems during the warranty period must be corrected at the developer's cost to the satisfaction of the Kent County Water Authority.

Compliance with the State Plumbing Code in reference to backflow prevention and service line disinfection must be verified by the plumbing inspector prior to water service activation to the building. Kent County Water Authority requires reduced pressure zone style backflow preventers for commercial installations of this nature. A copy of the bacteria sample test results and inspection confirmation letter from the plumbing inspector must be provided upon request for water service activation. Please be advised it is solely the responsibility of the owner or owner's representative to obtain the proper permits and coordinate with the plumbing inspector to complete all inspection requirements of the Rhode Island Plumbing Code.

Compliance with National Fire Protection Agency (NFPA) testing requirements for fire service is solely the responsibility of the owner or owner's representative to coordinate with the municipal fire authority or state fire marshal's office. NFPA pressure test may be accomplished in coordination with KCWA required testing, but KCWA shall not be responsible for conducting, verifying or documenting NFPA testing requirements.

If work has not begun construction on the water line within the six (6) months from the date of this letter a complete resubmission and/or request for an extension of this technical review consideration will be necessary prior to construction commencement. The owner and/or developer must request an extension prior to the six months expiration date of this letter.

Nothing in this letter relieves the responsible party from compliance with all applicable local, state and federal regulations in association with this water infrastructure installation. Any deficiency or requirement that may have been inadvertently overlooked in the course of this review is also subject to correction under the provision of the applicable code, regulation or law.

To continue to keep this file active we require written confirmation of receipt of this technical review letter along with tentative dates for construction commencement within ten (10) working days of receipt of this letter.

Please feel free to call us if you have any questions regarding this matter.

Very truly yours,  
Kent County Water Authority

  
John Duchesneau  
Director of Technical Services

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 AS OF 02/2013

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
1-4150					
MERCHANDISING & JOBBING	458.33	-1455.11	3666.64	3233.45	-433.19
1-4160					
M & J COSTS & EXPENSES	1125.00	-7018.46	9000.00	3834.40	-5165.60
1-4190					
INTEREST & DIVIDEND INC.	4166.66	182.81	33333.28	25619.21	-7714.07
1-4210					
MISC. NON-OPER. INCOME	1750.00	7146.00	14000.00	7715.27	-6284.73
TOTALS FOR OTHER INCOME	7499.99	-1144.76	59999.92	40402.33	-19597.59
1-461A					
METERED SALES - GC	1166666.66	834298.06	9333333.28	9973304.71	639971.43
1-461B					
METERED SALES - IC	290083.33	120550.38	2320666.64	2205250.77	-115415.87
1-4620					
PRIVATE FIRE PROTECTION			9000.00	86066.63	-3933.37
1-4630					
PUBLIC FIRE PROTECTION			650000.00	650551.56	551.56
1-4640					
SALES - PUBLIC AUTHORITIES	62500.00	25616.00	500000.00	488238.89	-11761.11
1-4660					
SALES FOR RESALE			62500.00	88700.88	26200.88
1-4710					
MISC. SERVICE REVENUE	14250.00	14883.24	114000.00	127423.93	13423.93
1-4740					
OTHER WATER REVENUES	3750.00	2447.17	30000.00	117770.47	87770.47
TOTALS FOR OPERATING REVENUE ACCTS.	1537249.99	997794.85	13100499.92	13737307.84	636807.92
TOTALS FOR REVENUES	1544749.98	996650.09	13160499.84	13777710.17	617210.33
EXPENDITURES					
1-6020					
PURCHASED WATER	360977.25	316801.74	2887818.00	3258288.58	-370470.58
1-6140					
MAINTENANCE OF WELLS	50.00	1661.84	400.00	1661.84	-1261.84
TOTALS FOR SOURCE OF SUPPLY EXPENSES	361027.25	318463.58	2888218.00	3259950.42	-371732.42
1-6210					
FUEL FOR PUMPING	416.66	4142.18	3333.28	4613.67	-1280.39
1-6230					
POWER PURCHASED	28333.33	32901.63	226666.64	243191.75	-16525.11
1-624A					
PUMPING LABOR	5441.66	3283.12	43533.28	40241.20	3292.08
1-624B					
PUMPING EXPENSES	400.00	1521.48	3200.00	2656.06	543.94
1-6310					
MAINT STRUCT & IMPROVE	5000.00	3728.46	40000.00	22970.83	17029.17



Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 AS OF 02/2013

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R T O D A T E		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
1-6330 MAINT PUMPING EQUIPMENT	2916.66	10465.19	23333.28	40113.71	-16780.43
TOTALS FOR PUMPING EXPENSES	42508.31	56042.06	340066.48	353787.22	-13720.74
1-6410 CHEMICALS	11250.00	7665.66	90000.00	78633.16	11366.84
1-642A OPERATION LABOR	6591.66	6864.10	52733.28	54676.12	-1942.84
1-642B OPERATION EXPENSES	3750.00	3521.78	30000.00	29439.48	560.52
1-6430 MISHNOCK TREATMENT PLANT	83333.33		166666.66		166666.66
1-6520 MAINT WATER TREAT EQUIP	416.66	1521.48	3333.28	2685.83	647.45
TOTALS FOR WATER TREATMENT EXPENSES	105341.65	19573.02	342733.22	165434.59	177298.63
1-6610 STORAGE FACILITIES EXP				164.96	-164.96
1-662A T & D LABOR	2100.00	1420.58	16800.00	10039.54	6760.46
1-662B T & D SUPPLIES & EXP	7000.00	835.82	56000.00	11757.37	44242.63
1-663A T & D METER LABOR	3216.66	3744.17	25733.28	32486.87	-6753.59
1-663B T & D METER SUPP & EXP	1833.33	5591.81	14666.64	9795.89	4870.75
1-6650 T & D MISC	250.00	748.98	2000.00	5366.61	-3366.61
1-6710 MAINT STRUCT & IMPROV	3000.00		24000.00	38089.30	-14089.30
1-6720 MAINT RESERVOIR & STDFIPE	1333.33	1214.32	10666.64	12460.29	-1793.65
1-6730 MAINT T & D MAINS	68083.33	36371.40	544666.64	339378.72	205287.92
1-6750 MAINT SERVICES	20250.00	14581.72	162000.00	119627.58	42372.42
1-6760 MAINT METERS	10500.00	27608.35	84000.00	62671.36	21328.64
1-6770 MAINT HYDRANTS	9000.00	4139.84	72000.00	53610.36	18389.64
1-6790 TRANSFER TO CONSTRUCTION	-833.33	-103.68	-6666.64	-103.68	-6562.96
TOTALS FOR TRANS. & DISTR. EXPENSES	125733.32	96153.31	1005866.56	695345.17	310521.39
1-902A METER READING LABOR	7875.00	9130.73	63000.00	64578.46	-1578.46
1-902B METER READING SUPP & EXP	22.91		183.28	7688.44	-7505.16
1-903A CUSTOMER RECORDS LABOR	16000.00	16139.85	128000.00	133550.44	-5550.44
1-903B					

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

AS OF 02/2013

ACCOUNT DESCRIPTION	C U R R E N T M O N T H		Y E A R		A C T U A L O V E R /	
	BUDGET	ACTUAL	BUDGET	ACTUAL	UNDER BUDGET	UNDER BUDGET
CUSTOMER RECORDS SUPP	4583.33	4080.04	36666.64	36079.23	587.41	
TOTALS FOR CUSTOMER ACCT. EXPENSES	28481.24	29350.62	227849.92	241896.57	-14046.65	
1-9200 ADM & GENERAL SALARIES	32558.33	32329.15	260466.64	257878.60	2588.04	
1-9210 OFFICE SUPPLIES & EXP	13833.33	12953.77	110666.64	155080.56	-44413.92	
1-9230 OUTSIDE SERVICES	19166.66	220.80	153333.28	90822.45	62510.83	
1-9240 PROPERTY INSURANCE			188000.00	127205.52	60794.48	
1-9250 INJURIES & DAMAGES	10.41		83.28		83.28	
1-9260 EMPLOYEE PENSION & BENEF	59119.50	55112.23	729522.00	725454.80	4067.20	
1-9280 REGULATORY COMM EXP	11750.00	4851.22	94000.00	74755.08	19244.92	
1-930B MISC GENERAL EXPENSE	1250.00	1250.00	10000.00	10034.67	-34.67	
1-930C MISC GENERAL EXPENSE	416.66		3333.28		3333.28	
1-932A MAINT GENERAL PLANT	10666.66	17043.39	85333.28	102749.32	-17416.04	
1-932B MAINT VEHICLES	14166.66	13774.92	113333.28	114921.09	-1587.81	
1-9330 UNASSIGNED TIME VAC HOL	21000.00	9272.57	168000.00	200774.52	-32774.52	
TOTALS FOR ADM. & GENERAL EXPENSES	183938.21	146808.05	1916071.68	1859676.61	56395.07	
1-4030 DEPRECIATION EXPENSE	96666.66	96666.67	773333.28	773333.36	-.08	
1-4080 TAXES OTHER THAN INCOME	15833.33	12937.89	126666.64	108963.54	17703.10	
1-4270 INTEREST-LONG TERM DEBT	107157.00	107157.00	857256.00	857256.00		
1-4280 AMORTIZATION OF DEBT DISC	5833.33	5833.33	46666.64	46666.64		
TOTALS FOR OTHER EXPENSES	225490.32	222594.89	1803922.56	1786219.54	17703.02	
TOTALS FOR EXPENDITURES	1072520.30	888985.53	8524728.42	8362310.12	162418.30	
EXCESS OF REVENUE OVER EXPENDITURES	472229.68	107664.56	4635771.42	5415400.05	779628.63	
FOR general						

KENT COUNTY WATER AUTHORITY  
CASH LOCATION  
FISCAL YEAR 2012-2013

	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013
<b>CASH LOCATION:</b>												
Citizens Bank - Payroll	\$ 40,000	40,000	40,000	40,000	40,000	40,000	50,000	50,000	50,000			
Bank of America - Deposit	767,433	305,308	265,368	397,873	301,948	49,236	343,150	243,224	101,403			
Bank of America - Checking	67,287	110,488	28,330	78,597	66,282	144,508	139,740	182,523	399,162			
<b>Total</b>	<b>874,740</b>	<b>455,796</b>	<b>333,698</b>	<b>516,470</b>	<b>408,230</b>	<b>233,744</b>	<b>532,890</b>	<b>475,747</b>	<b>550,565</b>			
Revenue	618,793	595,927	1,201,514	2,217,104	2,129,133	2,111,052	2,465,704	2,168,438	1,690,472			
Infrastructure Fund	9,969,596	8,851,142	7,943,733	7,816,904	8,433,956	8,239,913	8,390,882	8,707,292	9,102,888			
Operation Reserve Allowance	656,297	680,607	704,917	729,227	753,538	777,848	802,160	826,471	850,782			
Operation & Maintenance Reserve	2,373,625	2,373,645	2,373,665	2,373,684	2,527,331	2,527,350	2,527,372	2,527,393	2,527,413			
Renewal & Replacement Fund	180,989	189,323	197,658	205,993	214,328	222,663	230,998	239,334	247,669			
Renewal & Replacement Reserve	1,023,928	1,023,936	1,023,945	1,023,953	1,124,501	1,124,510	1,124,520	1,124,529	1,124,538			
Debt Service Fund - 2001	4	7										
Debt Service Reserve - 2001												
General Project - 2002	11	17										
Debt Service Fund - 2002												
Debt Service Reserve - 2002												
Debt Service Fund - 2004	104,548	209,092	313,631	418,172	522,713	627,255	694,567	799,110	903,654			
Debt Service Reserve - 2004	228,602	225,637	225,637	225,637	225,637	225,637	225,637	225,637	225,636			
Debt Service Fund - 2004	5,698,109											
Refunding Trust Account 2001*	15,678,288											
Refunding Trust Account 2002*												
Debt Service Reserve 2012	1,728,590	1,728,765	1,728,900	1,728,938	1,734,179	1,734,212	1,734,228	1,734,235	1,734,240			
Debt Service Fund 2012	180,798	361,597	542,397	723,199	904,002	1,084,806	869,181	1,049,987	1,230,793			
Project Fund 2012 **	9,719,529	8,528,036	5,810,577	5,140,074	4,642,605	4,642,645	3,993,000	3,544,868	3,090,209			
Debt Service Savings for CIP							45,362	90,724	136,086			
Total Investment Accounts	\$ 48,161,708	24,767,730	22,066,574	22,602,885	23,211,923	23,317,893	23,103,611	23,038,019	22,864,379			
*Full Redemption on 8/17/2012	(21,376,397)											
**Issuance Costs to be Paid	27,653,715	25,223,527	22,400,272	23,119,355	23,620,153	23,551,636	23,636,501	23,513,766	23,414,944			

KENT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSEMENTS  
FY 2012-2013

	JULY 2012	AUGUST 2012	SEPTEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	JANUARY 2013	FEBRUARY 2013	MARCH 2013	APRIL 2013	MAY 2013	JUNE 2013	RATE REVENUE FY 11-12	RATE REVENUE FY 12-13
<b>BEGINNING MONTH BALANCE</b>	32,666,764	27,653,715	25,223,526	22,400,271	23,119,355	23,620,153	23,551,635	23,636,501	23,513,766	23,414,944	23,414,944	23,414,944	1,458,444	1,581,350
<b>CASH RECEIPTS:</b>														
Collections	2,763,781	1,706,306	1,343,032	3,040,234	1,975,482	1,426,625	2,402,671	1,346,563	1,116,459	-	-	-	1,422,223	1,404,818
Interest Earned	14,628	357	336	208	8,461	197	1,249	183	481	-	-	-	3,425,571	3,370,624
Other	-	-	-	-	-	-	-	-	-	-	-	-	1,773,750	1,608,069
TOTAL CASH RECEIPTS	34,945,173	29,360,378	26,566,894	25,440,713	25,103,298	25,046,975	25,955,555	24,983,247	24,630,707	23,414,944	23,414,944	23,414,944	1,014,643	980,464
<b>CASH DISBURSEMENTS:</b>														
Purchased Water	555,637	614,961	498,788	400,861	376,908	298,507	327,657	423,805	316,802	-	-	-	1,782,678	1,794,203
Electric Power	31,083	33,977	35,836	31,065	51,201	-	27,128	32,902	36,751	-	-	-	1,100,992	-
Payroll	184,206	146,530	151,922	184,980	148,885	156,630	222,971	153,720	154,554	-	-	-	1,021,305	-
Operations	28,917	62,220	78,337	78,112	68,383	119,820	56,814	69,309	49,763	-	-	-	2,216,491	-
Employee Benefits	375,142	62,351	52,768	56,986	56,876	5,012	112,139	58,656	57,867	-	-	-	1,822,678	-
Legal	9,367	6,073	4,999	3,470	2,858	12,861	6,438	9,587	3,473	-	-	-	1,090,917	-
Materials	28,755	33,858	100,145	63,870	43,545	92,272	23,132	50,923	27,909	-	-	-	1,021,305	-
Insurance	-	130,590	-	-	-	-	-	-	-	-	-	-	1,000,992	-
Sales Taxes	26,690	14,035	11,068	39,456	14,096	10,311	31,019	10,784	8,179	-	-	-	1,021,305	-
Refunds	467	248	320	277	6,315	2,905	678	272	334	-	-	-	1,021,305	-
Rate Case	-	-	-	-	-	-	-	-	-	-	-	-	2,216,491	-
Conservation	4,229	470	605	-	-	-	-	-	-	-	-	-	-	-
Pilot	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditures (Other)	1,938	13,555	36,053	24,750	8,800	33,999	577,634	448,169	226,598	-	-	-	-	-
Mishnock Well/Storage/Pump/T221C	-	33,284	-	670,557	497,517	371	-	-	-	-	-	-	-	-
Mishnock Treatment Facility	446,898	-	2,280,008	-	-	-	-	-	-	-	-	-	-	-
Read School House	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIP Update	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Read School House Tank	150,567	17,026	103,163	158,885	10,262	-	11,103	9,556	9,070	-	-	-	-	-
240C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Quaker Lane	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2007 Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
284B	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2009 A Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
243C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2009 B Infrastructure	48,753	670,393	62,775	95,385	2,660	16,350	4,576	35,655	55,488	-	-	-	-	-
248C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2010 Infrastructure Design	19,806	1,026,971	692,080	399,386	40,482	664,480	258,360	111,759	5,404	-	-	-	-	-
249C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Street EG	-	-	-	1,632	46,847	27,256	85,757	12,494	-	-	-	-	-	-
250C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Water System Management	43,467	1,214,540	9,129	2,859	13,305	12,160	76,175	788	228,088	-	-	-	-	-
237A	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mishnock Transmission Main	-	-	-	-	-	-	-	-	-	-	-	-	-	-
245C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
252C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service (P. & I.)	3,316,556	-	-	-	-	-	433,662	-	2,464	-	-	-	-	-
Water Protection	65,217	55,770	48,627	108,827	58,669	42,406	63,811	41,103	33,019	-	-	-	-	-
Reduction in Debt Service	1,953,763	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	7,291,458	4,136,852	4,166,623	2,321,358	1,483,145	1,495,340	2,319,054	1,469,481	1,215,762	-	-	-	-	-
<b>BALANCE END OF MONTH</b>	27,653,715	25,223,526	22,400,271	23,119,355	23,620,153	23,551,635	23,636,501	23,513,766	23,414,944	23,414,944	23,414,944	23,414,944	1,458,444	1,581,350

# SULLIVAN & SULLIVAN

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505 TIOGUE AVENUE  
SUITE B  
COVENTRY, RI 02816

Patrick J. Sullivan  
Richard P. Sullivan, Of Counsel

May 23, 2013

Lisa Salisbury  
Kent County Water Authority  
PO Box 192  
West Warwick, RI 02893-192

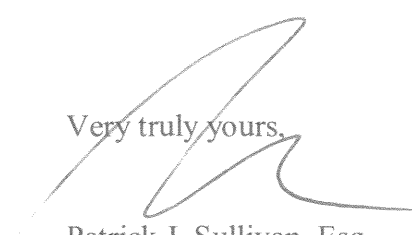
RE: APRIL 25, 2013 MINUTES

Dear Ms. Salisbury:

Enclosed, kindly find the finalized original minutes along with the attachments. These have been sent to you also in MS Word format and in a .pdf file format.

Should you have any additional questions or concerns, please don't hesitate to contact me.

Very truly yours,



Patrick J. Sullivan, Esq.  
Attorney at Law

PJS/bms

Enclosure