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WARWICK, RI 02886

401-821-1330  
FAX 401-823-0970  
E-MAIL: [jjm@petrarcamcgair.com](mailto:jjm@petrarcamcgair.com)  
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June 21, 2010

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

Re: Board Meeting Minutes of May 20, 2010

Dear Mr. Brown:

Enclosed you will find the original Board meeting minutes of May 20, 2010 and Executive Session Minutes of even date. Please be advised that the Executive Session Minutes are for your eyes only and pursuant to statute at this time are not subject to records request to be kept in the vault with the other original minutes.

If you have any further questions, please feel free to contact me.

Very truly yours,

Joseph J. McGair

JJM:maj  
Enc.

## **Petrarca and Mcgair**

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**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Friday, May 14, 2010 1:52 PM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Notice

May 14, 2010

This is your electronic confirmation for the electronic filing of meeting notice for the Kent County Water Authority. The meeting notice filed is for the meeting on: May 20, 2010 3:30:00 pm.

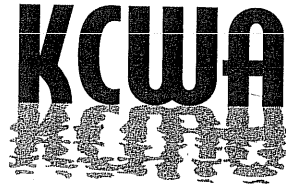
This notice was electronically filed on the Secretary of State Open Meetings Website on: May 14, 2010 01:52:10 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov

# Agenda



# Agenda

Kent County Water Authority

BOARD MEETING AGENDA

May 20, 2010 – 3:30 P.M.

OFFICES OF KENT COUNTY WATER AUTHORITY

Approval - Minutes of Meeting: Board Meeting – April 15, 2010  
Work Session – April 19, 2010

Guests: 4:30 p.m. Summit Financial, Joseph Bonasera – Annual Pension Review

Legal Counsel: Legal Matters

Director of Finance Report: Cash Report April 2010  
March Closing

Point of Personal Privilege & Communication:

General Manager/Chief Engineer's Report:

Old Business: KCWA Rate Case Review, Docket # 3942 Status  
Rate Case Revenue Shortfall, Docket # 4142 Status  
KCWA Pass Through of PWSB, Docket #4067

New Business: Construction Services Mishnock Treatment Plant Proposal for Approval  
Health Care Discussion  
Worker's Compensation Discussion  
Water Resources Board Partnership, Modeling Request  
New Hire, Equipment Operator

Capital Projects: CIP-1C Mishnock Well Treatment Plant (Zoning and Planning)  
CIP-1B Mishnock Transmission (Design Status, FUNDING)  
CIP-2 East Greenwich Well Treatment (Final Pilot Study)  
CIP-7b Read School House Road Tank (Status)  
CIP-7c, 7d, 8a Read School House Water Main (Paving Issue, Flat River, Read School House)

Infrastructure Projects: IFR 2006B & 2007 (Construction Status)  
IFR 2009A (Construction Status)  
IFR 2009B Design Status, (Funding Needed)  
Quaker Lane P. S. Design (Funding Needed, Easement Issues)  
IFR 2010 Design (Funding)

PO Box 192

West Warwick, RI 02893-0192

401-821-9300

www.kentcountywater.org

Executive Session

In Accordance with 42-46-5 (1) (1)

4:00 p.m. Customer Service Representative Final

The offices of the Kent County Water Authority are handicapped accessible. Individuals requesting interpreter services for the hearing impaired must contact the offices of the Kent County Water Authority 72 hours before the meeting at 821-9300. (Telecommunications device for the hearing impaired available).

Agenda Posted May 14, 2010

1. KCWA Main Entry Office Public Bulletin Board
2. KCWA Side Entry Door Entrance
3. West Warwick Town Hall Public Bulletin Board

Agenda Sent Via U. S. Post Office May 14, 2010 for Posting on Public Bulletin Board

1. City of Warwick
2. Town of Coventry
3. Town of East Greenwich
4. Town of West Warwick
5. Town of West Greenwich

## **Petrarca and Mcgair**

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**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Friday, May 14, 2010 2:05 PM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Notice

May 14, 2010

This is your electronic confirmation for the electronic filing of meeting notice for the Kent County Water Authority. The meeting notice filed is for the meeting on: May 20, 2010 3:30:00 pm.

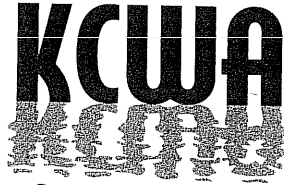
This notice was electronically filed on the Secretary of State Open Meetings Website on: May 14, 2010 02:04:36 pm.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov

# Agenda



Kent County Water Authority

BOARD MEETING AGENDA

May 20, 2010 – 3:30 P.M.

OFFICES OF KENT COUNTY WATER AUTHORITY

(Revised May 20, 2010 – 1:45 p.m.)

MAY 17 2010  
Agenda

Approval - Minutes of Meeting: Board Meeting – April 15, 2010  
Work Session – April 19, 2010

Guests: 4:30 p.m. Summit Financial, Joseph Bonasera – Annual Pension Review

Legal Counsel: Legal Matters

Director of Finance Report: Cash Report April 2010  
March Closing

Point of Personal Privilege & Communication:

General Manager/Chief Engineer's Report:

Old Business: KCWA Rate Case Review, Docket # 3942 Status  
Rate Case Revenue Shortfall, Docket # 4142 Status  
KCWA Pass Through of PWSB, Docket #4067

New Business: Construction Services Mishnock Treatment Plant Proposal for Approval  
Health Care Discussion  
Worker's Compensation Discussion  
Water Resources Board Partnership, Modeling Request  
New Hire, Equipment Operator

Capital Projects: CIP-1C Mishnock Well Treatment Plant (Zoning and Planning)  
CIP-1B Mishnock Transmission (Design Status, FUNDING)  
CIP-2 East Greenwich Well Treatment (Final Pilot Study)  
CIP-7b Read School House Road Tank (Status)  
CIP-7c, 7d, 8a Read School House Water Main (Paving Issue, Flat River, Read School House)

Infrastructure Projects: IFR 2006B & 2007 (Construction Status)  
IFR 2009A (Construction Status)  
IFR 2009B Design Status, (Funding Needed)  
Quaker Lane P. S. Design (Funding Needed, Easement Issues)  
IFR 2010 Design (Funding)

P O B o x 1 9 2

West Warwick, RI 02893-0192

401-821-9300

www.kentcountywater.org

**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Monday, June 21, 2010 11:25 AM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Minutes

June 21, 2010

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 20, 2010 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 21, 2010 11:25:23 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov

**Petrarca and McGair**

*Second to Top Layer*

**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Monday, June 21, 2010 11:18 AM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Minutes

June 21, 2010

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 20, 2010 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 21, 2010 11:18:17 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov



**Petrarca and Mcgair**

*Second to Bottom Layer*

**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Monday, June 21, 2010 11:13 AM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Minutes

June 21, 2010

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 20, 2010 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 21, 2010 11:13:02 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov

**Petrarca and Mcgair**

*Bottom Layer*

**From:** Open Meetings Admin [openMeetings@sos.ri.gov]  
**Sent:** Monday, June 21, 2010 10:57 AM  
**To:** jjm@petrarcamcgair.com; openMeetings@sos.ri.gov  
**Subject:** SOS Open Meetings : Meeting Minutes

June 21, 2010

This is your electronic confirmation for the electronic filing of meeting minutes for the Kent County Water Authority. The meeting minutes filed are in for the meeting held on: May 20, 2010 15:30:00.

This notice was electronically filed on the Secretary of State Open Meetings Website on: June 21, 2010 10:56:53 am.

Please retain this message as your official proof of electronic filing.

Sincerely,

The Open Meetings Team at  
Office of Secretary of State A. Ralph Mollis State House Room 38 Providence, RI 02903  
(401) 222-2357  
(401) 222-1404  
TTY: 711  
[openmeetings@sos.ri.gov](mailto:openmeetings@sos.ri.gov)  
sos.ri.gov

# KENT COUNTY WATER AUTHORITY

## BOARD MEETING MINUTES

May 20, 2010

The Board of Directors of the Kent County Water Authority held its monthly meeting in the Joseph D. Richard Board Room at the office of the Authority on May 20, 2010.

Chairman, Robert B. Boyer opened the meeting at 3:30 p.m. Board Members, Mr. Gallucci, Mr. Inman, Mr. Giorgio and Mr. Masterson, were present together with the General Manager, Timothy J. Brown, Director of Administration and Finance, Joanne Gershkoff, Technical Service Director, John R. Duchesneau, Legal Counsel, Joseph J. McGair. Board Member Masterson led the group in the pledge of allegiance.

The minutes of the Board meeting of April 15, 2010 and the minutes of the work session of April 19, 2010 were moved for approval by Board Member Masterson and seconded by Board Member Giorgio and were unanimously approved.

### **GUESTS:**

#### **Summit Financial, Joseph Bonasera – Annual Pension Review**

Jason Denton, FSA, EA, Senior Retirement Consultant stated that Mr. Bonasera was unavailable due to a family emergency and he proceeded to the annual pension review presentation. He stated that the projections are tethered to the retirement age and discounted to present day value and that it is not as simple as reviewing accrued values and present value of future benefits. He stated that there is an unfunded liability which will need to be satisfied. He reminded all that 2009 was a year of steep decline of assets and unfunded liability increased over 2008 and 2009 and albeit in 2010 it decreased somewhat.

He presented the summary of key result which was located on page 7. He expected assets to increase to 7.25%.

He stated that the 2008 loss will need to be recaptured. The summary was thoroughly discussed by the Board and Summit. He indicated that the losses can be over a five year period commencing in 2008 and cost to the plan would be the same and impacts the cash flow.

The Actual Funding valuation from January 1, 2010 dated April, 2010 as evidenced and attached as "A".

Mr. Denton said that the Kent County Water Authority plan is much sounder financially than the majority of governmental plans which he has viewed. He stated that on page 4 – Key results summary – that the employee count is virtually the same but the cost of average salary was \$55,600 and raises were not as much in previous years which decreased the future cost of funding and that impacts for 2010 are on the right road.

Board Member Gallucci stated that generally, a plan of no contributions for the employee is unusual in these troubled financial times and the General Manager reminded that the Kent County Water Authority plan is old and may not be easily converted to a non-definable benefit plan, further, Kent County Water Authority has a voluntary 457b plan that is fully funded by employees. Mr. Denton indicated that it would be very expensive to convert plans as the vested rights must be fully funded.

Douglas Norberg, Summit Vice President of benefits gave a power point presentation as “B” attached. He stated that the past ten years, Defined Benefit Plans have been on a downward trend which makes those types of plans unattractive to employers. He continued with the power point presentation of Exhibit “B”.

Board member Giorgio and Board Member Inman were excused due to pressing personal business.

Mr. Denton stated that the Portfolio Revenue is attached as “C” and the Asset statement FY 2009 is attached as “D”. The General Manager stated that monthly reports are given and that the recommendations will be prepared and sent to Kent County Water Authority. A thorough discussion ensued.

Mr. Denton and Mr. Norberg stated that the Board has been prudent and in his opinion has performed its due diligence regarding the investments over the years.

## **LEGAL MATTERS**

### **G-Tech**

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

2009. GTECH did not file a reply brief and it is now up for order by the Court. Legal Counsel filed a Motion to Assign to a Judge and the assignment motion was scheduled for February 25, 2010 and was ordered on even date. The matter has been assigned to Judge Vogel, but no hearing date has been set.

#### Harris Mills

The company has gone into receivership. Kent County Water Authority is owed \$3,676.58. Legal Counsel will monitor for proof of claim filing. A permanent receiver was appointed. A proof of claim prepared and forwarded to the General Manager for signature on September 17, 2008 and will be filed in the Kent County Superior Court and sent to the receiver. Proof of Claim was filed and sent to Receiver on September 19, 2008. The proof of claim deadline was December 1, 2008. Legal counsel will continue to monitor for payment on claim. As of May 12, 2009, there has been no change in status. Petition to sell was filed by Receiver in Kent County Superior Court on June 5, 2009. Offer to property made which will allow for partial payment of claims. Legal Counsel will monitor progress of sale.

There has been no further progress regarding the sale of the Harris Mill complex in the receivership matter. Legal Counsel to contact the Receiver for a status report. New offers to purchase have come in which could allow Kent County Water Authority claim in this matter to be paid out of the receivership proceeds. As of September 14, 2009 the previous offer did not materialize. A new offer is being pursued. Legal Counsel will continue to monitor the progress of the sale. There has been no change as of May 13, 2010.

#### Hope Mill Village Associates

The company is in receivership. Kent County Water Authority is owed \$1,632.44. Legal Counsel to prepare and file Proof of Claim. Proof of Claim was prepared and was forwarded to the General Manager for signatures. Proof of Claim was filed in Kent County Superior Court and was sent to the receiver on August 28, 2008 and as of this date this case is still pending. Hope Mill filed Chapter 11 Bankruptcy on August 20, 2008. Kent County Water Authority was not listed as a creditor. The proof of claim was prepared and signed by the General Manager on November 14, 2008 and was filed with the Bankruptcy Court on November 18, 2008. The proof of claim filing deadline was the end of November, 2008. Pursuant to the plan of reorganization filed by Debtor on November 22, 2008, Kent County Water Authority will be paid in full upon confirmation of the plan by the Bankruptcy Court and Legal Counsel will continue to monitor. As of February 17, 2009 the Court has not scheduled a hearing for confirmation of plan. Debtor will be filing an Amended Plan in March 2009. Legal Counsel will continue to monitor. As of July 16, 2009 the Debtor has not filed an Amended Plan.

The Bankruptcy Court hearing was to be held on August 19, 2009 regarding a

motion filed by Hope Mill to convert Chapter 11 to Chapter 7. Legal counsel will monitor the hearing and how the disposition of the hearing will affect the claim of Kent County Water Authority. The hearing was held on December 17, 2009. Assets purchased pursuant to Asset Purchase Agreement. Kent County Water Authority charges to be paid pursuant to Asset Purchase Agreement. Legal Counsel will follow up regarding timetable of payment to Kent County Water Authority. Legal Counsel spoke with Attorney DeAngelis on February 17, 2010 for status on payment to Kent County Water Authority.

Legal Counsel spoke with Attorney DeAngelis on May 13, 2010 and Mr. DeAngelis stated that a final closing has yet to be scheduled, but should be scheduled in the near future.

#### West Greenwich Wellhead Protection

Mr. Waltonen has petitioned the Town Council for West Greenwich for a zone change for AP 6, Lot 134 from residential to highway business. The subject lot abuts the wellhead protection area of Kent County Water Authority. The site is currently used for storage and grinding and dying. A portion of the subject site was previously rezoned in 1991 to Highway Business and the Petitioner appeared before the Kent County Water Authority Board at that time and a condition of the 1991 zone change was that Petitioner obtain a letter from Kent County Water Authority approving the final drainage plan. The current petition requests relief from all 1991 conditions including Kent County Water authority approval. Legal Counsel has conducted research at the West Greenwich Town Hall concerning the petition and Legal Counsel and Kent County Water Authority will monitor and present its concerns and objections to the Zoning Board and the Town Council at the respective January 20, 2009 and February 11, 2009 hearings.

Legal Counsel and the General Manager attended the January 20, 2009 Zoning Board of Review hearing and the matter was continued by the Zoning Board of Review to February 17, 2009 as the applicant had not submitted to the Board the as built plans. The Chairman had requested that the Kent County Water Authority provide a letter to the Zoning Board of Review outlining the concerns of Kent County Water Authority. Legal Counsel forwarded correspondence to the Zoning Board of Review on January 22, 2009. The matter was continued by the West Greenwich Zoning Board of Review to April 14, 2009 in that the Waltonen Attorney had not filed the necessary documents. Kent County Water Authority received some engineering from Legal Counsel for Petitioner on April 6, 2009. The Zoning Board hearing was held on April 21, 2009 and was continued to June 16, 2009. The Petitioner was required to provide to the Zoning Board within 30 days from April 22, 2009, a plan depicting existing site conditions and all items stored on the site including recreational vehicles, containers, mulch, stumps as well as aerial views and a list of all business uses. The Board also required that any plans to be submitted by application to DEM be submitted to an independent professional engineer for review prior to DEM submission. The Town engaged Shawn

Martin of Fuss & O'Neil as independent engineer consultant.

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

Shawn Martin, PE of Fuss & O'Neil, was in attendance at the September 15, 2009 Zoning Board of Review hearing acting as independent engineer on behalf of the Town to report on the engineering submitted by applicant. Timothy Behan, PE, engineer for applicant was in attendance. Legal Counsel for Kent County Water Authority appeared on behalf of Kent County Water Authority. The Chairman is requiring the applicant to provide a more detailed description of all business uses including specific equipment on site in affidavit form. Legal Counsel reiterated the position of Kent County Water Authority in requesting engagement of its own engineer for independent review of the applicant's engineering and objection to the petition given the noncompliance of applicant in the past. The position of the Town is that Fuss & O'Neil was engaged for independent review and that applicant is to provide Kent County Water Authority with a revised list of description of uses on the site and Kent County Water Authority is to coordinate with Shawn Martin, P.E. of Fuss & O'Neil once the list is received for review and Kent County Water Authority is to provide comments to the Board prior to the November 17, 2009 Zoning Board of Review. The list of uses was not provided to Kent County Water Authority. The Kent County Water Authority forwarded its written concerns to the Town on October 1, 2009. On October 19, 2009 Kent County Water Authority was provided with subsequent engineering and a list of uses in affidavit form by Applicant's Legal Counsel for review and Kent County Water Authority responded to the Town.

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

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

The Chairman of the Zoning Board inquired of applicant's Legal Counsel as to why the issues raised in writing by Kent County Water Authority have not been answered to date. Legal Counsel for the applicant did not respond as he was awaiting

a response from the Department of Environmental Management prior to answering the questions of Kent County Water Authority. The Solicitor opined that the Department of Environmental Management's response is not required to answer some of the questions of Kent County Water Authority. Applicant's Legal Counsel opined that the respective engineers to wit, applicant's engineer and the Town's independent consultant, should address the concerns of Kent County Water Authority.

The Chairman recommended that the zoning and planning officials for the Town review the matter given the many existing violations of the 1991 approval and the Town await the findings of this review and the applicant's engineer and the Town's independent consultant review and address the concerns of Kent County Water Authority and the Zoning Board review the findings of the zoning official separate from the petition for zone change. This matter was continued by the Zoning Board to February 16, 2010. On February 16, 2010, the Zoning Board meeting was continued to March 16, 2010. On March 15, 2010, the Zoning Board meeting was continued to April 20, 2010.

On April 20, 2010, Legal Counsel for Petitioner informed the Zoning Board of the ongoing review process with Rhode Island Department of Environmental Management and that a notice of violation was issued by the Rhode Island Department of Environmental Management. RIDEM is first addressing enforcements and then conducting a project review. A new plan was submitted to RIDEM on April 1, 2010. A formal hearing with DEM will take place the end of June. The Chairman of the Zoning Board stated that several existing site conditions did not satisfy the 1991 approval. Therefore, the Zoning Board requires the Petitioner to provide an affidavit as to the current uses on the site/business listing. The Chairman further stated that materials located on the site were moved to perform the "as is" survey/existing site conditions. Dr. Fish stated that the Petitioner must satisfy every party's standards including those of Kent County Water Authority. The meeting was continued to June 15, 2010.

#### West Greenwich Technology Tank/Rockwood

This matter may be in litigation in that Rockwood Corporation had failed to take any steps and continually denied Kent County Water Authority efforts to take any steps in the painting issues inside of the tank and on February 16, 2009 their surety, Lincoln General Insurance Company, denied the claim as well. The matter was reviewed between the General Manager and Legal Counsel. Rockwood sent a proposal to Legal Counsel on March 31, 2009 and the General Manager weighed the same and a response was sent to Rockwood on April 24, 2009. On May 2, 2009 Rockwood sent another proposal and the General Manager responded to the same on May 8, 2009 requesting a written remedial plan proposal within ten days. On May 8, 2009 Rockwood responded by asking the General Manager to reconsider his position. On May 12, 2009 the General Manager sent correspondence to Rockwood stating the Authority will await Rockwood comments to KCWA letter of May 8, 2009. On May 13,



2009 Rockwood provided an additional response to the KCWA letter of May 8, 2009 with questions. On May 13, 2009 the General Manager sent correspondence agreeing to provide Rockwood with more time to complete a plan of remediation for an additional 10 days. On May 14, 2009, Rockwood sent a response and the General Manager, Merithew and Rockwood to have an informal meeting to work out details. The meeting took place and the Authority is monitoring the efforts of Rockwood to remedy the situation. The tank was recently dry inspected and the vendor remediated the same. Kent County Water Authority is awaiting final inspection of the tank with respect to the remediation. Rockwood has performed work at the site and it is necessary to have a final inspection after the tank has been filled. The tank has been filled and inspection is moving forward. This should be concluded shortly.

### Comptroller of the Currency

On October 16, 2008, Kent County Water Authority resolved to change the Trustee from US Bank to bank of NY Mellon regarding 2001/2002/2004 bond issue trust administration to be effective January 23, 2009. That on October 17, 2008, Kent County Water Authority timely notified US Bank concerning the transfer of trusteeship. On approximately January 20, 2009, the US Bank announced that it would require \$6,650.00 as transfer fees to accomplish ownership to the Bank of NY Mellon. Additionally, the US Bank kept \$1,667.67 of fees that were previously unused. That in order for the closing and transfer to take place, Kent County Water Authority on January 22, 2009 paid the sum of \$6,650.00 under protest and stated its displeasure with the US Bank and thereby stating that it would not jeopardize its bondholders and therefore paid the same and also sent a copy to the Controller of the Currency. On March 4, 2009 the Controller of the Currency stated that the US Bank would be replying directly to Kent County Water Authority. On March 11, 2009 Kent County Water Authority received a response from US Bank which was totally unsatisfactory. On March 31, 2009, Kent County Water Authority notified the Controller of the Currency concerning the unsatisfactory response of US Bank dated March 11, 2009 and reiterated its position. On June 30, 2009 US Bank sent a check in the amount of \$1,666.67 and it was received by Legal Counsel on July 6, 2009, saying that the same was a bookkeeping error as exhibited on the check. That on July 7, 2009 Kent County Water Authority sent a letter to US Bank with a copy to the Controller of the Currency that the amount for advance services paid was acknowledged and that Kent County Water Authority has not acknowledged its exception to extracting at the 11<sup>th</sup> hour ransom of \$6,650.00 on January 12, 2009 and it will continued pursuit of its claim with the Controller of the Currency. A follow up letter was sent to the Controller of the Currency on August 21, 2009 and will await a response. A follow up letter was sent on December 17, 2009. The General Manager received a response from the Comptroller of the Currency on January 8, 2010 and on January 11, 2010, Legal Counsel received a response letter from the Comptroller of the Currency which deemed that the complaint is still active. Legal Counsel has been monitoring the status via the website provided by the Comptroller and there is no updated status as of May 20, 2010 and Legal Counsel sent a follow up letter on May 20, 2010.

## West Greenwich Taxes

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

Legal Counsel for Kent County Water Authority sent a written response on July 2, 2009 to the Solicitor along with a letter from the West Greenwich Tax Assessor dated July 27, 2001 evidencing the payment due in lieu of real estate taxes at \$364.43 per year. Kent County Water Authority made this payment to the Town each year as billed. The billing ceased at 2001. Kent County Water Authority has offered to pay to the Town in lieu of taxes the sum of \$2,915.44 representing tax years 2002-2009. No counter response has been received from the Town. On January 20, 2010, Legal Counsel sent a follow up letter to the Town and a response from the Town has not been received to date. On March 22, 2010, Legal Counsel sent a follow up letter to Mr. Ursillo via certified mail, return receipt requested. On March 29, 2010, Mr. Ursillo replied to Legal Counsel stating that he would respond upon reviewing the matter with the West Greenwich Tax Assessor. As of May 1, 2010, a response has not been received from the Town of West Greenwich Solicitor.

## Spectrum Properties, The Oaks, Coventry, Rhode Island

Legal Counsel for the developer forwarded on July 13, 2009 to Kent County Water Authority Legal Counsel for comment on the proposed form of easement deeds with respect to the residential subdivision. On July 29, 2009, Legal Counsel for Kent County Water Authority sent a response to Attorney William Landry setting forth comments to the proposed form of deeds. Legal Counsel received revised deeds from Attorney Landry on September 10, 2009 and they have been forwarded to the General Manager for review and have been approved by the General Manager. On September 24, 2009, Legal Counsel forwarded to Attorney Landry correspondence stating that the form of easement deed has been approved by Kent County Water Authority and for Attorney Landry to forward the original executed deeds to Kent County Water Authority for execution of acceptance. Legal Counsel has not received the deeds to date therefore Legal Counsel forwarded status inquiry correspondence to Attorney Landry on November 18, 2009. Attorney Landry replied to Legal Counsel on November 23, 2009 stating that the developer is in the midst of scheduling a final approval hearing with the Town and Attorney Landry will provide Legal Counsel for KCWA with the anticipated timetable for final approval and recording of the deeds upon Mr. Landry's receipt of this information.

Legal Counsel pursuing Attorney Landry for status of his receipt of timetable for municipal approvals. Legal Counsel telephoned Attorney Landry and left a voicemail message as to status and subsequently forwarded correspondence to Attorney Landry on March 11, 2010 and awaiting a response. On May 11, 2010, Legal Counsel forwarded subsequent correspondence to Attorney Landry inquiring as to the status of the matter.

#### 49 Hebert Street

A complaint was recently filed by the owner of 49 Hebert Street, West Warwick who built a home on subdivisional land albeit, she was aware that the property would not be serviced by Kent County Water Authority because of neighborhood pressure issues. Legal Counsel answered the matter and filed a Data Request (10/5/09) of the Complainant. The pre-hearing conference was held on November 23, 2009 and a schedule of discovery was set and the matter was heard on February 9, 2010 and the Complainant agreed to install a well subject to engineering which would avert the necessity of further hearings. The General Manager and Legal Counsel will continue to monitor the status. Legal Counsel has spoken to Laffey, Esq. and the owner is pursuing the well with Pare Engineering as the parties had agreed that Pare Engineering would give a report concerning the well installation. The report was finalized on April 2, 2010 and the Hearing Officer concluded that the well should be drilled and the Complainant has not been compliant with her agreement.

#### Coventry Water Treatment Plant (Mishnock)

Kent County Water Authority has filed a Development Plan Review Application with the Coventry Rhode Island Planning Commission and an application with the Coventry Zoning board for a special use permit to construct a water treatment facility with respect to three (3) wells located on Coventry Assessor's Plat 2, Lot 6 (located off of Nooseneck Hill Road, Coventry, Rhode Island).

The General Manager and Legal Counsel appeared before the Coventry Planning Commission on April 28, 2010 to schedule a site walk with the Planning Commission, said site walk occurring on May 11, 2010. The General Manager familiarized the Commission with the site and proposed improvements. The General Manager and Legal Counsel will next appear before the Planning Commission on May 26, 2010 for a pre-application conference. The application for the special use permit will be heard by the Zoning Board of Review on June 2, 2010. If the permit is granted by the Zoning Board, the Development Plan Review will then be heard by the Planning Commission on July 28, 2010.

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

The General Manager stated that the poor state of the economy is hampering the collection process and Kent County Water Authority is working very hard on collections

and that due to the flood the sales will continue to be burdened.

Joanne Gershkoff, Finance Director, explained and submitted the financial report attached as "E" and comparative balance sheets attached as "F", statements of revenues, expenditures, cash receipts, disbursements attached as "G" through April, 2010, and after thorough discussion, especially with regard to the sales and revenue shortfalls and that shut offs and payment plans will be necessary,

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

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

#### **Point of Personal Privilege and Communications:**

Board Member Masterson referred to the Kent County Water Authority Consumer Confidence 2009 Annual Report attached as "H" which is a Federal requirement and congratulated the General Manager and staff on a job well done

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

##### **KCWA Rate Case Review Status (Docket #3942)**

The Supreme Court is to issue to a decision.

##### **Rate Case Revenue Shortfall, Docket #4142 Status**

The PUC favorably ruled on the rate request in April and the report and order is pending. The General Manager stated that Kent County Water Authority was very effective at the PUC hearings concerning Docket #4142. He stated that the Commissioners reiterated the healthcare insurance co-payment as ordered in the previous rate case #3942 of 10% and Commissioner Roberti stated for the record that Kent County Water Authority was trimming expenses in these economic times.

##### **KCWA Pass Through of PWSB, Docket 4067**

The pass through request was favorably ruled upon by the PUC and Kent County Water Authority awaits the Report and Order.

## New Business

### Construction Services Mishnock Treatment Plant Proposal for Approval

The zoning/planning issues have been continued.

### Health Care Discussion

The General Manager gave a handout to the Board Members as evidenced and attached as "I" regarding the marketing of different healthcare coverages and it is very difficult to compare the offerings of the different companies. He stated it appears to be an increase and the subject will be explored at the next meeting. The General Manager fully reviewed the summary ("I") to the Board. He stressed that this information is preliminary and he will have more complete data for the next Board meeting.

### Worker's Compensation Discussion

The General Manager stated that two major claims raised the Kent County Water Authority rating from \$42,000 to \$54,000 and he is going before the Beacon Insurance Co. committee to seek a 30% reduction. The General Manager expects that the increase will continue into the future and that there is no other option because of an unfair rating predicament.

### Water Resources Board Partnership, Modeling Request

The General Manager, Chairman Boyer, Board Member Masterson and Legal Counsel attended a meeting with the Water Resources Board on April 19, 2010 which was to be a work session which did not constitute a quorum of Kent County Water Authority Board. He stated that it was questionable regarding the Water Resources Board modeling issues. The General Manager told the Water Resources Board that before serious conversation can take place there must be a study by the Water Resources Board as to the benefits which Kent County Water Authority can receive from the Big River Reservoir well water and as to where it will be received and at what rate and price.

Board Member Masterson stated that the Kent County Water Authority mission to obtain its own water production is and has been the model which the Kent County Water Authority should continue to follow, especially, since the Water Resources Board has not done its due diligence. June Swallow, Chief of the Department of Health drinking water section, stated that Kent County Water Authority should continue to proceed with Mishnock for more self-sufficiency. Chairman Boyer stated that much time has elapsed without Big River wells results and no customers for the Big River

Reservoir well water. The General Manager agreed with the Chairman Boyer and Kent County Water Authority should proceed in its mission especially with Mishnock treatment plant. The General Manager stated that General Manager Burke of the Water Resources Board was invited to this meeting but did not choose to appear. The General Manager reiterated that due diligence by the Water Resources Board is needed and that Kent County Water Authority has no money to assist.

#### New Hire Equipment Operator

The General Manager informed the Board that he interviewed and reviewed applicants for the position of Equipment Operator. The General Manager recommended Brian Galeski for the position subject to the applicant follow-up procedures and he was tested and is an excellent candidate and was posted and no present employees applied. Board Member Masterson asked about his background and the General Manager related the extensive resume and mentioned that the candidate is a crane operator as well.

Board Member Gallucci stated that according to the recent Handbook (2003) and prior hiring policy since 1995 that the recommendation of the General Manager has worked well in the past and he is satisfied with the results. Board Member Masterson stated that the hiring policy is very important for the integrity of the Authority.

After discussion, Board Member Gallucci moved and it was seconded by Board Member Masterson to hire Brian Galeski as an Equipment Operator subject to two years probation and the regular pre-hiring due diligence of successful drug testing, BCI record checks and follow-up procedures by the General Manager and adherence to the established entry level salary and it was voted by Board Member Boyer – yes, Board Member Gallucci, -yes and Board Member Masterson - yes,

VOTED: To hire Brian Galeski as Equipment Operator subject to two years probation and the regular pre-hiring due diligence of successful drug testing, BCI record checks and follow-up procedures by the General Manager and adherence to the established entry level salary.

#### Employee Review (4:00 p.m.)

The Chairman stated that the employee affected was notified in writing on May 5, 2010 at 3:45 p.m. that a discussion of job performance, character, physical or mental health was to be held in executive (closed) session at 4:00 p.m. by the Board of Kent County Water Authority unless the employee affected required the proceeding to be held at an open meeting. The employee affected did respond and did appear and requested that the meeting be in executive (closed) session.

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

complied with.

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

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

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

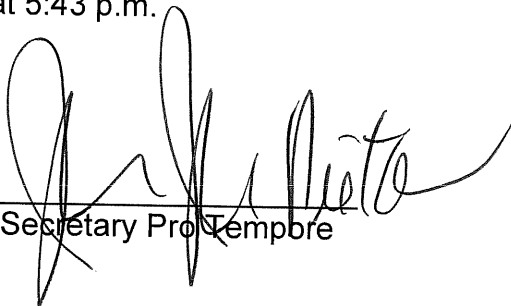
VOTED: To exit executive session and to keep the executive session minutes closed and that the minutes shall remain under seal pursuant to R.I.G.L. 42-46-4 and 42-46-5.

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

All other Capital Projects and Infrastructure Projects were addressed by the General Manager and described to the Board by the General Manager with general discussion following and are evidenced and attached as "J".

Board Member Masterson made a Motion to adjourn, seconded by Board Member Gallucci and it was voted by Board Member Boyer – yes, Board Member Gallucci,-yes and Board Member Masterson - yes,

VOTED: To adjourn the meeting at 5:43 p.m.

  
Secretary Pro Tempore

# **EXHIBIT A**

Board Meeting

May 20, 2010



**KENT COUNTY WATER AUTHORITY**

Kent County Water Authority  
Pension Plan

Actuarial Funding Valuation  
Plan Year Beginning January 1, 2010

April 2010

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## PURPOSE AND ACTUARIAL STATEMENT

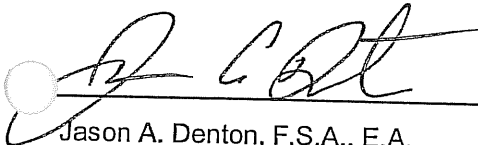
As requested by the Kent County Water Authority, this report documents the results of an actuarial valuation of the Kent County Water Authority Pension Plan. The primary purpose of this valuation is determination of the contribution requirements for the plan for the plan year beginning January 1, 2010 and ending December 31, 2010 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.

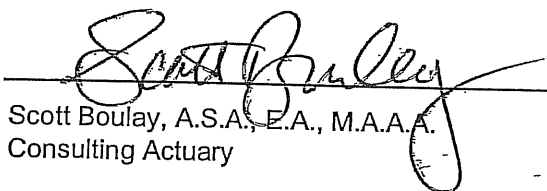
There is no relationship between the Kent County Water Authority and Summit Financial Corporation that would impair or appear to impair our objectivity.



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

4/16/2010

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>1/1/2010</u>	<u>1/1/2009</u>	<u>1/1/2008</u>
Minimum Required Contribution	\$ 214,026	\$ 258,392	\$ 193,619
Fiscal Year Beginning	<u>7/1/2009</u>	<u>7/1/2008</u>	<u>7/1/2007</u>
Minimum Required Contribution <sup>1</sup>	\$ 236,209	\$ 226,006	\$ 174,097
Actual Amount Contributed	\$ 260,000	\$ 193,619	\$ 206,000

### 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 decreased from \$258,392 for 2009 to \$214,026 for 2010. This decrease in cost is due primarily to the 6.4% decrease in average compensation from 2008 to 2009 as well as the asset gains in the prior plan year. The liability funding percentage under the Entry Age Normal funding method has increased from 69.6% as of January 1, 2009 to 78.6% as of January 1, 2010.

<sup>1</sup> - Fiscal year contribution requirements calculated by averaging the contribution requirements for the Plan years beginning and ending during the fiscal year.

# 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.

Plan Year Beginning	<u>01/01/2010</u>	<u>01/01/2009</u>	<u>01/01/2008</u>
<b>Participating Employees</b>			
Number	31	30	32
Number with Vested Benefits	27	28	31
Number Fully Vested (7 years of service)	23	20	22
Average Attained Age	46.0	45.7	45.8
Average Credited Service	12.9	13.5	13.8
Average Annual Pay	\$ 52,090	\$ 55,637	\$ 54,845
Average Annual Benefit	\$ 10,177	\$ 10,108	\$ 10,443
<b>Participants with Deferred Benefits</b>			
Number	8	7	6
Average Attained Age	50.1	51.6	51.5
Average Annual Deferred Benefit	\$ 3,550	\$ 3,728	\$ 3,862
<b>Participants Receiving Benefits</b>			
Number	23	22	21
Average Attained Age	72.2	72.2	72.1
Average Annual Benefit	\$ 12,492	\$ 12,993	\$ 10,853

**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, 2009	30	7	22	0	59
+ New hires	3	0	0	0	3
+ 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	2	2
- Deaths	(1)	0	(1)	0	(2)
- Disabled participants	0	0	0	0	0
- Lump Sum Distributions	0	0	0	0	0
- <u>Data adjustments</u>	0	0	0	0	0
Participants as of January 1, 2010	31	8	21	2	62

**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	1	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	2	0	0	1	0	0	0	0
40 to 44	0	1	2	1	1	2	0	0	0	0
45 to 49	0	1	3	3	1	1	0	0	0	0
50 to 54	0	1	0	3	0	2	0	2	0	0
55 to 59	0	1	0	0	0	1	0	0	0	0
60 to 64	0	0	0	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.

Plan Year Beginning	<u>01/01/2010</u>	<u>01/01/2009</u>	<u>01/01/2008</u>
<b>Value of Assets</b>			
Market Value of Assets (MVA)	\$ 3,499,204	\$ 2,940,501	\$ 3,932,168
Actuarial Value of Assets (AVA)	3,928,333	3,528,601	3,932,168
<b>Rate of Return on Assets</b>			
Market Value of Assets	19.93%	-24.08%	5.28%
Actuarial Value of Assets	12.07%	-9.02%	5.28%

### 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.

Plan Year Beginning	<u>01/01/2010</u>	<u>01/01/2009</u>	<u>01/01/2008</u>
Present Value of Future Benefits	\$ 6,058,884	\$ 6,184,890	\$ 5,983,592
Normal Cost (plan funding)	199,558	240,925	180,531
EAN Actuarial Accrued Liability	4,998,203	5,073,463	4,812,595
EAN Normal Cost	104,956	106,055	105,809
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.

Plan Year Beginning	<u>01/01/2010</u>	<u>01/01/2009</u>	<u>01/01/2008</u>
Actuarial Value of Assets to Present Value of Future Benefits	64.8%	57.1%	65.7%
Actuarial Value of Assets to Actuarial Accrued Liability	78.6%	69.6%	81.7%

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## **ACTUARIAL EXHIBITS**

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# SUMMARY AND COMPARISON OF RESULTS

## Key Valuation Measurements

Plan Year Beginning	<u>1/1/2010</u>	<u>1/1/2009</u>
Present Value of Future Benefits		
- Active participants	\$ 3,386,448	\$ 3,465,630
- Vested terminated participants	151,228	137,888
- <u>Retirees, beneficiaries, and disabled participants</u>	<u>2,521,208</u>	<u>2,581,372</u>
- TOTAL	\$ 6,058,884	\$ 6,184,890
<u>Actuarial Value of Assets less Credit Balance</u>	<u>3,928,333</u>	<u>3,528,601</u>
Present Value of Future Normal Costs (PVFNC)	\$ 2,130,551	\$ 2,656,289
Present Value of Future Salaries	\$ 17,757,233	\$ 18,954,721
<u>Current Payroll</u>	<u>1,663,231</u>	<u>1,719,191</u>
Temporary Annuity Factor	10.676348	11.025372
Normal Cost (plan funding) = PVFNC / Temp Annuity Factor	\$ 199,558	\$ 240,925
Entry Age Normal Actuarial Accrued Liability		
- Active participants	\$ 2,325,767	\$ 2,354,203
- Vested terminated participants	151,228	137,888
- <u>Retirees, beneficiaries, and disabled participants</u>	<u>2,521,208</u>	<u>2,581,372</u>
- TOTAL	\$ 4,998,203	\$ 5,073,463
Normal Cost (EAN, includes assumed expenses)	\$ 104,956	\$ 106,055
Plan Assets		
- Market Value of Plan Assets (MVA)	\$ 3,499,204	\$ 2,940,501
- Actuarial Value of Plan Assets (AVA)	3,928,333	3,528,601
- Receivable contributions included in assets	0	0
Minimum required contribution	\$ 214,026	\$ 258,392
Actual Contribution History	TBD	\$ 260,000
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, 2010

	Market Value	Actuarial Value
<i>Reconciliation of Assets During Plan Year</i>		
Plan assets at the beginning of the prior plan year	\$ 2,940,501	\$ 3,528,601
Employer contributions		
- Deposited during the prior plan year	260,000	260,000
- <u>Receivable at the beginning of the prior plan year</u>	<u>0</u>	<u>0</u>
- SUBTOTAL	\$ 260,000	\$ 260,000
- <u>Receivable at the beginning of the current plan year</u>	<u>0</u>	<u>0</u>
- TOTAL	\$ 260,000	\$ 260,000
Participant benefit payments	(284,793)	(284,793)
Administrative expenses paid by the plan	0	0
Net transfers	0	0
<u>Investment return</u>	<u>583,496</u>	<u>424,525</u>
Plan assets at the beginning of the current plan year	\$ 3,499,204	\$ 3,928,333

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

Plan assets at the beginning of the prior plan year (A)	\$ 2,940,501	\$ 3,528,601
Plan assets at the beginning of the current plan year (B)	3,499,204	3,928,333
Investment return (i)	583,496	424,525
 Rate of Return = $2i / (A + B - i)$	 19.93%	 12.07%

# 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	\$ 2,940,501	100.00%	\$ 2,940,501
Contributions for prior plan year	260,000	20.28%	52,731
Participant benefit payments	(284,793)	50.00%	(142,397)
Administrative expenses paid by the plan	0	50.00%	0
<u>Net transfers</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>
Total weighted asset value			\$ 2,850,835
<u>Assumed rate of return on plan assets for the year</u>			<u>7.25%</u>
Expected plan asset return			\$ 206,686

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

Market Value of Assets (MVA) at beginning of prior plan year	\$ 2,940,501
Contributions for prior plan year	260,000
Participant benefit payments	(284,793)
Administrative expenses paid by the plan	0
Market Value of Assets (MVA) at end of prior plan year	\$ 3,499,204
Actual plan asset return	583,496

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

\$ 376,810

### Development of Actuarial Value of Assets

Market Value of Assets (MVA) as of beginning of current plan year	\$ 3,499,204
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, 2009	\$ 376,810	20%	80%	\$ 301,448
December 31, 2008	(1,217,628)	40%	60%	(730,577)
December 31, 2007	N/A	60%	40%	N/A
<u>December 31, 2006</u>	<u>N/A</u>	<u>80%</u>	<u>20%</u>	<u>N/A</u>
TOTAL				\$ (429,129)

Asset value adjusted for deferred gains and losses	\$ 3,928,333
Corridor for actuarial value:	
Minimum = 80% of market value of assets	2,799,363
Maximum = 120% of market value of assets	4,199,045
Actuarial value of assets	\$ 3,928,333

# 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	240,925
Amortization	0
Interest	17,467
Additional funding charge	N/A
<u>Late quarterly interest</u>	<u>N/A</u>
<b>TOTAL</b>	<b>258,392</b>
<b>Credits</b>	
Prior year credit balance	N/A
Employer contribution	260,000
Amortization	0
<u>Interest</u>	<u>0</u>
<b>TOTAL</b>	<b>260,000</b>

### Current Year Minimum Funding Standard Account

Interest Rate	7.25%
<b>Charges</b>	
Prior year funding deficiency	0
Normal Cost	199,558
Amortization	0
Interest	14,468
Additional funding charge	N/A
<u>Late quarterly interest</u>	<u>N/A</u>
<b>TOTAL</b>	<b>214,026</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>214,026</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)	\$	258,392
Net change in plan normal cost		(44,366)
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		(44,366)
Current year minimum funding requirement as of the end of the plan year (not less than zero)	\$	214,026

# ACTUARIAL ACCRUED LIABILITY

## Reconciliation of Liability from Prior Year

	Plan Year Beginning	
	1/1/2010	1/1/2009
Accumulated Plan Benefits		
- Active participants <sup>1</sup>	\$ 2,292,156	\$ 2,312,039
- Vested terminated participants	151,228	137,888
<u>- Retirees, beneficiaries, and disabled participants</u>	<u>2,521,208</u>	<u>2,581,372</u>
- SUBTOTAL	\$ 4,964,592	\$ 5,031,299
<u>- Non-vested benefits</u>	<u>33,611</u>	<u>42,164</u>
- TOTAL	\$ 4,998,203	\$ 5,073,463

### Reconciliation of Accumulated Plan Benefits

- Present value of accumulated plan benefits at January 1, 2009		\$ 5,073,463
- Changes attributable to:		
- Benefits accumulated (incl. gains/losses from non-investment experience)		(147,969)
- Decrease in the discount period		357,502
- Actual benefits paid		(284,793)
- Plan amendment		0
- Change of assumptions		0
- Present value of accumulated plan benefits at January 1, 2010		\$ 4,998,203

1 - There are a total of 31 active participants. Of these, 23 are fully vested and 4 are partially vested.

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# APPENDICES

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## APPENDIX A: STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

<i>Plan Sponsor</i>	Kent County Water Authority																								
<i>Key Interest Rates</i>	Valuation discount rate: 7.25%																								
<i>Compensation Increases</i>	Compensation is assumed to increase at the rate of 3.0% annually.																								
<i>Social Security Wage Base</i>	The taxable wage base is assumed to increase 2.5% annually.																								
<i>Administrative Expenses</i>	For purposes of this valuation, we have assumed that no administrative expenses will be paid from plan assets.																								
<i>Mortality</i>	Mortality rates are assumed in accordance with the Sex-Distinct IRS 2008 Combined Static Mortality Table.																								
<i>Retirement</i>	All participants are assumed to retire at age 62 or current age, if older.																								
<i>Disability</i>	None assumed.																								
<i>Disabled Mortality</i>	Not applicable.																								
<i>Representative Termination Rates</i>	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.																								
	<table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>Rate</u></th> <th><u>Age</u></th> <th><u>Rate</u></th> <th><u>Age</u></th> <th><u>Rate</u></th> </tr> </thead> <tbody> <tr> <td>20</td> <td>5.44%</td> <td>35</td> <td>2.35%</td> <td>50+</td> <td>0.00%</td> </tr> <tr> <td>25</td> <td>4.89%</td> <td>40</td> <td>1.13%</td> <td></td> <td></td> </tr> <tr> <td>30</td> <td>3.70%</td> <td>45</td> <td>0.27%</td> <td></td> <td></td> </tr> </tbody> </table>	<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%		
<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%																						
<i>Form of Payment</i>	Participants are assumed to elect the normal form of annuity.																								
<i>Marriage</i>	75% of participants are assumed to be married; husbands are assumed to be three years older than wives.																								
<i>Employees</i>	No new or rehired employees are assumed for valuation purposes.																								
<i>Employee Data</i>	Employee data was supplied by Kent County Water Authority as of January 1, 2010.																								

## 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

<i>Plan Sponsor</i>	Kent County Water Authority
<i>Effective Date</i>	January 1, 1976
<i>Eligibility</i>	<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.
<i>Entry Date</i>	January 1 nearest the completion of eligibility requirements.
<i>Service</i>	<u>Credited Service:</u> 1,000 hours per plan year <u>Vesting Service:</u> 1,000 hours per plan year
<i>Accrued Benefit</i>	<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>
<i>Normal Retirement</i>	<p><u>Eligibility:</u> First of the month coincident with or next following the attainment of age 62.</p> <p><u>Benefit Formula:</u> Benefit is the accrued benefit.</p> <p><u>Commencement Date:</u> Payments will commence on the retired participant's Normal 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>
<i>Early Retirement</i>	<p><u>Eligibility:</u> First of the month coincident with or next following the attainment of age 52.</p> <p><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.</p> <p><u>Commencement Date:</u> Payments will commence on the retired participant's Early 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>

## APPENDIX B: SUMMARY OF PRINCIPAL PLAN PROVISIONS

### *Late Retirement*

Eligibility: Retirement after age 62.

Benefit: The benefit calculated as of the participant's Normal Retirement Date with actuarial increase for late retirement.

Commencement Date: Payments will commence on the retired participant's Deferred Retirement Date.

Form of Payment: Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.

### *Vested Deferred Retirement*

Eligibility: Termination other than by retirement, death, or disability after at least three years of vesting service.

Benefit: 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.

Commencement Date: Deferred until normal retirement date or a reduced amount at early retirement.

Form of Payment: Payable monthly for life, but not less than 120 payments. Optional forms are available on an actuarially equivalent basis.

### *Death Before Retirement*

Eligibility: Payable to surviving spouse.

Benefit: Lifetime benefit equal to 50% of the participant's deferred vested benefit (including a reduction to reflect an assumed election of a 50% joint & survivor option).

Commencement Date: Payable at the earliest date that the participant would have become eligible for early retirement.

Form of Payment: Payable monthly for life.

### *Death After Retirement*

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.

### *Disability Benefit*

The plan does not provide special disability benefits.

### *Forms of Payment*

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.

### *Benefits Not Valued*

None.

### *Changes Since Prior Valuation*

None.

# Kent County Water Authority Pension Plan

## Required Supplementary Information

Fiscal Year Ending June 30, 2010

### Schedule of Funding Progress (in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/2004	\$ 3,077	\$ 3,301	\$ 224	93.2%	\$ 1,458	15.4%
01/01/2005	3,366	3,607	241	93.3%	1,518	15.9%
01/01/2006	3,524	3,947	423	89.3%	1,683	25.1%
01/01/2007	3,775	4,319	544	87.4%	1,713	31.8%
01/01/2008	3,932	4,813	881	81.7%	1,808	48.7%
01/01/2009	3,529	5,073	1,544	69.6%	1,719	89.8%
01/01/2010	3,928	4,998	1,070	78.6%	1,663	64.3%

Notes: The most recent valuation date is January 1, 2010.

Funding levels are determined using the aggregate cost method. This method does not identify or separately amortize unfunded actuarial liabilities. For purposes of this schedule, liabilities under the entry age normal cost method are shown.

The asset valuation method 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.

The liability discount rate / assumed investment return is 7.25%

Salaries are assumed to increase 3% per year.

Benefits are not adjusted for cost-of-living increases after retirement.

As of January 1, 2008, assumed mortality was updated from the 1983 Group Annuity Table to the 2008 IRS Static Mortality Table.

As of January 1, 2009, the asset valuation method was changed from market value to a five-year smoothing method.

# Kent County Water Authority Pension Plan

Required Supplementary Information

Fiscal Year Ending June 30, 2010

## Schedule of Employer Contributions

<b>Fiscal Year Ended</b>	<b>Annual Required Contribution</b>	<b>Employer Contribution</b>	<b>Percentage Contributed</b>
06/30/2004	\$ 218,271	\$ 218,271	100.00%
06/30/2005	215,654	215,654	100.00%
06/30/2006	136,201	136,201	100.00%
06/30/2007	154,574	154,574	100.00%
06/30/2008	174,097	206,000	118.32%
06/30/2009	226,006	193,619	85.67%
06/30/2010	236,209	260,000	110.07%

## APPENDIX B: SUMMARY OF PRINCIPAL PLAN PROVISIONS

<i>Plan Sponsor</i>	Kent County Water Authority
<i>Effective Date</i>	January 1, 1976
<i>Eligibility</i>	<u>Employment Classification:</u> All employees of Kent County Water Authority <u>Minimum Age &amp; Service:</u> Attainment of age 24 and the completion of one year of service.
<i>Entry Date</i>	January 1 nearest the completion of eligibility requirements.
<i>Service</i>	<u>Credited Service:</u> 1,000 hours per plan year <u>Vesting Service:</u> 1,000 hours per plan year
<i>Accrued Benefit</i>	<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>
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<i>Early Retirement</i>	<p><u>Eligibility:</u> First of the month coincident with or next following the attainment of age 52.</p> <p><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.</p> <p><u>Commencement Date:</u> Payments will commence on the retired participant's Early 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>

## APPENDIX B: SUMMARY OF PRINCIPAL PLAN PROVISIONS

<i>Late Retirement</i>	<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>
<i>Vested Deferred Retirement</i>	<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>
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<i>Death After Retirement</i>	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.
<i>Disability Benefit</i>	The plan does not provide special disability benefits.
<i>Forms of Payment</i>	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.
<i>Benefits Not Valued</i>	None.
<i>Changes Since Prior Valuation</i>	None.



# Kent County Water Authority Pension Plan

## Required Supplementary Information

Fiscal Year Ending June 30, 2010

### Schedule of Funding Progress (in 000's)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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# Kent County Water Authority Pension Plan

Required Supplementary Information

Fiscal Year Ending June 30, 2010

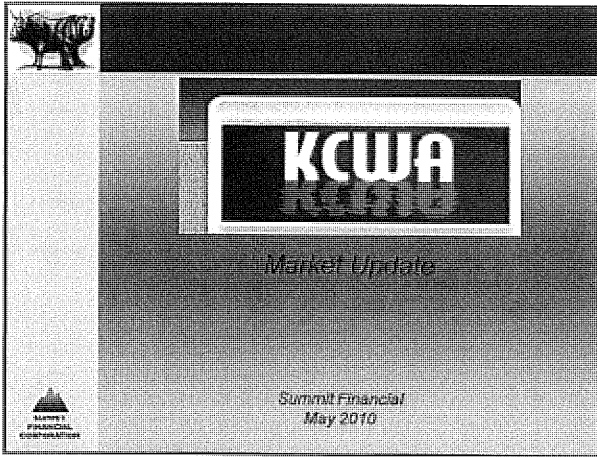
## Schedule of Employer Contributions

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>
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06/30/2005	215,654	215,654	100.00%
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06/30/2008	174,097	206,000	118.32%
06/30/2009	226,006	193,619	85.67%
06/30/2010	236,209	260,000	110.07%

# **EXHIBIT B**

Board Meeting

May 20, 2010




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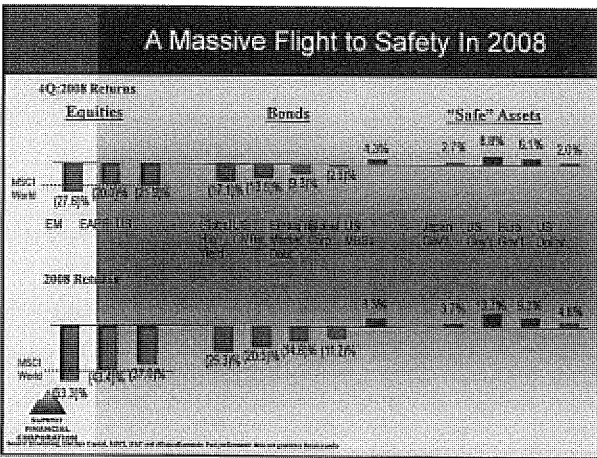
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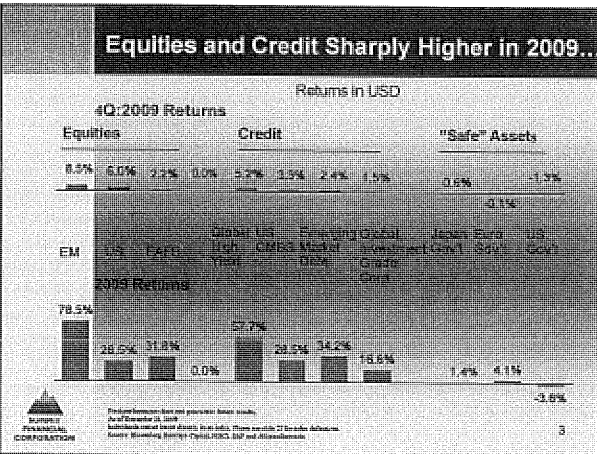
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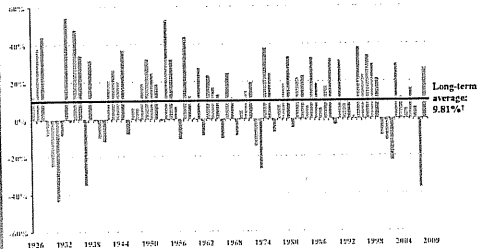
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## Bumpy ride to get to long-term averages

S&P 500

Calendar year returns 1926-2009




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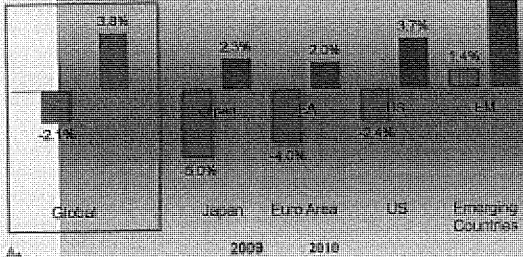
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## The Economic Outlook Is for Sustained Modest Growth

Real GDP Forecasts



Global and Emerging Markets forecasts may not be identical. As of March 31, 2009. Source: Moody's Economics.

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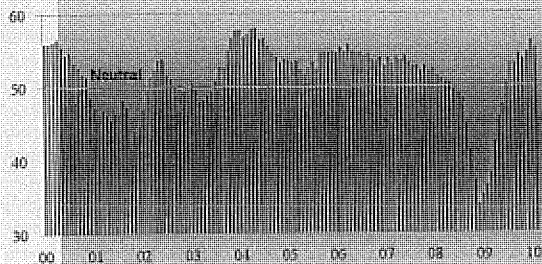
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## Manufacturing Is Back in Expansionary Territory

Global Purchasing Managers' Index



Historical index data and projected index through 2010. The Global Purchasing Managers' Index is an indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment relationship. Through February 28, 2009. Source: IHS GlobalVantage and Strategia Analytics.

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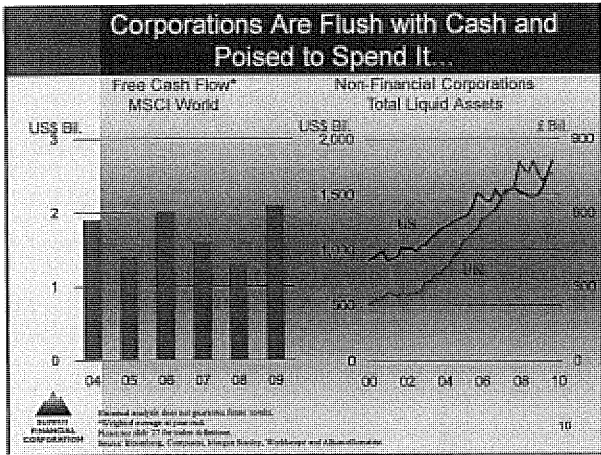
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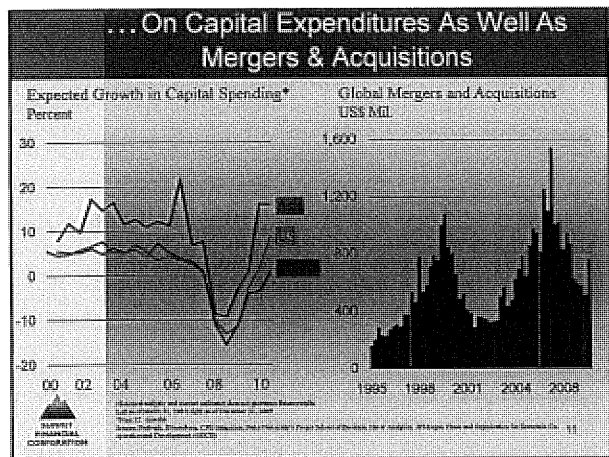
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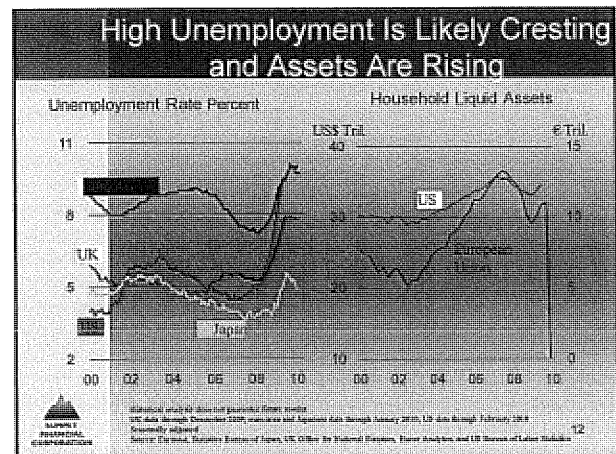
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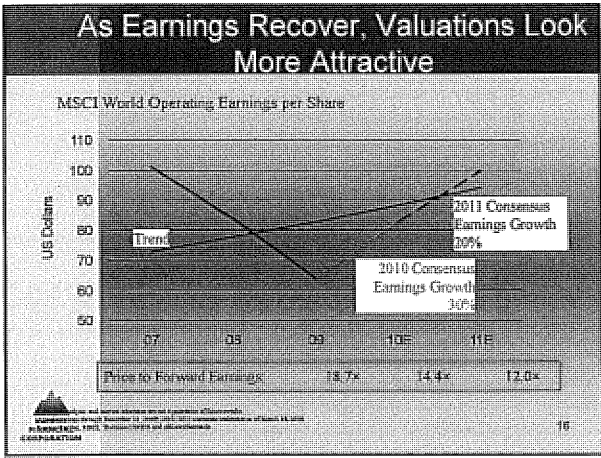
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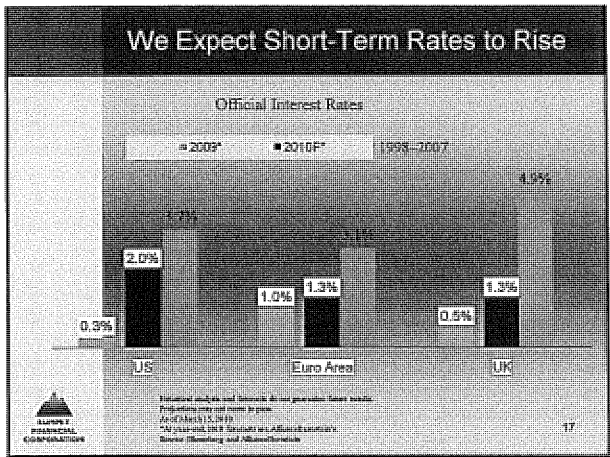
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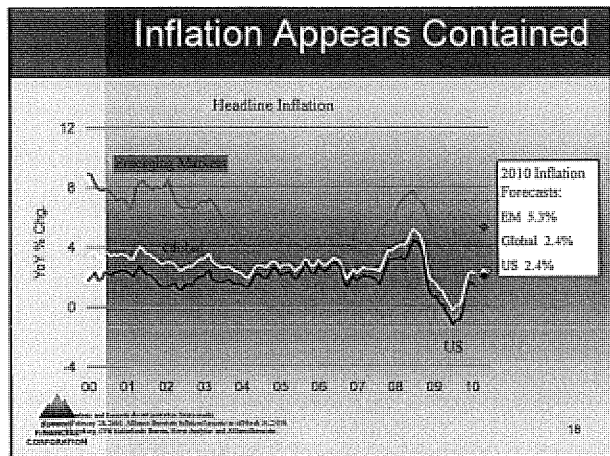
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### Proposed Equity Portfolio – 60%

	Value	Blend	Growth
Large 38%	10%	Boston Company International Value Juno Baer	10% Fidelity Gessica, Parker & Co. Equity
Int'l 12%	10%	Vanguard International Index	10% Fidelity International Equity
Mid 6%	10%	Vanguard International Index	Vanguard Growth Index
Small 4%	All Pro Small Value 1%	Vanguard Mid Cap Index	All Pro Small Growth 1%
	Vanguard Small Value Index 1%		Vanguard Small Growth Index 1%




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### Proposed Fixed Income Portfolio 40%

	Short	Intermediate	Long	
10%	10%	10%	5%	High Quality 30%
Fixed Income	All Pro Diversified Bond BlackRock Fixed Income Wisdom Asset Management	Vanguard Inflation Protected		
	1%	1%		
		Vanguard Total Bond Index	N/A	Medium 7%
		3%	N/A	Low 3%
		Vanguard High Yield Bond Index		




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## Questions???

**Summit Financial Corporation**

We can't predict. We can help you prepare.

Please note this information is provided for your sponsor use only in meeting fiduciary obligations to help participants prepare for retirement. It is not to be construed as advertising or solicitation and is not for distribution to plan participants. Securities offered through Ogilvie & Matherly Advisors Chicago Illinois.




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## A Word About Risk

Fund performance is no guarantee of future results. The investment return and principal value of an investment in any Fund will fluctuate as the prices of the individual securities in which they invest. Declines in that return, when measured, may be more or less than that expected.

Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be "value" stocks are able to handle business reversals or economically complex operating conditions and would thus be subject to the risk of a price decline.

Investment in any Fund does not ensure the realization of its investment objectives. Because of the possibility of withdrawal, the Fund may not be able to invest in the securities it seeks to invest in. Because of the Fund's investment objectives, the Fund may invest in securities that are subject to the risk of a price decline.

When a Fund invests in securities, it may be subject to the risk of a price decline. The Fund may also invest in securities that are subject to the risk of a price decline. The Fund may also invest in securities that are subject to the risk of a price decline.

Fund shares are not insured or guaranteed by any agency. The value of shares may rise or fall. Shares are not insured or guaranteed by any agency. The value of shares may rise or fall. Shares are not insured or guaranteed by any agency.



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## Important Fund Disclosure Information

You should consider the investment objectives, risks, charges and expenses of any fund/portfolio carefully before investing. For free copies of any prospectuses, which contain this and other information, visit us online at [www.fundcompany.com](http://www.fundcompany.com). Please read the prospectus carefully before investing.



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# **EXHIBIT C**

Board Meeting

May 20, 2010

**Kent County Water Authority**

**Portfolio Review**

**For the period ending 12/31/2009**

# Kent County Water Authority

## Investment Policy Review

Period Ending 12/31/2009

GR#004214-202-001

### Investment Policy Review

The Plan's Investment Policy Statement provides the framework for the selection of appropriate investment options, as well as criteria for their monitoring. The ongoing review of these investment options ensures that the Plan is adhering to the terms and objectives outlined in the policy statement. Specifically, Plan Sponsors should contemplate the following items to affirm the Plan's compliance with their policy statement:

1. Investment Goals and Objectives
  - a) Have the plan's investment goals changed since the last review?
  - b) Have the performance expectations for the various asset classes changed since the last review?
  - c) Are the selected investments still aligned with the specific objectives and guidelines of the investment policy?
  - d) Is the investment program compliant with current state and federal regulations?
2. Investment Policies and Procedures
  - a) Is the current asset allocation sufficiently diversified to maintain a reasonable level of risk without imprudently sacrificing return?
  - b) Have the Plan's investments been formally reviewed within the past year?
3. Performance Objectives

The performance objectives are established at the Total Plan Level. Are these objectives achieving a:

  - a) Rate of return equal to or greater than the actuarial interest rate?
  - b) Real return above inflation?
  - c) Rate of return equal to or greater than the target rate of return?
4. Investment Review

On an ongoing basis, at a minimum annually, the Plan Sponsor will monitor the investment managers for compliance with the Investment Policy Statement. The Investment Policy Statement and the Plan's underlying investments should be modified accordingly when goals, objectives or expectations change.

# Kent County Water Authority

Annual Projection

Period Ending 12/31/2009

GR#004214-202-001

<u>Asset Class</u>	<u>Market Value</u>	<u>% of Portfolio</u>
<b>Domestic Equity</b>		
All Pro Large Cap Growth Fund	\$369,817	10.57%
All Pro Large Cap Value Fund	\$361,729	10.34%
All Pro Small Cap Growth Fund	\$35,779	1.02%
All Pro Small Cap Value Fund	\$35,801	1.02%
Vanguard Growth Index Fund Shares	\$333,494	9.53%
Vanguard Mid-Cap Index Fund	\$219,277	6.27%
Vanguard Small-Cap Growth Index Fund	\$35,831	1.02%
Vanguard Small-Cap Value Index Fund	\$35,577	1.02%
Vanguard Value Index Fund	\$322,678	9.22%
	<b>\$1,749,983</b>	<b>50.01%</b>
<b>International/Global Equity</b>		
All Pro International Equity Strategy	\$211,351	6.04%
Vanguard Total International Stock Index Fund	\$212,497	6.07%
	<b>\$423,848</b>	<b>12.11%</b>
<b>Bond</b>		
All Pro Diversified Bond Fund	\$348,355	9.96%
Vanguard High-Yield Corporate Fund	\$108,491	3.10%
Vanguard Inflation-Protected Securities	\$175,366	5.01%
Vanguard Total Bond Market Index Fund	\$241,267	6.89%
	<b>\$873,479</b>	<b>24.96%</b>
<b>Cash/Cash Equivalent</b>		
Fixed Income Fund	\$451,894	12.91%
	<b>\$451,894</b>	<b>12.91%</b>

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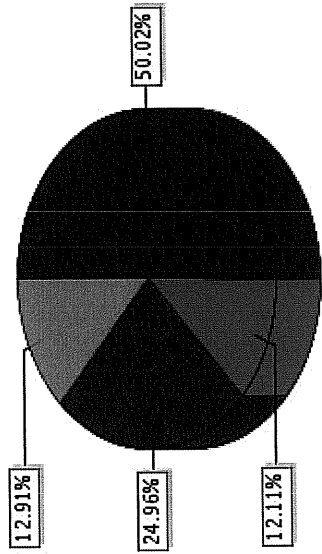
# Kent County Water Authority

Portfolio Allocation

Period Ending 12/31/2009

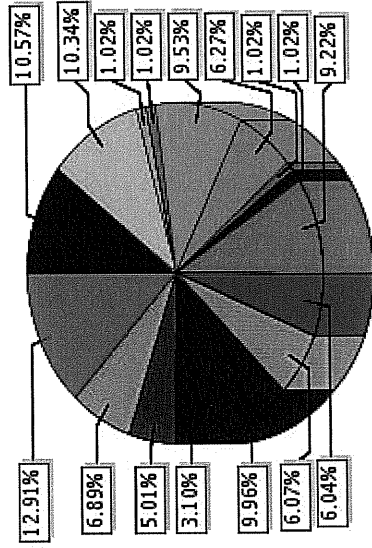
GR#004214-202-001

## Asset Allocation by Broad Asset Class



- Domestic Equity
- International/Global Equity
- Bond
- Cash/Cash Equivalent

## Portfolio Construction



- All Pro Large Cap Growth Fund
- All Pro Small Cap Growth Fund
- Vanguard Growth Index Fund Shares
- Vanguard Small-Cap Growth Index Fund
- Vanguard Small-Cap Value Index Fund
- All Pro International Equity Strategy
- Vanguard Total International Stock Index Fund
- All Pro Diversified Bond Fund
- Vanguard Inflation-Protected Securities
- Vanguard Total Bond Market Index Fund
- Fixed Income Fund
- Vanguard High-Yield Corporate Fund
- Vanguard Mid-Cap Index Fund
- Vanguard Value Index Fund
- Vanguard Value Index Fund

# Kent County Water Authority

Portfolio Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

	<u>Current Month</u>	<u>10/2009 - 12/2009</u>	<u>07/2009 - 09/2009</u>	<u>04/2009 - 06/2009</u>	<u>01/2009 - 03/2009</u>	<u>Current Year-to-Date</u>	<u>Since 02/21/1996</u>
<b>Beginning Market Value</b>	\$3,378,267	\$3,278,565	\$2,926,407	\$2,691,755	\$2,940,501	\$2,940,501	\$662,698
<b>Contributions</b>	\$86,667	\$173,333	\$86,667	\$0	\$0	\$260,000	\$7,546,208
<b>Distributions</b>	(\$22,775)	(\$70,415)	(\$71,460)	(\$71,460)	(\$71,460)	(\$284,793)	(\$6,050,581)
<b>Gain/Losses</b>	\$57,045	\$117,720	\$336,951	\$306,111	(\$177,286)	\$583,496	\$1,340,879
<b>Ending Market Value</b>	\$3,499,204	\$3,499,204	\$3,278,565	\$2,926,407	\$2,691,755	\$3,499,204	\$3,499,204
<b>Period End Asset Allocation</b>							
<b>Domestic Equity</b>	50.01%	50.01%	50.92%	50.80%	47.13%		
<b>International/Global Equity</b>	12.11%	12.11%	13.21%	13.74%	11.22%		
<b>Bond</b>	24.96%	24.96%	24.14%	23.98%	26.71%		
<b>Cash/Cash Equivalent</b>	12.91%	12.91%	11.73%	11.49%	14.93%		

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

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# Kent County Water Authority

Fund Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

		Fund Inception					Since Fund Inception				
	<u>Date</u>	<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Inception</u>		
<b>Domestic Equity</b>											
All Pro Large Cap Growth Fund	04/14/1998	4.51%	7.40%	25.01%	25.01%	-7.83%	-2.62%	-6.52%			
<i>Russell 1000 Growth Index</i>		3.09%	7.94%	37.21%	37.21%	-1.88%	1.64%	-3.75%			
All Pro Large Cap Value Fund	04/14/1998	2.20%	5.02%	21.02%	21.02%	-8.35%	-0.21%	2.14%			
<i>Russell 1000 Value Index</i>		1.77%	4.22%	19.69%	19.69%	-8.96%	-0.26%	2.46%			
All Pro Small Cap Growth Fund	04/14/1998	7.05%	3.87%	21.44%	21.44%	-9.52%	-2.77%	-4.28%			
<i>Russell 2000 Growth Index</i>		8.56%	4.14%	34.47%	34.47%	-4.00%	0.80%	-0.84%			
All Pro Small Cap Value Fund	04/14/1998	6.38%	3.98%	25.08%	25.08%	-5.33%	-0.76%	6.28%			
<i>Russell 2000 Value Index</i>		7.57%	3.62%	20.55%	20.55%	-8.22%	-0.01%	8.52%			
Vanguard Growth Index Fund Shares	11/01/2006	3.29%	7.65%	35.24%	35.24%	-2.56%					
<i>MSCI US Prime Market Growth Index</i>		3.37%	7.92%	36.50%	36.50%	-1.67%					
Vanguard Mid-Cap Index Fund	11/01/2006	6.14%	6.37%	39.21%	39.21%	-5.43%					
<i>MSCI US Mid Cap 450 Index</i>		6.24%	6.64%	40.50%	40.50%	-4.60%					
Vanguard Small-Cap Growth Index Fund	11/01/2006	8.80%	4.14%	40.62%	40.62%	-3.13%					
<i>MSCI US Small Cap Growth Index</i>		8.91%	4.38%	41.96%	41.96%	-2.29%					
Vanguard Small-Cap Value Index Fund	11/01/2006	6.80%	3.56%	29.21%	29.21%	-7.10%					
<i>MSCI US Small Cap Value Index</i>		6.87%	3.80%	30.28%	30.28%	-6.28%					
Vanguard Value Index Fund	11/01/2006	1.10%	4.19%	18.67%	18.67%	-9.20%					
<i>MSCI US Prime Market Value Index</i>		1.20%	4.43%	19.56%	19.56%	-8.47%					
<b>International/Global Equity</b>											
All Pro International Equity Strategy	06/29/1998	1.06%	2.28%	27.28%	27.28%	-9.93%	0.82%	0.26%			
<i>MSCI EAFE Index</i>		1.45%	2.23%	32.45%	32.45%	-6.00%	3.57%	1.35%			
Vanguard Total International Stock Index Fund	05/01/2007	1.46%	2.94%	35.54%	35.54%						

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# Kent County Water Authority

Fund Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

	<u>Fund Inception Date</u>	<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Fund Inception</u>
<b>Bond</b>									
All Pro Diversified Bond Fund	07/29/1996	-0.99%	0.97%	12.79%	12.79%	4.24%	3.68%	5.50%	
<i>Lehman Aggregate Bond Index</i>		-1.56%	0.20%	5.93%	5.93%	6.04%	4.97%	6.33%	
Vanguard High-Yield Corporate Fund	11/01/2006	2.69%	4.89%	38.05%	38.05%	2.99%			
<i>Lehman High Yield Index</i>		3.28%	6.20%	58.21%	58.21%	5.98%			
Vanguard Inflation-Protected Securities	11/01/2006	-2.27%	1.72%	10.00%	10.00%	5.49%			
<i>Lehman US Treasury Inflation Notes Index</i>		-2.61%	-1.31%	-3.57%	-3.57%	5.54%			
Vanguard Total Bond Market Index Fund	11/01/2006	-1.74%	-0.12%	5.12%	5.12%	5.14%			
<i>Lehman Aggregate Bond Index</i>		-1.56%	0.20%	5.93%	5.93%	6.04%			
<b>Cash/Cash Equivalent</b>									
Fixed Income Fund	04/01/1990	0.22%	0.64%	3.22%	3.22%	4.02%	4.13%	4.44%	
<i>91-day T-bill Index</i>		0.01%	0.04%	0.20%	0.20%	2.40%	2.96%	2.96%	

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# Kent County Water Authority

Portfolio Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

	<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Fund Inception</u>
<b>Blended Domestic Equity</b>	3.60%	5.95%	27.08%	27.08%	-6.76%	-0.67%	-0.89%	
<i>Blended Benchmark</i>	3.32%	6.03%	30.17%	30.17%	-5.13%	1.05%	0.20%	
<i>Dow Jones Wilshire 5000 Composite Index</i>	2.70%	5.78%	28.30%	28.30%	-5.24%	0.94%	-0.25%	
<i>MSCI US Broad Market Index</i>	2.85%	5.85%	28.77%	28.77%	-5.05%	1.05%		
<i>Russell 3000 Index</i>	2.85%	5.90%	28.33%	28.33%	0.71%	3.77%	-2.98%	
<i>S&amp;P 500 Index</i>	1.93%	6.04%	26.45%	26.45%	-5.61%	0.40%	-0.96%	
<b>Blended International/Global Equity</b>	1.26%	2.61%	31.42%	31.42%	-4.95%	0.41%	0.13%	
<i>MSCI EAFE Index</i>	1.45%	2.23%	32.45%	32.45%	-6.00%	3.57%	1.35%	
<i>MSCI Emerging Markets Index</i>	3.96%	8.57%	79.00%	79.00%	5.15%	15.54%	10.16%	
<b>Blended Bond</b>	-1.00%	1.31%	13.25%	13.25%	4.58%	1.47%	2.19%	
<i>Lehman Aggregate Bond Index</i>	-1.56%	0.20%	5.93%	5.93%	6.04%	4.97%	6.33%	
<i>Lehman Government Bond Index</i>	-2.27%	-1.00%	-2.19%	-2.19%	6.10%	4.87%	6.17%	
<i>Lehman High Yield Index</i>	3.28%	6.20%	58.21%	58.21%	5.98%	6.47%	6.72%	
<b>Blended Cash/Cash Equivalent</b>	0.22%	0.64%	3.22%	3.22%	4.02%	4.13%	4.44%	
<i>91-day T-bill Index</i>	0.01%	0.04%	0.20%	0.20%	2.40%	2.96%	2.96%	
<b>Portfolio Level Return</b>	1.68%	3.57%	21.02%	21.02%	-1.88%	1.48%	2.49%	4.62%
Total Portfolio								

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**Kent County Water Authority**  
 Portfolio Performance with Benchmarks  
 Period Ending 12/31/2009

GR#004214-202-001

<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>	<u>Since Fund Inception</u>
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# Kent County Water Authority

## Portfolio Performance with Benchmarks

Period Ending 12/31/2009

GR#004214-202-001

<b>Portfolio Level Return</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>
Total Portfolio	-25.55%	4.84%	9.48%	4.10%	8.38%	17.89%	-6.40%	-1.05%	0.43%	9.38%

Fund returns are based upon fund level performance. Portfolio level returns may vary due to cash flows within the given time period.

Blended asset class and benchmark returns are based upon current investment allocation.

Benchmark Return since the contract inception date, unlike Portfolio Return since the contract inception date, cannot be calculated on an intra-month basis due to the availability of the benchmark data. Therefore, Benchmark Return since the contract inception date will reflect performance data effective the first of the month subsequent to the commencement of the Contract, unless the Contract commenced on the first day of the month. Benchmark Return since contract inception is based upon current investment allocation.

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

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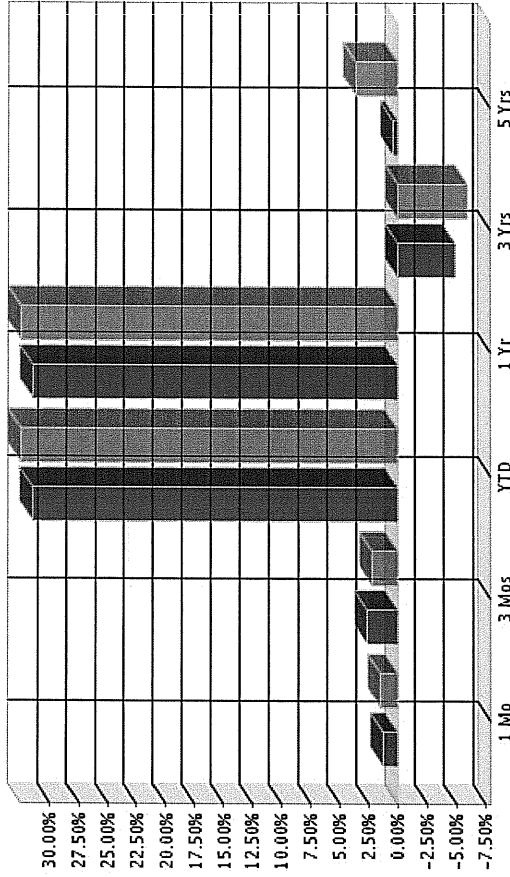
# Kent County Water Authority

Periodic Performance Graphs

Period Ending 12/31/2009

GR#004214-202-001

## International/Global Equity Performance



■ International/Global Equity ■ Blended International/Global Equity Benchmark

- All Pro Large Cap Growth Fund - 21.13%
- All Pro Large Cap Value Fund - 20.67%
- All Pro Small Cap Growth Fund - 2.04%
- All Pro Small Cap Value Fund - 2.05%
- Vanguard Growth Index Fund Shares - 19.06%
- Vanguard Mid-Cap Index Fund - 12.53%
- Vanguard Small-Cap Growth Index Fund - 2.05%
- Vanguard Small-Cap Value Index Fund - 2.03%

- All Pro International Equity Strategy - 49.86%
- Vanguard Total International Stock Index Fund - 50.14%

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

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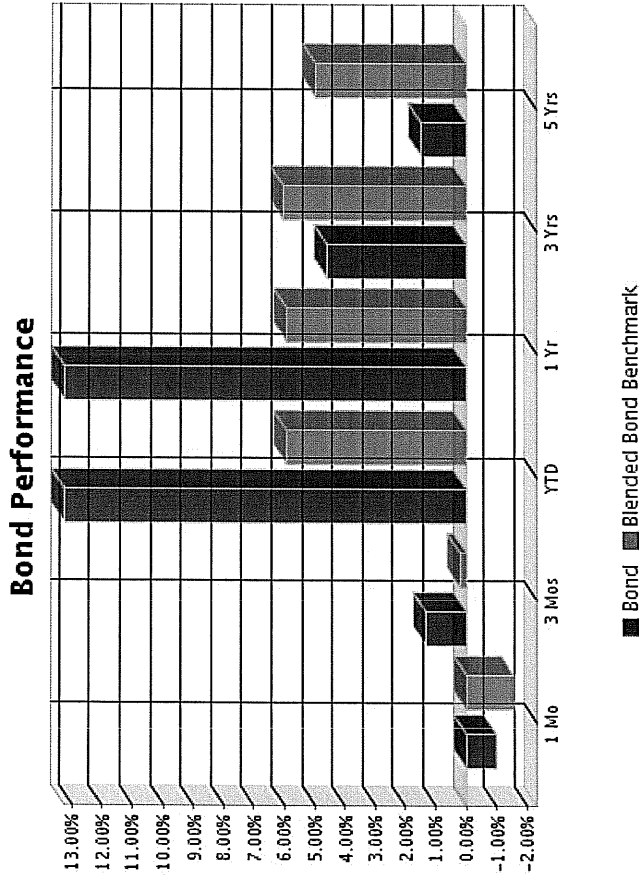
# Kent County Water Authority

## Periodic Performance Graphs

Period Ending 12/31/2009

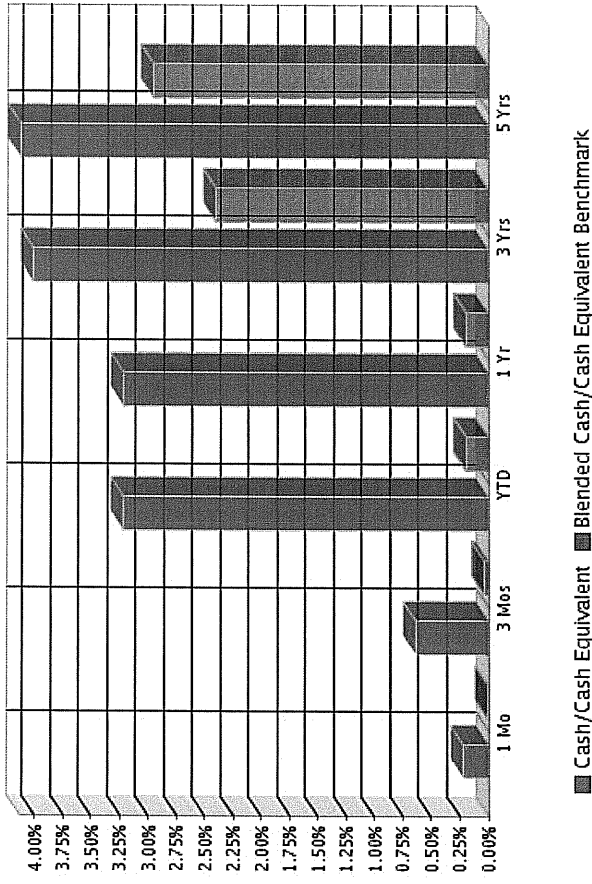
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Vanguard Value Index Fund - 18.44%



- All Pro Diversified Bond Fund - 39.88%
- Vanguard High-Yield Corporate Fund - 12.42%
- Vanguard Inflation-Protected Securities - 20.08%
- Vanguard Total Bond Market Index Fund - 27.62%

### Cash/Cash Equivalent Performance



Fixed Income Fund - 100.00%

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

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# Kent County Water Authority

## Fund Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

Investment Option	Beginning		Transfers From		Transfers To		Benefit		Other		Investment		Ending	
	Balance	02/21/1996	Deposits	Other Funds	Other Funds	Other Funds	Payments	Distributions	Growth	Balance	12/31/2009			
All Pro Diversified Bond Fund	\$0	\$1,237,494	\$1,225,110	(\$2,203,856)	\$0	(\$351,277)	\$0	\$440,884	\$348,355					
All Pro Diversified Equity Fund	\$0	\$360,367	\$443,659	(\$1,005,298)	\$0	\$0	\$0	\$201,272	\$0					
All Pro Equity Growth Fund	\$0	\$244,367	\$482,139	(\$785,470)	\$0	\$0	\$0	\$58,964	\$0					
All Pro International Equity Strategy	\$0	\$257,522	\$455,567	(\$202,964)	\$0	(\$209,705)	\$0	(\$89,069)	\$211,351					
All Pro Large Cap Growth Fund	\$0	\$45,362	\$400,424	(\$21,170)	\$0	\$0	\$0	(\$54,799)	\$369,817					
All Pro Large Cap Value Fund	\$0	\$45,362	\$368,250	(\$33,912)	\$0	\$0	\$0	(\$17,971)	\$361,729					
All Pro Small Cap Growth Fund	\$0	\$4,536	\$39,808	(\$4,564)	\$0	\$0	\$0	(\$4,001)	\$35,779					
All Pro Small Cap Value Fund	\$0	\$4,536	\$40,221	(\$9,544)	\$0	\$0	\$0	\$587	\$35,801					
All Pro Value Equity Fund	\$0	\$356,247	\$452,619	(\$1,008,460)	\$0	\$0	\$0	\$199,594	\$0					
Deposit Account	\$0	\$2,453,872	\$2,937,383	(\$2,937,674)	\$0	(\$2,453,872)	\$0	\$292	\$0					
Fixed Income Fund	\$525,860	\$2,103,695	\$1,233,914	(\$710,152)	(\$2,515,663)	(\$520,064)	\$0	\$334,303	\$451,894					
International Value Fund	\$0	\$219,647	\$291,937	(\$809,582)	\$0	\$0	\$0	\$297,998	\$0					
Money Market Fund	\$136,838	\$0	\$0	(\$143,343)	\$0	\$0	\$0	\$6,506	\$0					
Vanguard Growth Index Fund	\$0	\$40,826	\$348,545	(\$39,417)	\$0	\$0	\$0	(\$16,460)	\$333,494					
Shares														
Vanguard High-Yield Corporate Fund	\$0	\$13,609	\$106,063	(\$20,940)	\$0	\$0	\$0	\$9,760	\$108,491					
Vanguard Inflation-Protected Securities	\$0	\$22,681	\$197,283	(\$44,121)	\$0	\$0	\$0	(\$476)	\$175,366					

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# Kent County Water Authority

## Fund Activity Summary

Period Ending 12/31/2009

GR#004214-202-001

Vanguard Mid-Cap Index Fund	\$0	\$27,217	\$238,959	(\$37,200)	\$0	\$0	(\$9,699)	\$219,277
Vanguard Small-Cap Growth Index Fund	\$0	\$4,536	\$39,667	(\$7,868)	\$0	\$0	(\$504)	\$35,831
Vanguard Small-Cap Value Index Fund	\$0	\$4,536	\$41,565	(\$13,312)	\$0	\$0	\$2,788	\$35,577
Vanguard Total Bond Market Index Fund	\$0	\$31,753	\$272,283	(\$81,107)	\$0	\$0	\$18,337	\$241,267
Vanguard Total International Stock Index Fund	\$0	\$27,217	\$252,487	(\$48,263)	\$0	\$0	(\$18,943)	\$212,497
Vanguard Value Index Fund	\$0	\$40,826	\$354,846	(\$54,508)	\$0	\$0	(\$18,486)	\$322,678
<b>Total Portfolio</b>	\$662,698	\$7,546,208	\$10,222,728	(\$10,222,728)	(\$2,515,663)	(\$3,534,918)	\$1,340,879	\$3,499,204

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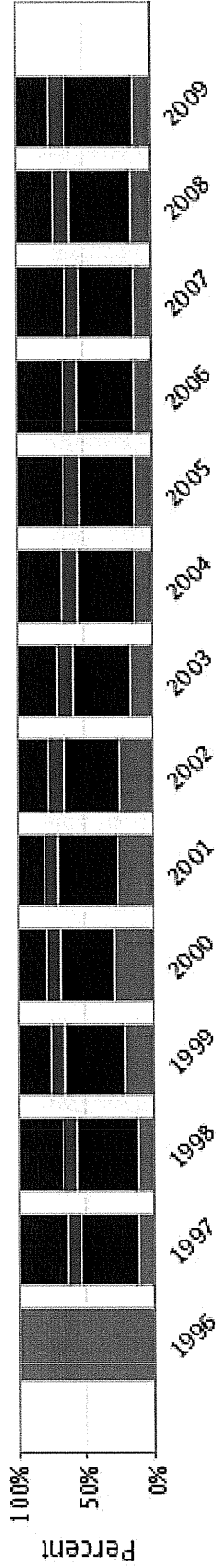
# Kent County Water Authority

History of Asset Growth

Period Ending 12/31/2009

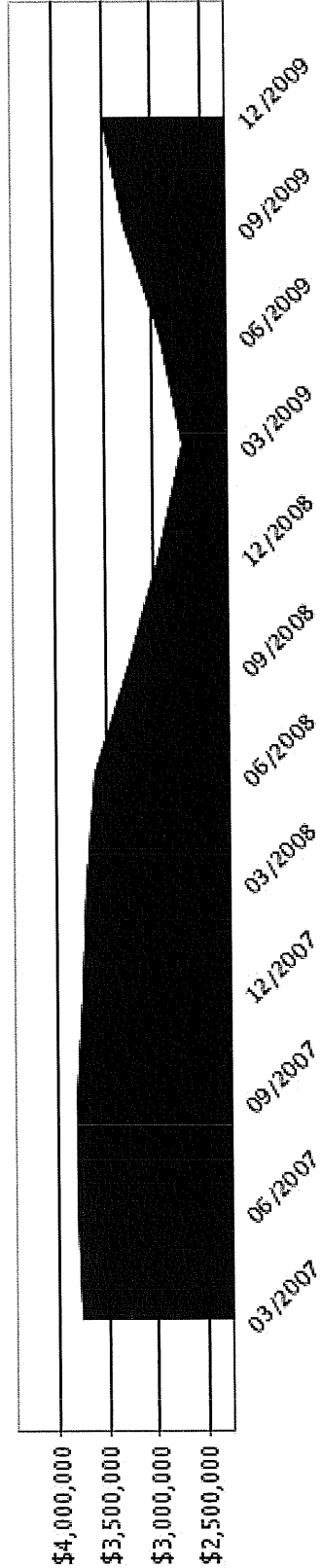
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Portfolio Allocation Over Time



Cash/Cash Equivalent
  Domestic Equity
  International/Global Equity
  Bond

Ending Market Values Over Time



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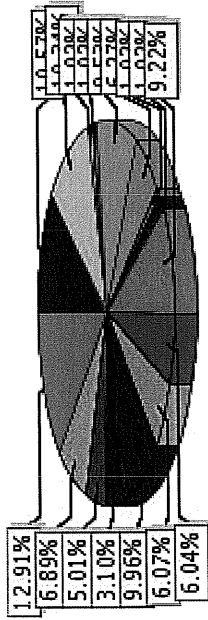
# Kent County Water Authority

Portfolio Rebalancing Review

Period Ending 12/31/2009

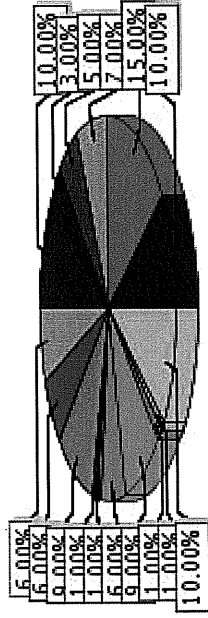
GR#004214-202-001

## Current Portfolio Allocation



- All Pro Large Cap Growth Fund
- All Pro Small Cap Value Fund
- Vanguard Growth Index Fund - Shares
- Vanguard Mid-Cap Index Fund
- Vanguard Small-Cap Growth Index Fund
- Vanguard Small-Cap Value Index Fund
- Vanguard Value Index Fund
- All Pro International Equity Strategy
- Vanguard Total International Stock Index Fund
- All Pro Diversified Bond Fund
- Vanguard High-Yield Corporate Fund
- Vanguard Inflation-Protected Securities
- Vanguard Total Bond Market Index Fund
- Fixed Income Fund

## Targeted Portfolio Allocation



- All Pro Diversified Bond Fund
- Vanguard High-Yield Corporate Fund
- Vanguard Inflation-Protected Securities
- Vanguard Total Bond Market Index Fund
- Fixed Income Fund
- All Pro Large Cap Growth Fund
- All Pro Large Cap Value Fund
- All Pro Small Cap Growth Fund
- All Pro Small Cap Value Fund
- Vanguard Growth Index Fund - Shares
- Vanguard Mid-Cap Index Fund
- Vanguard Small-Cap Growth Index Fund
- Vanguard Small-Cap Value Index Fund
- Vanguard Value Index Fund
- All Pro International Equity Strategy
- Vanguard Total International Stock Index Fund

# Kent County Water Authority

Portfolio Rebalancing Review

Period Ending 12/31/2009

GR#004214-202-001

The Targeted Portfolio Allocation is the stated portfolio rebalanced on a quarterly basis. Rebalancing plan assets can help assure that the plan will stay on course in achieving its particular goals.

All Pro Diversified Bond Fund	10.00%	Vanguard High-Yield Corporate Fund	3.00%
Vanguard Inflation-Protected Securities	5.00%	Vanguard Total Bond Market Index Fund	7.00%
Fixed Income Fund	15.00%	All Pro Large Cap Growth Fund	10.00%
All Pro Large Cap Value Fund	10.00%	All Pro Small Cap Growth Fund	1.00%
All Pro Small Cap Value Fund	1.00%	Vanguard Growth Index Fund Shares	9.00%
Vanguard Mid-Cap Index Fund	6.00%	Vanguard Small-Cap Growth Index Fund	1.00%
Vanguard Small-Cap Value Index Fund	1.00%	Vanguard Value Index Fund	9.00%
All Pro International Equity Strategy	6.00%	Vanguard Total International Stock Index Fund	6.00%

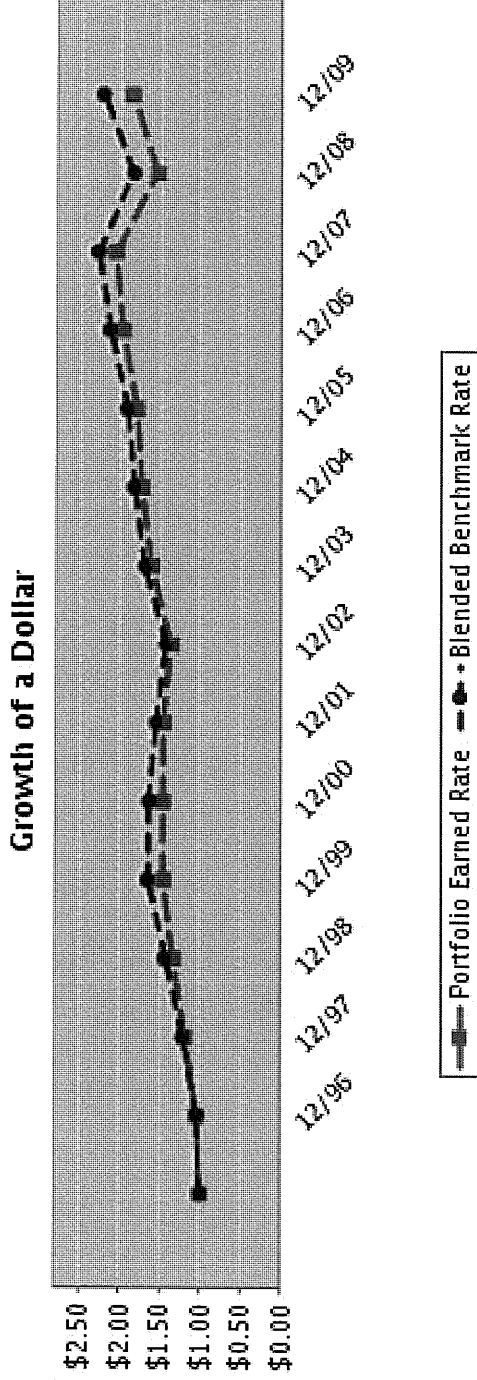
Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

# Kent County Water Authority

Portfolio Analysis

Period Ending 12/31/2009

GR#004214-202-001



**Portfolio Earned Rate:** annual portfolio performance based on the investment experience of the underlying accounts.

**Blended Benchmark Rate:** performance of fund benchmarks weighted according to investment elections.

Blended benchmark returns are based upon current investment allocation.

Past performance is no guarantee of future results. Portfolio return and investment option performance reflect the deduction of investment management fees and any applicable group variable annuity contract charges (inclusive of broker commissions) that may exist. All performance reflects the reinvestment of all income and capital gains.

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# Kent County Water Authority

Benefit Payment Review

Period Ending 12/31/2009

GR#004214-202-001

## Amount of Benefit Payments

	<u>Current Month</u>	<u>10/2009 - 12/2009</u>	<u>07/2009 - 09/2009</u>	<u>04/2009 - 06/2009</u>	<u>01/2009 - 03/2009</u>	<u>Current Year-to-Date</u>	<u>Since 02/21/1996</u>
Beginning Balance	\$3,378,267	\$3,278,565	\$2,926,407	\$2,691,755	\$2,940,501	\$2,940,501	\$662,698
Benefit Payments	(\$22,775)	(\$70,415)	(\$71,460)	(\$71,460)	(\$71,460)	(\$284,793)	(\$2,515,663)
Ending Balance	\$3,499,204	\$3,499,204	\$3,278,565	\$2,926,407	\$2,691,755	\$3,499,204	\$3,499,204

## Number of Benefit Payments

	<u>Current Month</u>	<u>10/2009 - 12/2009</u>	<u>07/2009 - 09/2009</u>	<u>04/2009 - 06/2009</u>	<u>01/2009 - 03/2009</u>	<u>Current Year-to-Date</u>	<u>Since 02/21/1996</u>
Repetitive Payments	21	65	66	66	66	263	2789
Other Payments	0	0	0	0	0	0	3

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**Kent County Water Authority**

Market Commentary

*Period Ending 12/31/2009*

GR#004214-202-001

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Nationwide Market Commentary  
Fourth Quarter 2009

Nationwide Life Insurance Company is a wholly owned subsidiary of Nationwide Financial Services, Inc. The retirement plans are funded through the Selector + Group Variable Annuity Contract issued by Nationwide Life Insurance Company.

# Kent County Water Authority

Market Commentary

Period Ending 12/31/2009

GR#004214-202-001

## *U.S. Economy*

Real GDP grew at an annual rate of 2.2% during the 3rd quarter, marking its first increase since the second quarter of 2008. Real GDP has contracted -3.1% since the recession began in Q1 2008 (Source: BEA). The Fed Funds Target Rate has been held in an accommodative range of 0.00%-0.25% since the FOMC moved to that minimum level in December 2008. Yields on the 10-year Treasury fell slightly through November (from 3.31% to 3.21%), but jumped 64 basis points in December to end the quarter and year at 3.85%; a noteworthy 1.6% above 2008's year-end yield of 2.25% (Source: Federal Reserve). CPI rose 0.4% in November and 0.8% for the three months September-November. Despite the notable short-term rise, CPI is up a modest 1.9% from a year ago. Inflation expectations trended higher during the quarter, as 10-year breakeven inflation surged from 1.75% at the end of September to 2.37% by year's end (Source: BLS, US Treasury). The rate of job losses slowed in the previous three months. November's 11,000 loss marked the smallest drop in the 23 months since the recession began. Still, the direction remained negative through November and brought recession-to-date job losses to 7.2 million and the unemployment rate to 10% (Source: BLS).

## *U.S. Equity Market*

The U.S. stock market finished the year strong with the Wilshire 5000 IndexSM posting a gain of 2.70% and 5.79% for the month and quarter, respectively. For the year, the market shook off a -24.49% selloff through its March 9th low to rally 69.92% and close the year with an impressive 28.30% return; its highest yearly gain since a 31.64% advance in 2003. The market ended 2009 with three consecutive quarterly gains and a return of 43.46% over that nine month stretch. Since its October 9, 2007 high, however, the Wilshire 5000 is still down -24.21%.

Small capitalization stocks maintained their leadership roll through the market recovery, with the Wilshire U.S. Small Cap IndexSM posting an 8.25% return in December to end 2009 with an impressive 41.79% advance. Only the microcap size segment performed better with an annual return of 47.59%. Growth stocks performed particularly well within the large cap segment, as the Wilshire U.S. Large Cap Growth IndexSM outpacing the large value index 7.59% to 4.52% for the quarter and 36.88% to 16.98% for the year. The Wilshire U.S. Small Cap Value IndexSM returned 103.36% since March 9th, representing the first style segment to double off the broad market's March low.

Information Technology, Materials and Consumer Discretionary stocks lead all sectors for both the year and quarter with returns of 61.8%, 52.9% and 47.1%, respectively, in 2009 and 10.4%, 8.3% and 8.3% for the quarter. The Financials sector was the only group to suffer a Q4 loss, falling -2.2% to close the year with a lackluster 14.2% return.

Real GDP gained 2.2% during the third quarter, which was the first increase in GDP since the 1.5% advance during the third quarter of 2008. While economic conditions remain tenuous, the rise in GDP along with narrowing job losses and a stabilizing housing market are beginning to

# Kent County Water Authority

## Market Commentary

Period Ending 12/31/2009

GR#004214-202-001

paint a picture of economic recovery. However, the recent increases in realized and expected inflation suggest that elevated levels of government stimulus, which have provided support for a recovery, may also be starting to pressure consumer prices higher.

### *Non-U.S. Equity Market*

Despite a modest recovery in the US dollar over the fourth quarter, major global equity markets continued their 2009 rallies through year-end, with European shares finding strong favor with global investors. Japan continued to struggle against the worldwide trade slowdown, dragging down Pacific region shares relative to other world markets; the December run-up in Japanese stocks may hint of a belated rally into 2010, but the yen still weakened against the dollar. Emerging-market stocks enjoyed sterling performance throughout the year. Investors now look to 2010 as a more challenging market environment as world governments and central banks unwind stimulus measures designed to avert a global financial collapse.

### *Fixed Income Market*

The 2009 rally in US credit markets, fueled in large part by government liquidity stimulus programs, hit a headwind in the form of inflation anticipation; a year-end rotation out of US Treasuries pushed long-term yields sharply higher and made long-term Treasuries the worst-performing market sector year-to-date. US Credits continued to find overall favor with investors as risk stayed in fashion; over the quarter, investment-grade Credit OAS to Treasuries fell almost 21% (to 157 basis points), while High-Yield Credit OAS fell 19% (to 617 b.p.) over the quarter. The strong performance of US TIPS reflects continued higher inflation forecasts for 2010 since mid-year. Non-US developed market bonds performed on par with US counterparts, while emerging-market, local currency-denominated debt rallied ahead on a relative basis.

### *Real Estate and Commodities Markets*

Global real estate securities markets continued their 2009 recovery through the fourth quarter, albeit at a more moderate pace than their lofty run-ups in the previous quarter. For the quarter, US real estate securities' performance outpaced global securities, although non-US issues were the stronger performers year-to-date. Commodities markets also rallied into year-end, as increased industrial production fueled a surge in industrial metals (up 16.32% in the fourth quarter alone). Precious metals, petroleum and agriculture products also rose, offsetting losses year-to-date in livestock.

# Kent County Water Authority

## Benchmark Summary

Period Ending 12/31/2009

GR#004214-202-001

	<u>Month</u>	<u>3 Months</u>	<u>YTD</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
<b>Domestic Equity</b>							
Dow Jones Wilshire 5000 Composite Index	2.70%	5.78%	28.30%	28.30%	-5.24%	0.94%	-0.25%
MSCI US Broad Market Index	2.85%	5.85%	28.77%	28.77%	-5.05%	1.05%	
MSCI US Mid Cap 450 Index	6.24%	6.64%	40.50%	40.50%	-4.60%	2.39%	3.77%
MSCI US Prime Market Growth Index	3.37%	7.92%	36.50%	36.50%	-1.67%	1.80%	-4.67%
MSCI US Prime Market Value Index	1.20%	4.43%	19.56%	19.56%	-8.47%	0.13%	2.81%
MSCI US REIT Index	7.07%	9.12%	28.61%	28.61%	-12.78%	0.13%	10.38%
MSCI US Small Cap 1750 Index	7.88%	4.10%	36.14%	36.14%	-4.21%	1.81%	5.89%
MSCI US Small Cap Growth Index	8.91%	4.38%	41.96%	41.96%	-2.29%	2.58%	1.89%
MSCI US Small Cap Value Index	6.87%	3.80%	30.28%	30.28%	-6.28%	1.15%	9.23%
Russell 1000 Growth Index	3.09%	7.94%	37.21%	37.21%	-1.88%	1.64%	-3.75%
Russell 1000 Value Index	1.77%	4.22%	19.69%	19.69%	-8.96%	-0.26%	2.46%
Russell 2000 Growth Index	8.56%	4.14%	34.47%	34.47%	-4.00%	0.80%	-0.84%
Russell 2000 Index	8.05%	3.88%	27.07%	27.07%	-6.09%	0.49%	3.90%
Russell 2000 Value Index	7.57%	3.62%	20.55%	20.55%	-8.22%	-0.01%	8.52%
Russell 3000 Growth Index	3.48%	7.64%	36.99%	36.99%	-2.07%	1.57%	-3.54%
Russell 3000 Index	2.85%	5.90%	28.33%	28.33%	0.71%	3.77%	-2.98%
Russell 3000 Value Index	2.21%	4.16%	19.74%	19.74%	-8.92%	-0.24%	2.90%
S&P 500 Index	1.93%	6.04%	26.45%	26.45%	-5.61%	0.40%	-0.96%
<b>International/Global Equity</b>							
MSCI EAFE Index	1.45%	2.23%	32.45%	32.45%	-6.00%	3.57%	1.35%
MSCI Emerging Markets Index	3.96%	8.57%	79.00%	79.00%	5.15%	15.54%	10.16%
MSCI World Index	1.83%	4.18%	30.80%	30.80%	-5.47%	6.44%	1.76%

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. The benchmark index chosen most closely represents the composition of the separate account fund but the group variable annuity contract will differ significantly from the securities representing the index. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

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# Kent County Water Authority

## Benchmark Summary

Period Ending 12/31/2009

GR#004214-202-001

Bond									
Lehman Aggregate Bond Index	-1.56%	0.20%	5.93%	5.93%	6.04%	4.97%	6.33%		
Lehman Government Bond Index	-2.27%	-1.00%	-2.19%	-2.19%	6.10%	4.87%	6.17%		
Lehman High Yield Index	3.28%	6.20%	58.21%	58.21%	5.98%	6.47%	6.72%		
Lehman US Treasury Inflation Notes Index	-2.61%	-1.31%	-3.57%	-3.57%	5.54%	4.53%	7.64%		
Cash/Cash Equivalent									
91-day T-bill Index	0.01%	0.04%	0.20%	0.20%	2.40%	2.96%	2.96%		

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

## Index Specifications

### Domestic Equity

Dow Jones Wilshire 5000: This index measures the performance of all U.S. equity securities with readily available price data. Over 5,000 capitalization weighted security returns are used to adjust the index.

Lipper Multi Cap Value Index: This index invests in a variety of market capitalization ranges without concentrating 75% of its equity assets in any one market capitalization range over an extended period of time.

MSCI US Broad Market Index: An index that represents the universe of companies in the US equity market, including large, mid, small and micro cap companies. This index targets for inclusion 99.5% of the capitalization of the US equity market. The MSCI US Broad Market Index is the aggregation of the MSCI US Investable Market 2500 and Micro Cap Indices.

MSCI US Mid Cap 450 Index: An index comprised of the value companies of the MSCI US Mid Cap 450 Index. (The MSCI US Mid Cap 450 Index represents the universe of medium capitalization companies in the US equity market. This index targets for inclusion 450 companies and represents, as of October 29, 2004, approximately 15% of the capitalization of the US equity market.) The MSCI US Mid Cap Value Index is a subset of the MSCI US Mid Cap 450 Index.

MSCI US Prime Market Growth Index: An index comprised of the growth companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Growth Index is a subset of the MSCI US Prime Market 750 Index.

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

**MSCI US Prime Market Value Index:** This index represents the value companies of the MSCI US Prime Market 750 Index. (The MSCI US Prime Market 750 Index represents the universe of large and medium capitalization companies in the US equity market. This index targets for inclusion 750 companies and represents, as of October 29, 2004, approximately 86% of the capitalization of the US equity market.) The MSCI US Prime Market Value Index is a subset of the MSCI US Prime Market 750 Index.

**MSCI US REIT Index:** This index is a free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US REIT universe.

**MSCI US Small Cap 1750 Index:** This index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.

**MSCI US Small Cap Growth Index:** This index is comprised of the growth companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Growth Index is a subset of the MSCI US Small Cap 1750 Index.

**MSCI US Small Cap Value Index:** The MSCI US Small Cap Value Index represents the value companies of the MSCI US Small Cap 1750 Index. (The MSCI US Small Cap 1750 Index represents the universe of small capitalization companies in the US equity market. This index targets for inclusion 1,750 companies and represents, as of October 29, 2004, approximately 12% of the capitalization of the US equity market.) The MSCI US Small Cap Value Index is a subset of the MSCI US Small Cap 1750 Index.

**Russell Mid Cap Index:** provides a comprehensive and unbiased barometer for the mid-cap segment and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true mid-cap opportunity set. The Russell Midcap Index includes the smallest 800 securities in the Russell 1000

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

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Russell Midcap Growth Index: offers investors access to the mid-cap growth segment of the U.S. equity universe. The Russell Midcap Growth Index is constructed to provide a comprehensive and unbiased barometer of the mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate mid-cap growth manager's opportunity set.

Russell 1000 Index: Measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$12.1 billion; the median market capitalization was approximately \$4.0 billion. The smallest company in the index had an approximate market capitalization of \$1.6 billion.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index. As of the latest reconstitution, the average market capitalization was approximately \$607.1 million; the median market capitalization was approximately \$496.4 million. The largest company in the index had an approximate market capitalization of \$1.6 billion.

Russell 2000 Growth Index: measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Value Index: measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Growth Index: This Index offers investors access to the small to mid-cap growth segment of the U.S. equity universe. The Russell 2500 Growth is constructed to provide a comprehensive and unbiased barometer of the small to mid-cap growth market. Based on ongoing empirical research of investment manager behavior, the methodology used to determine growth probability approximates the aggregate small to mid-cap growth manager's opportunity set.

Russell 3000 Index: measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. As of the latest reconstitution, the average market capitalization was approximately \$4.4 billion; the median market capitalization was approximately \$822.4 million. The index had a total market capitalization range of approximately \$317.8 billion to \$175.8 million.

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

**Russell 3000 Growth Index:** measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes.

**Russell 3000 Value Index:** measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes.

**S&P 500 Index:** A basket of 500 stocks that are considered to be widely held. The S&P 500 Index is weighted by market value, and its performance is thought to be representative of the stock market as a whole. This index provides a broad snapshot of the overall U.S. equity market; in fact, over 70% of all U.S. equity is tracked by the S&P 500. Most of the companies in the index are solid mid cap or large cap corporations.

## International Equity

**MSCI EAFE Index:** Morgan Stanley Capital International Index is designed to measure the performance of the developed stock markets of Europe, Australia, and the Far East.

**MSCI Emerging Markets Index:** Morgan Stanley Capital International Emerging Markets Index a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

**MSCI World Index:** an unmanaged index composed of more than 1,400 stocks listed on exchanges in the US, Europe, Canada, Australia, New Zealand and the Far East. It assumes the reinvestment of dividends and capital gains and excludes management fees and expenses. One cannot invest directly in an index.

**Total International Composite Index:** Consists of the MSCI Europe Index, the MSCI Pacific Index, and the MSCI Emerging Markets Index. The MSCI Emerging Markets Index replaced the Select Emerging Markets Index on August 24, 2006. Index returns are adjusted for withholding taxes applicable to Luxembourg holding companies.

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

## Bonds

**Lehman Aggregate Bond Index:** An index made up of the Lehman Brothers Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

**Lehman Government Bond Index:** An index made up of the Treasury Bond Index and the Agency Bond Index as well as the 1-3 Year Government Index and the 20+ Year Treasury Index.

**Lehman High Yield Index:** This index provides a broad-based measure of global high-yield fixed income markets. The Global High-Yield Index represents that union of U.S. High-Yield, U.S. Emerging Markets High-Yield, CMBS High-Yield, and Pan-European Emerging Markets High-Yield Indices. The Global High-Yield Index is a component of the Multiverse Index, along with the Global Aggregate Index.

**Lehman US Treasury Inflation Notes Index:** Includes the inflation-indexed securities within the Lehman Treasury Index, which represents U.S. Treasury obligations with maturities of more than 1 year.

**Merrill Lynch High Yield Index:** An unmanaged market index comprised of all domestic and Yankee high bonds greater than one year maturity.

## Cash

**91 Day T-Bill Index:** Based on the auctions of 91 day U.S. Treasury Bills.

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# Kent County Water Authority

Disclosure

Period Ending 12/31/2009

GR#004214-202-001

## Investment Risk

**Foreign Securities Portfolios/Emerging Market Portfolios:** The investor should note that portfolios that invest in foreign securities involve special additional risks. These risks included, but are not limited to, currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets can accentuate these risks.

**Non-Diversified Portfolios:** The investor should note that portfolios that invest more of their assets in a single issuer involve additional risks, including share price fluctuations, because of the increased concentration of investment.

**Small Cap Portfolios:** The investor should note these portfolios are more volatile than large cap stocks, are subject to significant price fluctuation and business risks, and are thinly traded. Investments in equities are not guaranteed.

**Mid Cap Portfolios:** The investor should note that portfolios that invest in companies with market capitalization below \$10 billion involve additional risks. The securities of these companies may be more volatile and less liquid than securities of larger companies.

**High Yield Bond Portfolios:** The investor should note that portfolios that invest in lower-rated debt securities (commonly referred to as junk bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. The investor should be aware of the possible higher level of volatility and increase risk of default.

**Money Market Portfolios:** The investor should note that a money market portfolio's investment is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although a money market portfolio seeks to preserve the value of an investment at \$1 per share, it is possible to lose money by investing in such a portfolio. The income will vary daily, generally reflecting changes in short-term interest rates.

Indices are hypothetical and unmanaged portfolios of specified securities, the performance of which is used as a benchmark in judging the relative performance of securities. It is not possible to invest in an index and it is not intended to predict the performance or return of any investment.

For costs and complete details contact your investment professional or consult your Selector + Group Variable Annuity Contract.

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# **EXHIBIT D**

Board Meeting

May 20, 2010



**Nationwide®**  
*On Your Side™*

# **Kent County Water Authority**

## **Asset Statement**

**For the period 1/1/2009 to 12/31/2009**



**Nationwide®**  
*On Your Side™*

**STATEMENT OF ASSETS**  
For the Period 1/1/2009 to 12/31/2009

**SUMMARY OF BASIC DATA**

Our files contain the following data concerning this plan:

Contract Name: Kent County Water Authority  
Contractholder Address: 1072 Main Street  
P.O. Box 192  
West Warwick, RI 02893-0192  
Contract Number: GR 004214-202-001  
Type of Contract: Selector Plus  
Type of Plan: Traditional Defined Benefit  
Anniversary Date (First Day of Plan Year): 01-01

Please review all information presented in the asset statement and contact Nationwide Retirement Services at (800) 541-0472 with any questions.



**Kent County Water Authority**  
**Summary of Financial Activity**  
*For the Period 1/1/2009 to 12/31/2009*

Value of Assets on 1/1/2009		\$2,940,500.80
<b>Contributions</b>		
<b>Total Contributions:</b>	Other: <u>\$259,999.98</u>	\$259,999.98
<b>Distributions</b>		
<b>Total Distributions:</b>	Retiree Benefits: <u>(\$284,793.34)</u>	(\$284,793.34)
<b>Investment Activity</b>		
	<b>Investment Income:</b>	
	All Pro Diversified Bond Fund:	\$35,143.74
	All Pro International Equity Strategy:	\$49,061.28
	All Pro Large Cap Growth Fund:	\$70,937.12
	All Pro Large Cap Value Fund:	\$61,638.63
	All Pro Small Cap Growth Fund:	\$6,474.05
	All Pro Small Cap Value Fund:	\$7,511.79
	Fixed Income Fund:	\$17,111.52
	Vanguard Growth Index Fund Shares:	\$84,865.87
	Vanguard High-Yield Corporate Fund:	\$29,565.25
	Vanguard Inflation-Protected Securities:	\$14,458.07



**Kent County Water Authority**  
**Summary of Financial Activity**  
*For the Period 1/1/2009 to 12/31/2009*

Vanguard Mid-Cap Index Fund:	\$63,554.46
Vanguard Small-Cap Growth Index Fund:	\$10,929.84
Vanguard Small-Cap Value Index Fund:	\$8,990.92
Vanguard Total Bond Market Index Fund:	\$9,946.38
Vanguard Total International Stock Index Fund:	\$60,248.38
Vanguard Value Index Fund:	\$53,059.19
	<u>\$583,496.49</u>

**Net Investment Activity:**

\$583,496.49

**Value of Assets on 12/31/2009**

\$3,499,203.93

As an Officer of Nationwide Life Insurance Company, I hereby certify that this statement of assets furnished pursuant to 29 CFR 2520.103-5 (C) is complete and accurate for the period indicated.

Nationwide Life Insurance Company

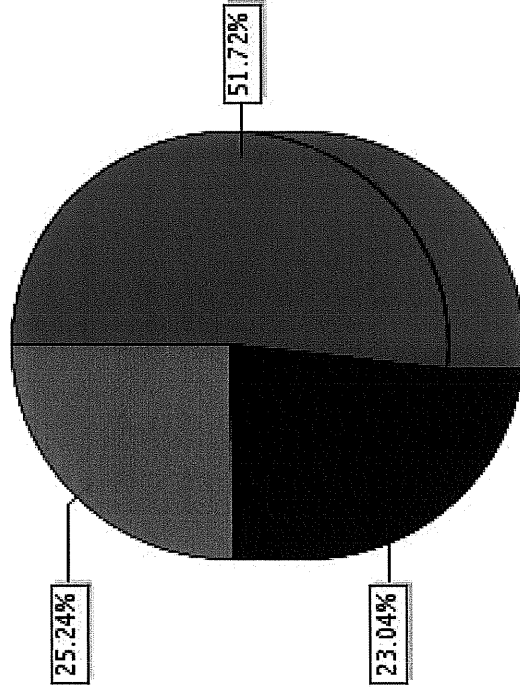
By *Hotie M. Moore*





**Kent County Water Authority**  
**Summary of Financial Activity**  
*For the Period 1/1/2009 to 12/31/2009*

**Summary of Financial Activity**



Net Investment Activity: 51.72%
  Total Contributions: 23.04%
  Total Distributions: 25.24%

This graph represents the percent of the respective activity type (e.g. contributions) to the total activity that occurred within the plan.



**Kent County Water Authority**  
**Investment Option Allocation**  
*For the Period 1/1/2009 to 12/31/2009*

	*PSA #	Investment Option	Period Ending		Shares		Period Ending	
			Asset Value	Owned	Owned	Unit Value		
	00418	All Pro Diversified Bond Fund	\$348,355.04	17,143.504		20.3199440		
	00406	All Pro International Equity Strategy	\$211,350.82	15,450.116		13.6795620		
	00424	All Pro Large Cap Growth Fund	\$369,817.40	48,654.973		7.6008140		
	00422	All Pro Large Cap Value Fund	\$361,728.62	29,308.220		12.3422240		
	00423	All Pro Small Cap Growth Fund	\$35,778.91	2,904.690		12.3176350		
	00421	All Pro Small Cap Value Fund	\$35,800.77	2,577.210		13.8912890		
		Fixed Income Fund	\$451,893.73	451,893.730		1.0000000		
	00480	Vanguard Growth Index Fund Shares	\$333,493.58	35,520.979		9.3886370		
	00480	Vanguard High-Yield Corporate Fund	\$108,491.48	9,767.376		11.1075360		
	00480	Vanguard Inflation-Protected Securities	\$175,366.18	15,239.955		11.5070010		
	00480	Vanguard Mid-Cap Index Fund	\$219,277.35	25,246.022		8.6856200		
	00480	Vanguard Small-Cap Growth Index Fund	\$35,831.08	3,871.014		9.2562510		
	00480	Vanguard Small-Cap Value Index Fund	\$35,576.77	4,321.875		8.2317900		
	00480	Vanguard Total Bond Market Index Fund	\$241,266.75	20,795.312		11.6019780		
	00480	Vanguard Total International Stock Index Fund	\$212,497.23	26,781.440		7.9344960		
	00480	Vanguard Value Index Fund	\$322,678.22	41,578.650		7.7606710		
		<b>Total</b>	<b>\$3,499,203.93</b>					



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**Kent County Water Authority**  
**Investment Option Allocation**  
*For the Period 1/1/2009 to 12/31/2009*

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**\*POOLED SEPARATE ACCOUNT (PSA):** an account which consists of the assets of two or more participating entities and is maintained for the collective investment and reinvestment of assets contributed thereto.

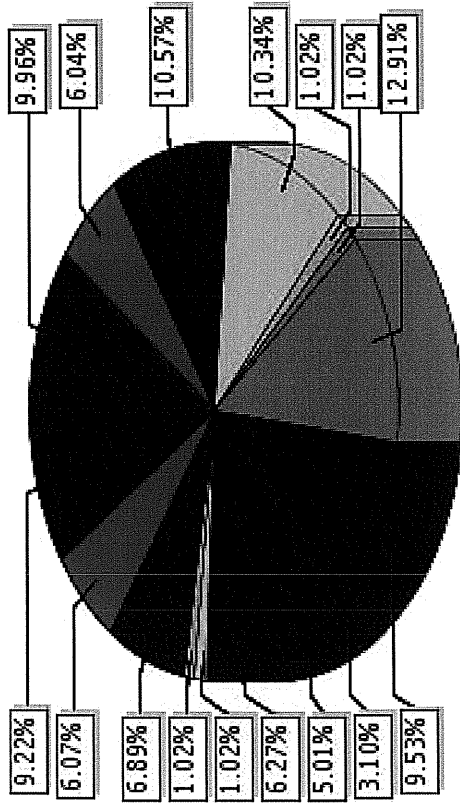
This PSA is required to be reported on the annual 5500 Filing, Schedule D, if applicable to this contract.



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**Kent County Water Authority**  
**Investment Option Allocation**  
*For the Period 1/1/2009 to 12/31/2009*

**Investment Option % Allocation**



- All Pro Diversified Bond Fund: 9.22%
- All Pro Large Cap Growth Fund: 6.07%
- All Pro Small Cap Growth Fund: 6.89%
- Fixed Income Fund: 1.02%
- Vanguard High-Yield Corporate Fund: 1.02%
- Vanguard Mid-Cap Index Fund: 6.27%
- Vanguard Small-Cap Value Index Fund: 5.01%
- Vanguard Total International Stock Index Fund: 3.10%
- Vanguard Value Index Fund: 9.53%
- Vanguard Inflation-Protected Securities: 12.91%
- Vanguard Small-Cap Growth Index Fund: 1.02%
- Vanguard Total Bond Market Index Fund: 10.34%



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Diversified Bond Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		(\$67,138.13)	(3,741.419)	17.944555
04/01/2009	STAR Interfund Transfer		\$2,487.87	137.663	18.072193
07/01/2009	STAR Interfund Transfer		\$9,337.38	491.118	19.012503
07/28/2009	Deposit	Other	\$4,333.33	224.760	19.279769
08/24/2009	Deposit	Other	\$4,333.33	220.098	19.688145
10/01/2009	STAR Interfund Transfer		\$9,173.15	454.348	20.189686
10/05/2009	Deposit	Other	\$4,333.33	214.711	20.182116
11/09/2009	Deposit	Other	\$4,333.33	213.589	20.288155
12/08/2009	Deposit	Other	\$4,333.33	211.989	20.441316
12/29/2009	Deposit	Other	\$4,333.33	213.239	20.321510



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Diversified Bond Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$333,351.05</b>	<b>18,503.408</b>	<b>18.015657</b>
Contributions	\$25,999.98	1,298.386	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$46,139.73)	(2,658.290)	
Investment Return	\$35,143.74		
<b>Value of Assets on: 12/31/2009</b>	<b>\$348,355.04</b>	<b>17,143.504</b>	<b>20.319944</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro International Equity Strategy**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$12,489.76	1,133.226	11.021424
04/01/2009	STAR Interfund Transfer		\$12,381.47	1,342.329	9.223870
07/01/2009	STAR Interfund Transfer		(\$21,607.03)	(1,910.778)	11.307973
07/28/2009	Deposit	Other	\$2,600.00	219.014	11.871387
08/24/2009	Deposit	Other	\$2,600.00	203.382	12.783849
10/01/2009	STAR Interfund Transfer		(\$20,514.95)	(1,561.599)	13.137144
10/05/2009	Deposit	Other	\$2,600.00	200.589	12.961820
11/09/2009	Deposit	Other	\$2,600.00	189.870	13.693555
12/08/2009	Deposit	Other	\$2,600.00	190.450	13.651874
12/29/2009	Deposit	Other	\$2,600.00	189.467	13.722672



**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro International Equity Strategy**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$163,940.29</b>	<b>15,254.166</b>	<b>10.747247</b>
Contributions	\$15,600.00	1,192.772	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$17,250.75)	(996.822)	
Investment Return	\$49,061.28		
<b>Value of Assets on: 12/31/2009</b>	<b>\$211,350.82</b>	<b>15,450.116</b>	<b>13.679562</b>





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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Large Cap Growth Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$28,161.15	4,494.052	6.266316
04/01/2009	STAR Interfund Transfer		(\$1,756.52)	(309.333)	5.678419
04/01/2009	STAR Interfund Transfer		(\$521.15)	(91.777)	5.678419
07/01/2009	STAR Interfund Transfer		(\$6,175.01)	(983.090)	6.281223
07/28/2009	Deposit	Other	\$4,333.33	652.513	6.640988
08/24/2009	Deposit	Other	\$4,333.33	631.950	6.857077
10/01/2009	STAR Interfund Transfer		(\$12,717.10)	(1,842.183)	6.903277
10/05/2009	Deposit	Other	\$4,333.33	622.066	6.966034
11/09/2009	Deposit	Other	\$4,333.33	594.193	7.292800
12/08/2009	Deposit	Other	\$4,333.33	592.515	7.313450
12/29/2009	Deposit	Other	\$4,333.33	564.694	7.673766



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Large Cap Growth Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$265,888.93</b>	<b>43,729.373</b>	<b>6.080328</b>
Contributions	\$25,999.98	3,657.931	
Distributions	\$0.00	0.000	
Net Interfund Transfers	\$6,991.37	1,267.669	
Investment Return	\$70,937.12		
<b>Value of Assets on: 12/31/2009</b>	<b>\$369,817.40</b>	<b>48,654.973</b>	<b>7.600814</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Large Cap Value Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$8,184.46	783.173	10.450381
04/01/2009	STAR Interfund Transfer		\$6,523.29	705.065	9.252038
07/01/2009	STAR Interfund Transfer		(\$13,307.31)	(1,276.007)	10.428868
07/28/2009	Deposit	Other	\$4,333.33	396.031	10.941894
08/24/2009	Deposit	Other	\$4,333.33	378.926	11.435813
10/01/2009	STAR Interfund Transfer		(\$13,176.05)	(1,148.159)	11.475805
10/05/2009	Deposit	Other	\$4,333.33	373.203	11.611188
11/09/2009	Deposit	Other	\$4,333.33	358.531	12.086363
12/08/2009	Deposit	Other	\$4,333.33	359.056	12.068685
12/29/2009	Deposit	Other	\$4,333.33	348.062	12.449877



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Large Cap Value Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$285,865.62</b>	<b>28,030.339</b>	<b>10.198436</b>
Contributions	\$25,999.98	2,213.809	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$11,775.61)	(935.928)	
Investment Return	\$61,638.63		
<b>Value of Assets on: 12/31/2009</b>	<b>\$361,728.62</b>	<b>29,308.220</b>	<b>12.342224</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Small Cap Growth Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$2,854.52	276.891	10.309165
04/01/2009	STAR Interfund Transfer		\$1,599.21	181.002	8.835323
07/01/2009	STAR Interfund Transfer		(\$2,097.34)	(202.946)	10.334482
07/28/2009	Deposit	Other	\$433.33	39.628	10.934873
08/24/2009	Deposit	Other	\$433.33	38.352	11.298720
10/01/2009	STAR Interfund Transfer		(\$2,202.00)	(191.715)	11.485786
10/05/2009	Deposit	Other	\$433.33	37.171	11.657882
11/09/2009	Deposit	Other	\$433.33	37.143	11.666650
12/08/2009	Deposit	Other	\$433.33	36.771	11.784529
12/29/2009	Deposit	Other	\$433.33	34.821	12.444334



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Small Cap Growth Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$26,550.49</b>	<b>2,617.572</b>	<b>10.143176</b>
Contributions	\$2,599.98	223.886	
Distributions	\$0.00	0.000	
Net Interfund Transfers	\$154.39	63.232	
Investment Return	\$6,474.05		
<b>Value of Assets on: 12/31/2009</b>	<b>\$35,778.91</b>	<b>2,904.690</b>	<b>12.317635</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Small Cap Value Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$3,055.78	272.049	11.232481
04/01/2009	STAR Interfund Transfer		\$1,811.22	187.676	9.650802
07/01/2009	STAR Interfund Transfer		(\$2,803.17)	(243.282)	11.522316
07/28/2009	Deposit	Other	\$433.33	35.479	12.213533
08/24/2009	Deposit	Other	\$433.33	33.590	12.900401
10/01/2009	STAR Interfund Transfer		(\$2,724.06)	(209.867)	12.979906
10/05/2009	Deposit	Other	\$433.33	33.025	13.121146
11/09/2009	Deposit	Other	\$433.33	32.688	13.256516
12/08/2009	Deposit	Other	\$433.33	32.590	13.296265
12/29/2009	Deposit	Other	\$433.33	30.796	14.070967



**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**All Pro Small Cap Value Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$26,349.23</b>	<b>2,372.466</b>	<b>11.106264</b>
Contributions	\$2,599.98	198.168	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$660.23)	6.576	
Investment Return	\$7,511.79		
<b>Value of Assets on: 12/31/2009</b>	<b>\$35,800.77</b>	<b>2,577.210</b>	<b>13.891289</b>





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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Growth Index Fund Shares**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$24,781.12	3,452.204	7.178347
04/01/2009	STAR Interfund Transfer		(\$9,938.17)	(1,481.088)	6.710046
07/01/2009	STAR Interfund Transfer		(\$16,091.89)	(2,095.891)	7.677828
07/28/2009	Deposit	Other	\$3,900.00	478.288	8.154082
08/24/2009	Deposit	Other	\$3,900.00	464.675	8.392970
10/01/2009	STAR Interfund Transfer		(\$13,387.30)	(1,573.870)	8.505977
10/05/2009	Deposit	Other	\$3,900.00	455.370	8.564466
11/09/2009	Deposit	Other	\$3,900.00	429.366	9.083154
12/08/2009	Deposit	Other	\$3,900.00	430.014	9.069481
12/29/2009	Deposit	Other	\$3,900.00	411.147	9.485653



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Growth Index Fund Shares**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$239,863.95</b>	<b>34,550.764</b>	<b>6,942363</b>
Contributions	\$23,400.00	2,668.860	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$14,636.24)	(1,698.645)	
Investment Return	\$84,865.87		
<b>Value of Assets on: 12/31/2009</b>	<b>\$333,493.58</b>	<b>35,520.979</b>	<b>9.388637</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard High-Yield Corporate Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		(\$1,785.87)	(221.219)	8.072846
04/01/2009	STAR Interfund Transfer		(\$11,402.87)	(1,356.426)	8.406553
07/01/2009	STAR Interfund Transfer		(\$4,447.30)	(462.231)	9.621389
07/28/2009	Deposit	Other	\$1,300.00	129.913	10.006691
08/24/2009	Deposit	Other	\$1,300.00	128.470	10.119071
10/01/2009	STAR Interfund Transfer		(\$1,238.62)	(117.158)	10.572251
10/05/2009	Deposit	Other	\$1,300.00	123.099	10.560572
11/09/2009	Deposit	Other	\$1,300.00	120.691	10.771274
12/08/2009	Deposit	Other	\$1,300.00	119.102	10.914999
12/29/2009	Deposit	Other	\$1,300.00	117.081	11.103382



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard High-Yield Corporate Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$90,000.89</b>	<b>11,186.054</b>	<b>8.045812</b>
Contributions	\$7,800.00	738.356	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$18,874.66)	(2,157.034)	
Investment Return	\$29,565.25		
<b>Value of Assets on: 12/31/2009</b>	<b>\$108,491.48</b>	<b>9,767.376</b>	<b>11.107536</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Inflation-Protected Securities**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		(\$18,546.24)	(1,792.776)	10.344987
04/01/2009	STAR Interfund Transfer		(\$19,628.63)	(1,779.622)	11.029663
07/01/2009	STAR Interfund Transfer		\$11,499.18	1,046.146	10.991948
07/28/2009	Deposit	Other	\$2,166.67	198.573	10.911209
08/24/2009	Deposit	Other	\$2,166.67	194.114	11.161853
10/01/2009	STAR Interfund Transfer		\$9,012.50	793.131	11.363204
10/05/2009	Deposit	Other	\$2,166.67	191.001	11.343735
11/09/2009	Deposit	Other	\$2,166.67	187.068	11.582281
12/08/2009	Deposit	Other	\$2,166.67	186.605	11.610998
12/29/2009	Deposit	Other	\$2,166.67	188.434	11.498308



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Inflation-Protected Securities**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$165,571.28</b>	<b>15,827.281</b>	<b>10.461132</b>
Contributions	\$13,000.02	1,145.795	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$17,663.19)	(1,733.121)	
Investment Return	\$14,458.07		
<b>Value of Assets on: 12/31/2009</b>	<b>\$175,366.18</b>	<b>15,239.955</b>	<b>11.507001</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Mid-Cap Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$19,798.75	3,073.367	6.442038
04/01/2009	STAR Interfund Transfer		\$893.08	154.585	5.777291
07/01/2009	STAR Interfund Transfer		(\$15,180.66)	(2,239.987)	6.777120
07/28/2009	Deposit	Other	\$2,600.00	357.481	7.273105
08/24/2009	Deposit	Other	\$2,600.00	337.081	7.713285
10/01/2009	STAR Interfund Transfer		(\$20,362.89)	(2,579.655)	7.893649
10/01/2009	STAR Interfund Transfer		(\$1,656.69)	(209.876)	7.893649
10/05/2009	Deposit	Other	\$2,600.00	325.024	7.999418
11/09/2009	Deposit	Other	\$2,600.00	313.630	8.290015
12/08/2009	Deposit	Other	\$2,600.00	314.125	8.276959
12/29/2009	Deposit	Other	\$2,600.00	295.794	8.789911



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Mid-Cap Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$156,631.30</b>	<b>25,104.453</b>	<b>6.239184</b>
Contributions	\$15,600.00	1,943.135	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$16,508.41)	(1,801.566)	
Investment Return	\$63,554.46		
<b>Value of Assets on: 12/31/2009</b>	<b>\$219,277.35</b>	<b>25,246.022</b>	<b>8.685620</b>





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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Small-Cap Growth Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$4,043.71	600.217	6.737081
04/01/2009	STAR Interfund Transfer		\$268.62	44.275	6.067108
07/01/2009	STAR Interfund Transfer		(\$4,206.43)	(558.192)	7.535806
07/28/2009	Deposit	Other	\$433.33	54.099	8.009916
08/24/2009	Deposit	Other	\$433.33	51.649	8.389876
10/01/2009	STAR Interfund Transfer		(\$3,165.94)	(368.747)	8.585669
10/05/2009	Deposit	Other	\$433.33	49.933	8.678292
11/09/2009	Deposit	Other	\$433.33	49.349	8.780894
12/08/2009	Deposit	Other	\$433.33	49.322	8.785811
12/29/2009	Deposit	Other	\$433.33	46.290	9.361274



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Small-Cap Growth Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$25,361.30</b>	<b>3,852.819</b>	<b>6.582532</b>
Contributions	\$2,599.98	300.642	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$3,060.04)	(282.447)	
Investment Return	\$10,929.84		
<b>Value of Assets on: 12/31/2009</b>	<b>\$35,831.08</b>	<b>3,871.014</b>	<b>9.256251</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Small-Cap Value Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$3,274.37	507.016	6.458126
04/01/2009	STAR Interfund Transfer		\$2,936.06	553.620	5.303389
07/01/2009	STAR Interfund Transfer		(\$3,301.70)	(503.748)	6.554263
07/01/2009	STAR Interfund Transfer		(\$626.61)	(95.603)	6.554263
07/28/2009	Deposit	Other	\$433.33	61.653	7.028585
08/24/2009	Deposit	Other	\$433.33	57.239	7.570595
10/01/2009	STAR Interfund Transfer		(\$4,426.91)	(577.230)	7.669237
10/05/2009	Deposit	Other	\$433.33	55.608	7.792601
11/09/2009	Deposit	Other	\$433.35	55.305	7.835703
12/08/2009	Deposit	Other	\$433.33	54.691	7.923224
12/29/2009	Deposit	Other	\$433.33	51.883	8.352018



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Small-Cap Value Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$26,130.64</b>	<b>4,101.441</b>	<b>6.371087</b>
Contributions	\$2,600.00	336.379	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$2,144.79)	(115.945)	
Investment Return	\$8,990.92		
<b>Value of Assets on: 12/31/2009</b>	<b>\$35,576.77</b>	<b>4,321.875</b>	<b>8.231790</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Total Bond Market Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		(\$44,852.35)	(4,082.093)	10.987585
04/01/2009	STAR Interfund Transfer		(\$17,518.01)	(1,583.126)	11.065454
07/01/2009	STAR Interfund Transfer		\$13,476.86	1,200.473	11.226292
07/28/2009	Deposit	Other	\$3,033.33	269.013	11.275792
08/24/2009	Deposit	Other	\$3,033.33	265.266	11.435029
10/01/2009	STAR Interfund Transfer		\$11,326.48	972.248	11.649780
10/05/2009	Deposit	Other	\$3,033.33	260.290	11.653652
11/09/2009	Deposit	Other	\$3,033.33	260.298	11.653307
12/08/2009	Deposit	Other	\$3,033.33	258.205	11.747774
12/29/2009	Deposit	Other	\$3,033.33	261.239	11.611317



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Total Bond Market Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$250,687.41</b>	<b>22,713.499</b>	<b>11.036935</b>
Contributions	\$18,199.98	1,574.311	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$37,567.02)	(3,492.498)	
Investment Return	\$9,946.38		
<b>Value of Assets on: 12/31/2009</b>	<b>\$241,266.75</b>	<b>20,795.312</b>	<b>11.601978</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Total International Stock Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$10,646.66	1,782.467	5.972991
04/01/2009	STAR Interfund Transfer		\$8,482.28	1,627.075	5.213208
07/01/2009	STAR Interfund Transfer		(\$29,239.51)	(4,469.793)	6.541580
07/28/2009	Deposit	Other	\$2,600.00	375.393	6.926068
08/24/2009	Deposit	Other	\$2,600.00	354.107	7.342416
10/01/2009	STAR Interfund Transfer		(\$19,023.97)	(2,535.558)	7.502871
10/05/2009	Deposit	Other	\$2,600.00	344.833	7.539887
11/09/2009	Deposit	Other	\$2,600.00	326.231	7.969805
12/08/2009	Deposit	Other	\$2,600.00	330.929	7.856674
12/29/2009	Deposit	Other	\$2,600.00	325.740	7.981837



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Total International Stock Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$165,783.39</b>	<b>28,320.016</b>	<b>5.853930</b>
Contributions	\$15,600.00	2,057.233	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$29,134.54)	(3,595.809)	
Investment Return	\$60,248.38		
<b>Value of Assets on: 12/31/2009</b>	<b>\$212,497.23</b>	<b>26,781.440</b>	<b>7.934496</b>





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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Value Index Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/02/2009	STAR Interfund Transfer		\$15,032.31	2,231.935	6.735105
04/01/2009	STAR Interfund Transfer		\$21,625.73	3,878.685	5.575532
07/01/2009	STAR Interfund Transfer		(\$18,019.78)	(2,819.665)	6.390752
07/28/2009	Deposit	Other	\$3,900.00	574.329	6.790531
08/24/2009	Deposit	Other	\$3,900.00	538.290	7.245171
10/01/2009	STAR Interfund Transfer		(\$22,031.99)	(3,040.687)	7.245728
10/05/2009	Deposit	Other	\$3,900.00	531.297	7.340532
11/09/2009	Deposit	Other	\$3,900.00	510.171	7.644497
12/08/2009	Deposit	Other	\$3,900.00	509.463	7.655115
12/29/2009	Deposit	Other	\$3,900.00	497.627	7.837196



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Vanguard Value Index Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$249,612.76</b>	<b>38,167.205</b>	<b>6.539980</b>
Contributions	\$23,400.00	3,161.177	
Distributions	\$0.00	0.000	
Net Interfund Transfers	(\$3,393.73)	250.268	
Investment Return	\$53,059.19		
<b>Value of Assets on: 12/31/2009</b>	<b>\$322,678.22</b>	<b>41,578.650</b>	<b>7.760671</b>



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Fixed Income Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
01/01/2009	FIF Rollover	Maturity Proceeds In	\$61,006.24	61,006.240	1.000000
01/01/2009	FIF Rollover	Maturity Proceeds Out	(\$61,006.24)	(61,006.240)	1.000000
01/02/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
02/02/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
03/02/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
04/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
04/01/2009	STAR Interfund Transfer		\$1,756.52	1,756.520	1.000000
05/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
06/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
07/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
07/01/2009	STAR Interfund Transfer		\$102,790.32	102,790.320	1.000000
07/28/2009	Deposit	Other	\$6,500.02	6,500.020	1.000000
08/03/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
08/24/2009	Deposit	Other	\$6,500.02	6,500.020	1.000000
09/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
10/01/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
10/01/2009	STAR Interfund Transfer		\$107,116.34	107,116.340	1.000000
10/05/2009	Deposit	Other	\$6,500.02	6,500.020	1.000000
11/02/2009	Benefit Payment	Retiree Benefit	(\$23,819.87)	(23,819.870)	1.000000
11/09/2009	Deposit	Other	\$6,500.00	6,500.000	1.000000



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**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Fixed Income Fund**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Amount</u>	<u>Units</u>	<u>Unit Value</u>
12/01/2009	Benefit Payment	Retiree Benefit	(\$22,774.77)	(22,774.770)	1.000000
12/08/2009	Deposit	Other	\$6,500.02	6,500.020	1.000000
12/29/2009	Deposit	Other	\$6,500.02	6,500.020	1.000000

**Fixed Income Fund**

**Activity Summary**

	<u>Dollars</u>	<u>Units</u>	<u>Unit Value</u>
<b>Value of Assets on: 1/1/2009</b>	<b>\$468,912.27</b>	<b>468,912.270</b>	<b>1.000000</b>
Contributions	\$39,000.10	39,000.100	
Distributions	(\$284,793.34)	(284,793.340)	
Net Interfund Transfers	\$211,663.18	211,663.180	
Investment Return	\$17,111.52		
<b>Value of Assets on: 12/31/2009</b>	<b>\$451,893.73</b>	<b>451,893.730</b>	<b>1.000000</b>



**Kent County Water Authority**  
**Investment Option Transaction Detail**  
*For the Period 1/1/2009 to 12/31/2009*

**Fixed Income Fund Rollout Information**

<u>Date</u>	<u>Transaction Type</u>	<u>Description</u>	<u>Year</u>	<u>ID</u>	<u>Pool</u>	<u>Rate</u>	<u>Allocation</u>	<u>Transaction Amount</u> (\$0.00)
01/01/2009	FIF Rollover							
		Maturity Proceeds In	2009	010100		4.350%	\$61,006.24	
		Maturity Proceeds Out	2003	010101		3.520%	(\$59,34)	
		Maturity Proceeds Out	2004	010101		3.540%	(\$7,271.83)	
		Maturity Proceeds Out	2005	010101		4.120%	(\$19,881.22)	
		Maturity Proceeds Out	2006	010101		4.810%	(\$18,998.88)	
		Maturity Proceeds Out	2007	010101		4.640%	(\$14,294.97)	



**Kent County Water Authority**  
**Pool Summary of the Fixed Income Fund**  
*For the Period 1/1/2009 to 12/31/2009*

Pool/Cell	Guaranteed Interest Rate	Beginning Balance	Deposits	Rollovers	Net Transfers	Withdrawals	Return	Ending Balance
Dec 2003	3.520%	\$2,663.54	\$0.00	(\$559.34)	\$0.00	(\$279.85)	\$68.43	\$1,892.78
Dec 2004	3.540%	\$48,478.89	\$0.00	(\$7,271.83)	\$0.00	(\$5,480.67)	\$1,336.66	\$37,063.05
Dec 2005	4.120%	\$132,541.48	\$0.00	(\$19,881.22)	\$0.00	(\$15,014.92)	\$4,252.77	\$101,898.11
Dec 2006	4.810%	\$146,145.20	\$0.00	(\$18,998.88)	\$0.00	(\$16,986.67)	\$5,602.84	\$115,762.49
Dec 2007	4.640%	\$109,961.28	\$0.00	(\$14,294.97)	\$0.00	(\$12,773.35)	\$4,066.73	\$86,959.69
Dec 2008	4.850%	\$29,121.88	\$0.00	\$0.00	\$0.00	(\$29,427.76)	\$305.88	\$0.00
Jan 2009	4.350%	\$0.00	\$0.00	\$61,006.24	\$0.00	(\$61,199.48)	\$193.24	\$0.00
Apr 2009	3.750%	\$0.00	\$0.00	\$0.00	\$1,756.52	(\$1,756.52)	\$0.00	\$0.00
Jul 2009	3.100%	\$0.00	\$6,500.02	\$0.00	\$102,790.32	(\$64,955.51)	\$826.59	\$45,161.42
Aug 2009	2.900%	\$0.00	\$6,500.02	\$0.00	\$0.00	(\$6,504.10)	\$4.08	\$0.00
Oct 2009	2.550%	\$0.00	\$6,500.02	\$0.00	\$107,116.34	(\$63,904.83)	\$432.89	\$50,144.42
Nov 2009	2.500%	\$0.00	\$6,500.00	\$0.00	\$0.00	(\$6,509.68)	\$9.68	\$0.00
Dec 2009	2.650%	\$0.00	\$13,000.04	\$0.00	\$0.00	\$0.00	\$111.73	\$13,011.77
<b>Total</b>		\$468,912.27	\$39,000.10	\$0.00	\$211,663.18	(\$284,793.34)	\$17,111.52	\$451,893.73

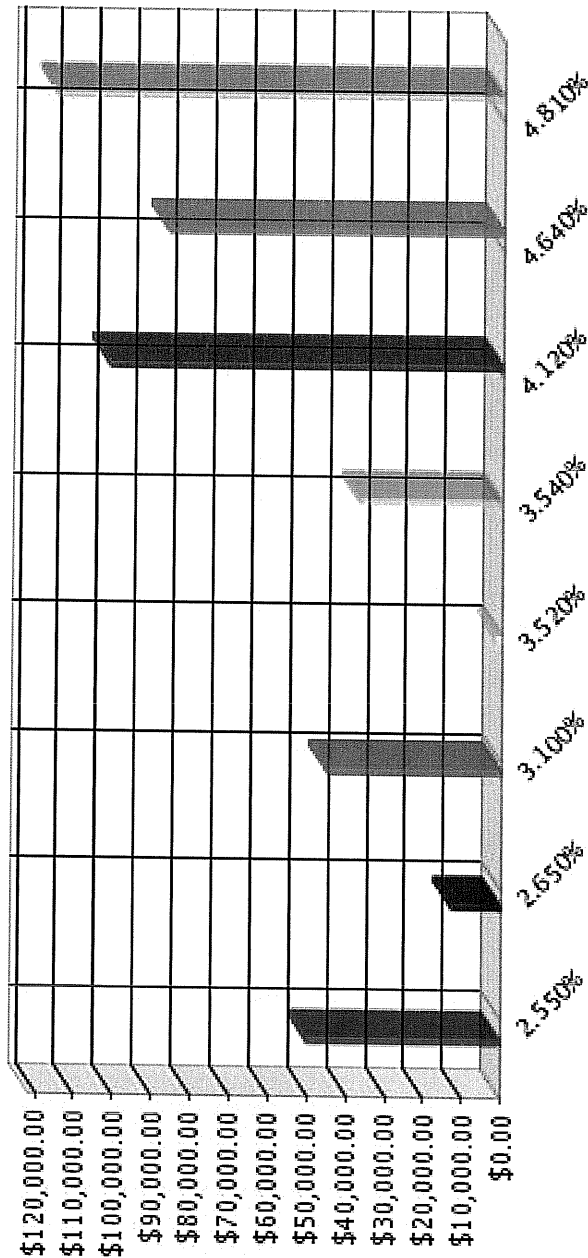
Average Rate of Return for the Period 1/1/2009 to 12/31/2009: 4.252%



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**Kent County Water Authority**  
**Pool Summary of the Fixed Income Fund**  
*For the Period 1/1/2009 to 12/31/2009*

**Fixed Income Fund Pool Summary**



**12/31/2009 Ending Balances:**

2.550% - \$50,144.42	3.100% - \$45,161.42
3.520% - \$1,892.78	4.120% - \$101,898.11
4.640% - \$86,959.69	
2.650% - \$13,011.77	
3.540% - \$37,063.05	
4.810% - \$115,762.49	



**Kent County Water Authority**  
**Deposit Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Amount</u>	<u>Source</u>	<u>Type</u>	<u>Description</u>
07/28/2009	\$43,333.33	Check	New Contribution	Other
08/24/2009	\$43,333.33	Check	New Contribution	Other
10/05/2009	\$43,333.33	Check	New Contribution	Other
11/09/2009	\$43,333.33	Check	New Contribution	Other
12/08/2009	\$43,333.33	Check	New Contribution	Other
12/29/2009	\$43,333.33	Check	New Contribution	Other

**Total**                    **\$259,999.98**





**Kent County Water Authority**  
**Distribution Register**  
*For the Period 1/1/2009 to 12/31/2009*

**Repetitive Payments**

<u>Type</u>	<u>Name</u>	<u>No</u>	<u>Amount/Each</u>	<u>Total</u>
Retiree Benefit	AMARAL, E	12	\$1,335.85	\$16,030.20
Retiree Benefit	BALLARD, J	12	\$1,482.57	\$17,790.84
Retiree Benefit	BOISVERT, C	12	\$1,278.01	\$15,336.12
Retiree Benefit	BRUNEAU, C	12	\$1,120.12	\$13,441.44
Retiree Benefit	DEUS, C	12	\$441.82	\$5,301.84
Retiree Benefit	DUQUETTE, M	12	\$56.05	\$672.60
Retiree Benefit	EMERY, B	12	\$1,739.43	\$20,873.16
Retiree Benefit	GRANDCHAMP SR, R	12	\$526.40	\$6,316.80
Retiree Benefit	GRENIER, L	12	\$1,007.16	\$12,085.92
Retiree Benefit	ISE, A	12	\$1,564.65	\$18,775.80
Retiree Benefit	LAMELIN, R	11	\$1,045.10	\$11,496.10
Retiree Benefit	LAVALLEE, A	12	\$625.22	\$7,502.64
Retiree Benefit	LAVOIE, N	12	\$1,083.59	\$13,003.08
Retiree Benefit	LAWRENCE, M	12	\$512.11	\$6,145.32
Retiree Benefit	MOWREY, W	12	\$187.10	\$2,245.20
Retiree Benefit	PANCIERA, D	12	\$347.63	\$4,171.56
Retiree Benefit	RICE, E	12	\$1,153.73	\$13,844.76
Retiree Benefit	SANTOS, N	12	\$307.86	\$3,694.32



**Kent County Water Authority**  
**Distribution Register**  
*For the Period 1/1/2009 to 12/31/2009*

**Repetitive Payments**

<u>Type</u>	<u>Name</u>	<u>No</u>	<u>Amount/Each</u>	<u>Total</u>
Retiree Benefit	SIMPSON, A	12	\$1,303.86	\$15,646.32
Retiree Benefit	SIMPSON, J	12	\$1,651.49	\$19,817.88
Retiree Benefit	ST SAUVEUR, N	12	\$1,321.27	\$15,855.24
Retiree Benefit	WILLIAMS, A	12	\$3,728.85	\$44,746.20
<b>Retiree Benefit Total</b>				<b>\$284,793.34</b>
<b>Total</b>				<b>\$284,793.34</b>

**Distribution Payments**

<u>Date</u>	<u>Payee</u>	<u>Distribution Type</u>	<u>Gross Amount</u>	<u>Federal Withheld</u>	<u>State Withheld</u>	<u>Net Withheld</u>
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No distribution payments exist for the period requested



**Kent County Water Authority**  
**Distribution Register**  
*For the Period 1/1/2009 to 12/31/2009*

**Partial/Total Liquidations**

<u>Date</u>	<u>Payee</u>	<u>Distribution Type</u>	<u>Gross Amount</u>
-------------	--------------	--------------------------	---------------------

No partial or total liquidations exist for the period requested

**Total Distributions**

Repetitive Payments	\$284,793.34
Distribution Payments	\$0.00
Partial/Total Liquidations	\$0.00
<b>Total</b>	<b>\$284,793.34</b>



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**Kent County Water Authority**  
**Transfer Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Transfer From</u>			<u>Transfer To</u>		
	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>
01/02/2009	All Pro Diversified Bond Fund	\$3,055.78	170.290	All Pro Small Cap Value Fund	\$3,055.78	272.049
01/02/2009	All Pro Diversified Bond Fund	\$8,184.46	456.097	All Pro Large Cap Value Fund	\$8,184.46	783.173
01/02/2009	All Pro Diversified Bond Fund	\$2,854.52	159.074	All Pro Small Cap Growth Fund	\$2,854.52	276.891
01/02/2009	All Pro Diversified Bond Fund	\$28,161.15	1,569.342	All Pro Large Cap Growth Fund	\$28,161.15	4,494.052
01/02/2009	All Pro Diversified Bond Fund	\$12,489.76	696.019	All Pro International Equity Strategy	\$12,489.76	1,133.226
01/02/2009	All Pro Diversified Bond Fund	\$12,392.46	690.597	Vanguard Growth Index Fund Shares	\$12,392.46	1,726.367
01/02/2009	Vanguard Inflation-Protected Securities	\$12,388.66	1,197.552	Vanguard Growth Index Fund Shares	\$12,388.66	1,725.837
01/02/2009	Vanguard Inflation-Protected Securities	\$6,157.58	595.224	Vanguard Value Index Fund	\$6,157.58	914.252
01/02/2009	Vanguard Total Bond Market Index Fund	\$8,874.73	807.705	Vanguard Value Index Fund	\$8,874.73	1,317.683
01/02/2009	Vanguard Total Bond Market Index Fund	\$19,798.75	1,801.920	Vanguard Mid-Cap Index Fund	\$19,798.75	3,073.367
01/02/2009	Vanguard Total Bond Market Index Fund	\$4,043.71	368.025	Vanguard Small-Cap Growth Index Fund	\$4,043.71	600.217



**Nationwide<sup>®</sup>**  
On Your Side<sup>™</sup>

**Kent County Water Authority**  
**Transfer Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Transfer From</u>			<u>Transfer To</u>		
	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>
01/02/2009	Vanguard Total Bond Market Index Fund	\$3,274.37	298.006	Vanguard Small-Cap Value Index Fund	\$3,274.37	507.016
01/02/2009	Vanguard Total Bond Market Index Fund	\$8,860.79	806.437	Vanguard Total International Stock Index Fund	\$8,860.79	1,483.476
01/02/2009	Vanguard High-Yield Corporate Fund	\$1,785.87	221.219	Vanguard Total International Stock Index Fund	\$1,785.87	298.991
04/01/2009	All Pro Large Cap Growth Fund	\$1,756.52	309.333	Fixed Income Fund	\$1,756.52	1,756.520
04/01/2009	All Pro Large Cap Growth Fund	\$521.15	91.777	All Pro Diversified Bond Fund	\$521.15	28.837
04/01/2009	Vanguard Inflation-Protected Securities	\$1,966.72	178.312	All Pro Diversified Bond Fund	\$1,966.72	108.826
04/01/2009	Vanguard Inflation-Protected Securities	\$1,811.22	164.214	All Pro Small Cap Value Fund	\$1,811.22	187.676
04/01/2009	Vanguard Inflation-Protected Securities	\$6,523.29	591.431	All Pro Large Cap Value Fund	\$6,523.29	705.065
04/01/2009	Vanguard Inflation-Protected Securities	\$1,599.21	144.992	All Pro Small Cap Growth Fund	\$1,599.21	181.002
04/01/2009	Vanguard Inflation-Protected Securities	\$7,728.19	700.673	All Pro International Equity Strategy	\$7,728.19	837.847
04/01/2009	Vanguard Total Bond Market Index Fund	\$4,653.28	420.523	All Pro International Equity Strategy	\$4,653.28	504.482
04/01/2009	Vanguard Total Bond Market Index Fund	\$12,864.73	1,162.603	Vanguard Value Index Fund	\$12,864.73	2,307.355



**Nationwide**  
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**Kent County Water Authority**  
**Transfer Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Transfer From</u>			<u>Transfer To</u>		
	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>
04/01/2009	Vanguard Growth Index Fund Shares	\$8,761.00	1,305.654	Vanguard Value Index Fund	\$8,761.00	1,571.330
04/01/2009	Vanguard Growth Index Fund Shares	\$893.08	133.096	Vanguard Mid-Cap Index Fund	\$893.08	154.585
04/01/2009	Vanguard Growth Index Fund Shares	\$268.62	40.033	Vanguard Small-Cap Growth Index Fund	\$268.62	44.275
04/01/2009	Vanguard Growth Index Fund Shares	\$15.47	2.305	Vanguard Small-Cap Value Index Fund	\$15.47	2.917
04/01/2009	Vanguard High-Yield Corporate Fund	\$2,920.59	347.418	Vanguard Small-Cap Value Index Fund	\$2,920.59	550.703
04/01/2009	Vanguard High-Yield Corporate Fund	\$8,482.28	1,009.008	Vanguard Total International Stock Index Fund	\$8,482.28	1,627.075
07/01/2009	Vanguard Total International Stock Index Fund	\$4,263.47	651.749	All Pro Diversified Bond Fund	\$4,263.47	224.246
07/01/2009	Vanguard Total International Stock Index Fund	\$11,499.18	1,757.860	Vanguard Inflation-Protected Securities	\$11,499.18	1,046.146
07/01/2009	Vanguard Total International Stock Index Fund	\$13,476.86	2,060.184	Vanguard Total Bond Market Index Fund	\$13,476.86	1,200.473
07/01/2009	All Pro Small Cap Value Fund	\$2,803.17	243.282	Fixed Income Fund	\$2,803.17	2,803.170
07/01/2009	All Pro Large Cap Value Fund	\$13,307.31	1,276.007	Fixed Income Fund	\$13,307.31	13,307.310
07/01/2009	All Pro Small Cap Growth Fund	\$2,097.34	202.946	Fixed Income Fund	\$2,097.34	2,097.340
07/01/2009	All Pro Large Cap Growth Fund	\$6,175.01	983.090	Fixed Income Fund	\$6,175.01	6,175.010



**Kent County Water Authority**  
**Transfer Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Transfer From</u>			<u>Transfer To</u>		
	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>
07/01/2009	All Pro International Equity Strategy	\$21,607.03	1,910.778	Fixed Income Fund	\$21,607.03	21,607.030
07/01/2009	Vanguard Growth Index Fund Shares	\$16,091.89	2,095.891	Fixed Income Fund	\$16,091.89	16,091.890
07/01/2009	Vanguard Value Index Fund	\$18,019.78	2,819.665	Fixed Income Fund	\$18,019.78	18,019.780
07/01/2009	Vanguard Mid-Cap Index Fund	\$15,180.66	2,239.987	Fixed Income Fund	\$15,180.66	15,180.660
07/01/2009	Vanguard Small-Cap Growth Index Fund	\$4,206.43	558.192	Fixed Income Fund	\$4,206.43	4,206.430
07/01/2009	Vanguard Small-Cap Value Index Fund	\$3,301.70	503.748	Fixed Income Fund	\$3,301.70	3,301.700
07/01/2009	Vanguard Small-Cap Value Index Fund	\$626.61	95.603	All Pro Diversified Bond Fund	\$626.61	32.958
07/01/2009	Vanguard High-Yield Corporate Fund	\$4,447.30	462.231	All Pro Diversified Bond Fund	\$4,447.30	233.914
10/01/2009	All Pro Small Cap Value Fund	\$2,724.06	209.867	Fixed Income Fund	\$2,724.06	2,724.060
10/01/2009	All Pro Large Cap Value Fund	\$13,176.05	1,148.159	Fixed Income Fund	\$13,176.05	13,176.050
10/01/2009	All Pro Small Cap Growth Fund	\$2,202.00	191.715	Fixed Income Fund	\$2,202.00	2,202.000
10/01/2009	All Pro Large Cap Growth Fund	\$12,717.10	1,842.183	Fixed Income Fund	\$12,717.10	12,717.100
10/01/2009	All Pro International Equity Strategy	\$20,514.95	1,561.599	Fixed Income Fund	\$20,514.95	20,514.950
10/01/2009	Vanguard Growth Index Fund Shares	\$13,387.30	1,573.870	Fixed Income Fund	\$13,387.30	13,387.300
10/01/2009	Vanguard Value Index Fund	\$22,031.99	3,040.687	Fixed Income Fund	\$22,031.99	22,031.990

**Kent County Water Authority**  
**Transfer Register**  
*For the Period 1/1/2009 to 12/31/2009*

<u>Date</u>	<u>Transfer From</u>			<u>Transfer To</u>		
	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>	<u>Investment Option</u>	<u>Dollars</u>	<u>Units</u>
10/01/2009	Vanguard Mid-Cap Index Fund	\$20,362.89	2,579.655	Fixed Income Fund	\$20,362.89	20,362.890
10/01/2009	Vanguard Mid-Cap Index Fund	\$1,656.69	209.876	All Pro Diversified Bond Fund	\$1,656.69	82.056
10/01/2009	Vanguard Small-Cap Growth Index Fund	\$3,165.94	368.747	All Pro Diversified Bond Fund	\$3,165.94	156.810
10/01/2009	Vanguard Small-Cap Value Index Fund	\$4,350.52	567.269	All Pro Diversified Bond Fund	\$4,350.52	215.482
10/01/2009	Vanguard Small-Cap Value Index Fund	\$76.39	9.961	Vanguard Inflation-Protected Securities	\$76.39	6.723
10/01/2009	Vanguard High-Yield Corporate Fund	\$1,238.62	117.158	Vanguard Inflation-Protected Securities	\$1,238.62	109.003
10/01/2009	Vanguard Total International Stock Index Fund	\$7,697.49	1,025.939	Vanguard Inflation-Protected Securities	\$7,697.49	677.405
10/01/2009	Vanguard Total International Stock Index Fund	\$11,326.48	1,509.619	Vanguard Total Bond Market Index Fund	\$11,326.48	972.248





**Kent County Water Authority**  
**Asset Statement Summary**  
*For the Period 1/1/2009 to 12/31/2009*

Investment Option	Beginning Balance	Deposits	Transfers		Withdrawals	Transfers		Return	Ending Balance
			To	From		To	From		
All Pro Diversified Bond Fund	\$333,351.05	\$25,999.98	\$20,998.40	\$0.00	\$0.00	(\$67,138.13)	\$35,143.74	\$348,355.04	
All Pro International Equity Strategy	\$163,940.29	\$15,600.00	\$24,871.23	\$0.00	\$0.00	(\$42,121.98)	\$49,061.28	\$211,350.82	
All Pro Large Cap Growth Fund	\$265,888.93	\$25,999.98	\$28,161.15	\$0.00	\$0.00	(\$21,169.78)	\$70,937.12	\$369,817.40	
All Pro Large Cap Value Fund	\$285,865.62	\$25,999.98	\$14,707.75	\$0.00	\$0.00	(\$26,483.36)	\$61,638.63	\$361,728.62	
All Pro Small Cap Growth Fund	\$26,550.49	\$2,599.98	\$4,453.73	\$0.00	\$0.00	(\$4,299.34)	\$6,474.05	\$35,778.91	
All Pro Small Cap Value Fund	\$26,349.23	\$2,599.98	\$4,867.00	\$0.00	\$0.00	(\$5,527.23)	\$7,511.79	\$35,800.77	
Fixed Income Fund	\$468,912.27	\$39,000.10	\$211,663.18	(\$284,793.34)	\$0.00	\$0.00	\$17,111.52	\$451,893.73	
Vanguard Growth Index Fund Shares	\$239,863.95	\$23,400.00	\$24,781.12	\$0.00	\$0.00	(\$39,417.36)	\$84,865.87	\$333,493.58	
Vanguard High-Yield Corporate Fund	\$90,000.89	\$7,800.00	\$0.00	\$0.00	\$0.00	(\$18,874.66)	\$29,565.25	\$108,491.48	
Vanguard Inflation-Protected Securities	\$165,571.28	\$13,000.02	\$20,511.68	\$0.00	\$0.00	(\$38,174.87)	\$14,458.07	\$175,366.18	
Vanguard Mid-Cap Index Fund	\$156,631.30	\$15,600.00	\$20,691.83	\$0.00	\$0.00	(\$37,200.24)	\$63,554.46	\$219,277.35	



**Kent County Water Authority**  
**Asset Statement Summary**  
*For the Period 1/1/2009 to 12/31/2009*

	Beginning Balance	Transfers		Withdrawals	Transfers		Return	Ending Balance
		Deposits	To		From	From		
Vanguard Small-Cap Growth Index Fund	\$25,361.30	\$2,599.98	\$4,312.33	\$0.00	(\$7,372.37)	\$10,929.84	\$35,831.08	
Vanguard Small-Cap Value Index Fund	\$26,130.64	\$2,600.00	\$6,210.43	\$0.00	(\$8,355.22)	\$8,990.92	\$35,576.77	
Vanguard Total Bond Market Index Fund	\$250,687.41	\$18,199.98	\$24,803.34	\$0.00	(\$62,370.36)	\$9,946.38	\$241,266.75	
Vanguard Total International Stock Index Fund	\$165,783.39	\$15,600.00	\$19,128.94	\$0.00	(\$48,263.48)	\$60,248.38	\$212,497.23	
Vanguard Value Index Fund	\$249,612.76	\$23,400.00	\$36,658.04	\$0.00	(\$40,051.77)	\$53,059.19	\$322,678.22	
<b>Total</b>	\$2,940,500.80	\$259,999.98	\$466,820.15	(\$284,793.34)	(\$466,820.15)	\$583,496.49	\$3,499,203.93	

# **EXHIBIT E**

Board Meeting

May 20, 2010

KENT COUNTY OPER AUTHORITY  
 CAS LOCATION  
 FISCAL YEAR 09-10

CASH LOCATION:	JUL 2009	AUG 2009	SEP 2009	OCT 2009	NOV 2009	DEC 2009	JAN 2010	FEB 2010	MAR 2010	APR 2010	MAY 2010	JUN 2010
<b>\$</b>												
Citizens Bank - Payroll	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00
Fleet Bank - Deposit	95,366.37	116,341.33	43,313.24	317,664.54	124,396.04	195,665.78	301,047.10	103,260.13	11,736.81	223,888.54	223,888.54	223,888.54
Fleet Bank - Checking	14,590.99	18,442.85	19,494.08	52,153.72	45,698.00	27,055.53	161,809.51	85,161.29	212,696.48	158,853.68	158,853.68	158,853.68
	149,957.36	174,784.18	102,807.32	409,818.26	210,094.04	262,721.31	502,856.61	228,421.42	264,433.29	424,742.22	424,742.22	424,742.22
<b>U. S Bank - Project Funds</b>												0.00
Revenue	152,650.22	349,149.72	103,870.94	178,128.80	946,000.49	871,192.83	1,205,848.57	1,002,720.54	567,655.37	868,609.50	868,609.50	868,609.50
Infrastructure Fund	6,669,640.22	4,968,727.63	4,541,672.74	4,909,462.52	3,555,850.75	3,555,890.18	3,442,660.26	3,892,689.85	4,342,716.58	4,792,749.83	4,792,749.83	4,792,749.83
Operation & Maintenance Fund	0.73	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Renewal & Replacement Reserve	2,366,983.44	2,367,031.02	2,367,051.17	2,367,070.66	2,367,090.80	2,367,110.30	2,367,130.44	2,367,150.58	2,367,168.77	2,367,188.92	2,367,188.92	2,367,188.92
Renewal & Replacement Fund	190,357.24	198,694.23	207,029.15	213,364.04	223,699.19	213,211.64	221,546.80	229,881.98	238,217.00	246,552.24	246,552.24	246,552.24
Renewal & Replacement Reserve	785,951.90	785,967.75	785,974.52	785,981.07	785,987.83	785,994.37	786,001.14	786,007.90	786,007.90	786,007.90	786,007.90	786,007.90
General Project - 2001	94,842.95	160,374.33	226,169.91	291,965.87	356,670.84	422,195.03	317,089.25	382,613.92	448,138.22	513,663.15	513,663.15	513,663.15
Debt Service Fund - 2001	780,546.21	780,546.21	780,546.21	780,546.21	780,546.21	780,546.21	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00	781,125.00
Cost of Issuance - 2001												
General Project - 2002	16,589,314.57	16,429,550.45	16,160,647.05	16,160,781.27	16,063,828.00	16,063,941.84	16,064,078.28	16,064,214.73	16,064,337.97	16,064,474.41	16,064,474.41	16,064,474.41
Debt Service Fund - 2002	213,888.30	370,730.40	527,222.95	683,716.21	841,531.79	998,357.89	709,262.98	866,089.89	1,022,915.81	1,179,743.67	1,179,743.67	1,179,743.67
Debt Service Reserve - 2002	1,851,317.91	1,851,317.91	1,851,317.91	1,851,317.91	1,851,317.91	1,851,317.91	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01	1,823,560.01
Cost of Issuance - 2002												
Debt Service Fund - 2004	178,011.90	284,121.96	389,873.54	495,284.26	601,379.38	707,133.54	710,888.58	816,644.19	922,399.65	1,028,156.54	1,028,156.54	1,028,156.54
Debt Service Reserve - 2004	1,306,301.32	1,287,269.90	1,287,269.90	1,287,269.90	1,287,269.90	1,287,269.90	1,278,464.04	1,278,464.04	1,279,133.75	1,279,133.75	1,279,133.75	1,279,133.75
Cost of Issuance - 2004												
Redemption Account - 2004												
<b>\$</b>	31,329,764.27	30,008,265.71	29,331,453.33	30,416,707.00	29,871,267.13	30,166,882.95	30,210,511.96	30,519,584.05	30,907,809.32	32,155,720.03	32,155,720.03	32,155,720.03

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

	JULY 2009	AUGUST 2009	SEPTEMBER 2009	OCTOBER 2009	NOVEMBER 2009	DECEMBER 2009	JANUARY 2010	FEBRUARY 2010	MARCH 2010	APRIL 2010	MAY 2010	JUNE 2010	RATE REVENUE FY 09-10	RATE REVENUE FY 08-09
<b>ENDING MONTH BALANCE</b>	33,688,188	31,329,764	30,008,265	29,331,453	30,416,706	29,871,266	30,166,882	30,210,512	30,519,584	30,907,809			JUL \$ 1,260,704.09	1,282,312.14
<b>RECEIPTS:</b>													AUG \$ 1,086,327.67	1,126,566.81
Water Collections	1,834,841	1,453,975.90	1,259,666	2,277,217	1,816,479	1,166,685	2,018,168	1,236,932	1,035,027	1,944,720			SEP \$ 2,566,222.88	2,591,917.46
Interest Earned	1,795	3,225.25	243	234	241	240	17,841	242	885	249			OCT \$ 1,362,068.07	1,217,110.52
Inspection Fees													NOV \$ 1,022,260.62	1,078,854.00
Contribution in Aid-Construction													DEC \$ 1,966,266.00	2,175,706.74
Other													JAN \$ 977,666.96	1,211,152.49
<b>TOTAL CASH RECEIPTS</b>	35,524,824	32,786,966	31,268,174	31,608,904	32,233,426	31,038,191	32,202,891	31,447,687	31,555,497	32,852,778			FEB \$ 943,649.21	1,038,377.48
													MAR \$ 1,976,397.04	1,841,986.53
													APR \$ 1,106,048.00	994,060.30
													MAY \$	943,546.32
													JUN \$	1,960,972.76
<b>DISBURSEMENTS:</b>														
Purchased Water	364,220	392,413	398,122	408,783	319,080	328,054	267,412	287,005	264,222	331,719				
Electric Power	24,444	47,456	44,465	32,107	43,329	50,368	36,671	41,319	35,131	28,649				
Payroll	147,806	171,077	176,163	143,333	146,945	186,729	159,726	142,741	174,315	140,782				
Operations	102,902	42,134	85,321	142,914	56,094	37,547	33,175	56,495	26,952	18,584				
Employee Benefits	94,088	95,060	96,254	97,134	94,879	95,965	1,394	102,899	53,488	55,235				
Legal	4,097	16,131	8,450	3,705	12,845	7,139	5,758	3,808	7,440	6,638				
Materials	18,129	35,513	24,195	28,328	22,409	21,732	38,919	51,541	28,268	9,823				
Insurance	5,171	9,443	2,960	4,721	1,085	129,757	4,721	8,242	8,099	25,500				
Sales Taxes	24,402	11,908.88	9,108	30,611	10,890	9,881	25,452	12,352	158	210				
Refunds	425	1,185		887	175		180							
Rate Case				47,202	1,750		3,630							
Conservation		5,000												
Pilot														
Capital Expenditures (Other)														
2004 Infrastructure	12,841	152,485	439	88,410			853	39		129				
Mishnock Well/Storage/Pump/Trans.	57,136													
Clinton Avenue Pump Station														
E. G. Well Upgrade	8,924	3,446	5,360	15,455	14,600	1,734	1,825	2,743	5,411					
Read Schoolhouse Road - Mains	20,744	17,111	270,904	2,240	7,709	23,730	2,615							
Read Schoolhouse Road - Tank	8,583	170,636	2,501	4,850	7,776	1,072	1,628	1,328	1,381					
Greenwich Avenue - 8" & 12" Mains														
2006A Infrastructure	239C	251			300									
Quaker Lane Pump Station	240C	3,080	10,564	4,387	5,101									
2007 Infrastructure	284B	1,166,997	294,794	37,145	359,130	34,254	191,727	13,243	839	11,464				
Gareau Street 8"	242C													
Arthur-Bleach-Jefferson 8"	243C	6,969	432,804	384,808	41,896	27,290	414,278	8,579	3,831					
2009 Infrastructure	287b		22,700		18,173	15,759	1,200	3,738	2,025	1,000				
2010 Infrastructure	285B													
Tobin Street 8"	244C													
Lemone Court	245C	1,480	405	3,570										
Mishnock Transmission Main	286B	605		88,565	336	80,688		19,000						
Mill Street & Hope	288b	3,173,659												
Prospect Street														
U. S. Bank - Debt Service (P. & I.)														
Water Protection														
<b>TOTAL DISBURSEMENTS</b>	4,195,060	2,778,700	1,936,721	1,192,198	2,362,160	871,309	1,992,379	928,103	647,888	697,058				
<b>BALANCE END OF MONTH</b>	31,329,764	30,008,265	29,331,453	30,416,706	29,871,266	30,166,882	30,210,512	30,519,584	30,907,809	32,155,720				
<b>CASH RECEIPTS DISBURSEMENTS BY MONTH</b>	33,805,456	33,771,788	33,425,155	33,450,432	32,356,161	32,005,861	32,149,627	32,598,835	33,077,042	33,699,011	32,994,261	33,688,188		
<b>PRIOR YEAR</b>														

# **EXHIBIT F**

Board Meeting

May 20, 2010

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
<b>ASSETS:</b>					
<b>CURRENT ASSETS</b>					
<b>UTILITY PLANT IN SERVICES</b>					
1-101A	SOURCE OF SUPPLY PLANT	1841540.53	1841540.53		
1-101B	PUMPING PLANT	8413011.35	8412184.35	827.00	.01%
1-101C	WATER TREATMENT PLANT	141257.29	141257.29		
1-101D	TRANS. & DISTR. PLANT	81718774.96	69155723.24	12563051.72	18.17%
1-101E	GENERAL PLANT	2340953.82	2322081.14	18872.68	.81%
1-101F	MISCELLANEOUS PHYS. PLANT	710.00	710.00		
1-101G	GENERAL STRUCTURES	251218.52	251218.52		
1-1070	CONSTR. WORK IN PROGRESS	19976807.28	23703037.97	-3726230.69	-15.72%
1-1110	ACCUM. DEPR. - PLANT	-14297458.22	-12936703.79	-1360754.43	10.52%
TOTAL		100386815.53	92891049.25	7495766.28	8.07%
<b>UTILITY PLANT IN SERVICES</b>					
<b>CURRENT AND ACCRUED ASSET</b>					
1-131B	CASH - FLEET NAT BANK	201427.56	52914.53	148513.03	280.67%
1-131D	CASH - CITIZENS BANK	40000.00	70905.52	-30905.52	-43.59%
1-131U	UNAPPLIED CASH	60225.05		60225.05	
TOTAL		301652.61	123820.05	177832.56	143.62%
<b>CURRENT AND ACCRUED ASSET</b>					
<b>OTHER SPECIAL DEPOSITS</b>					
1-134B	RESTRICTED DEBT RESERVE	5061020.65	3934469.92	1126550.73	28.63%
1-1340	SPECIAL DEPOSITS	25582355.18	29051989.92	-3469634.74	-11.94%
1-1350	PETTY CASH	300.00	300.00		
1-1420	CUSTOMER ACCTS. RECEIVAB.	2507618.79	2573166.58	-65547.79	-2.55%
1-1440	PROV. FOR UNCOLLECTED ACT	-103683.30	-103683.30		
1-154A	SALVAGE MATERIALS	381.42	381.42		
1-1540	PLANT MATERIAL & SUPPLIES	403416.60	417734.11	-14317.51	-3.43%
1-165A	PREPAID INSURANCE	10155.00	26570.77	-16415.77	-61.78%
1-165B	PREPAID PENSION		164.56	-164.56	-100.00%
1-1810	UNAMORTIZED DEBT DISCOUNT	356719.65	397648.65	-40929.00	-10.29%
TOTAL		33818283.99	36298742.63	-2480458.64	-6.83%
<b>OTHER SPECIAL DEPOSITS</b>					
<b>CLEARING ACCOUNTS</b>					
1-184A	NEW SERVICES CLEARING	1021.31	449.39	571.92	127.27%
1-184D	CUSTOMER SRVCS - CLEARING	-7176.66	4784.13	-11960.79	-250.01%
TOTAL		-6155.35	5233.52	-11388.87	-217.61%
<b>CLEARING ACCOUNTS</b>					
TOTAL		134500596.78	129318845.45	5181751.33	4.01%
<b>CURRENT ASSETS</b>					
TOTAL		134500596.78	129318845.45	5181751.33	4.01%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
<b>CURRENT LIABILITIES</b>					
<b>PROPRIETARY CAPITAL</b>					
1-2160	UNAPPR. EARNED SURPLUS	76780888.56	70548943.39	6231945.17	8.83%
TOTAL		76780888.56	70548943.39	6231945.17	8.83%
<b>PROPRIETARY CAPITAL</b>					
<b>LONG TERM DEBT</b>					
1-2210	BONDS	31354726.00	33745990.00	-2391264.00	-7.09%
<b>CURRENT &amp; ACCRUED LIAB.</b>					
1-231A	UNEARNED REVENUE	-33182.35		-33182.35	
1-232A	ACCOUNTS PAYABLE- TRADE	345340.44	496824.31	-151483.87	-30.49%
1-2360	TAXES ACCRUED	48046.96	49239.61	-1192.65	-2.42%
1-237B	INTEREST ACCRUED	389355.42	342396.57	46958.85	13.71%
1-2610	ACCRUED INSURANCE	25867.01	25867.01		
1-2630	ACCRUED PENSION		189023.00	-189023.00	-100.00%
1-2640	O.P.E.D. OBLIGATION	390796.00		390796.00	
1-2650	RETAINAGE PAYABLE	402731.01		402731.01	
TOTAL		1568954.49	1103350.50	465603.99	42.20%
<b>CURRENT &amp; ACCRUED LIAB.</b>					
<b>TAX COLLECTION PAYABLE</b>					
1-241C	ACCRUED FICA TAXES	9614.66	9614.66		
1-241D	ACCRUED SALES TAX	-2268.62	-2363.43	94.81	-4.01%
1-241F	WATER PROTECTION CHARGE	78382.25	157239.61	-78857.36	-50.15%
1-242C	ACCRUED PAYROLL	123328.32	27411.00	95917.32	349.92%
1-2520	CUSTOMER ADV. FOR CONSTR.	50722.00	16741.50	33980.50	202.97%
TOTAL		259778.61	208643.34	51135.27	24.51%
<b>TAX COLLECTION PAYABLE</b>					
<b>OTHER DEFERRED CREDITS</b>					
1-2710	CONTRIB. IN AID TO CONSTR	19667319.41	18560560.19	1106759.22	5.96%
TOTAL		19667319.41	18560560.19	1106759.22	5.96%
<b>OTHER DEFERRED CREDITS</b>					
<b>CURRENT LIABILITIES</b>					
TOTAL		129631667.07	124167487.42	5464179.65	4.40%
<b>LIABILITIES</b>					
<b>FUND BALANCES:</b>					
<b>FUND BALANCE</b>					
TOTAL					
<b>FUND BALANCE</b>					
TOTAL					



REPORT DATE 03/31/2010  
 SYSTEM DATE 05/18/2010  
 FILES ID Z

Kent County Water Authority  
 COMPARATIVE BALANCE SHEET  
 General  
 AS OF 03/31/2010

PAGE 3  
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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR	DIFFERENCE FROM PREV YEAR	PERCENTAGE
TOTAL FUND BALANCES					
EXCESS OF REVENUE OVER EXPENDITURES		4868929.71	5151358.03	-282428.32	-5.48%
TOTAL LIABILITIES AND FUND BALANCES		134500596.78	129318845.45	5181751.33	4.01%

# **EXHIBIT G**

Board Meeting

May 20, 2010

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

AS OF 03/2010

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
1-4150					
MERCHANDISING & JOBBING	50.00	736.02	450.00	3569.20	3119.20
1-4160					
M & J COSTS & EXPENSES	3923.25	490.68	35309.25	12681.45	-22627.80
1-4190					
INTEREST & DIVIDEND INC.	32969.83	885.57	296728.47	24946.55	-271781.92
1-4210					
MISC. NON-OPER. INCOME	8.33		74.97		-74.97
TOTALS FOR OTHER INCOME	36951.41	2112.27	332562.69	41197.20	-291365.49
1-461A					
METERED SALES - GC	1126383.75	1015791.05	10137453.75	9221119.12	-916334.63
1-461B					
METERED SALES - IC	307424.91	407890.42	2766824.19	2247151.92	-519672.27
1-4620					
PRIVATE FIRE PROTECTION	45458.00	43566.60	136374.00	131116.14	-5257.86
1-4630					
PUBLIC FIRE PROTECTION	320918.00	300376.31	962754.00	900613.61	-62140.39
1-4640					
SALES - PUBLIC AUTHORITIES	59984.08	116492.01	539856.72	521012.00	-18844.72
1-4660					
SALES FOR RESALE	29615.00	28412.18	88845.00	79202.14	-9642.86
1-4710					
MISC. SERVICE REVENUE	13750.00	9953.69	123750.00	125534.17	1784.17
1-4740					
OTHER WATER REVENUES	4416.66	4606.41	39749.94	34662.84	-5087.10
TOTALS FOR OPERATING REVENUE ACCTS.	1907950.40	1927088.67	14795607.60	13260411.94	-1535195.66
TOTALS FOR REVENUES	1944901.81	1929200.94	15128170.29	13301609.14	-1826561.15
EXPENDITURES					
1-6020					
PURCHASED WATER	362143.16	274932.51	3259288.44	2940024.35	319264.09
1-6140					
MAINTENANCE OF WELLS	550.00	242.43	4950.00	541.25	4408.75
TOTALS FOR SOURCE OF SUPPLY EXPENSES	362693.16	275174.94	3264238.44	2940565.60	323672.84
1-6210					
FUEL FOR PUMPING	475.00	177.05	4275.00	711.00	3564.00
1-6230					
POWER PURCHASED	42583.33	30072.29	383249.97	333718.70	49531.27
1-624A					
PUMPING LABOR	7258.33	5380.49	65324.97	42052.35	23272.62
1-624B					
PUMPING EXPENSES	383.33		3449.97	2908.73	541.24
1-6310					
MAINT STRUCT & IMPROVE	3027.25	2479.03	27245.25	21231.38	6013.87

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

AS OF 03/2010

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
1-6330 MAINT PUMPING EQUIPMENT	2833.33	2573.27	25499.97	26999.12	-1499.15
TOTALS FOR PUMPING EXPENSES	56560.57	40682.13	509045.13	427621.28	81423.85
1-6410 CHEMICALS	9166.66	15555.84	82499.94	128583.03	-46083.09
1-642A OPERATION LABOR	6866.66	7279.36	61799.94	56941.32	4858.62
1-642B OPERATION EXPENSES	3916.66	2722.00	35249.94	20825.26	14424.68
1-6520 MAINT WATER TREAT EQUIP	375.00		3375.00	2908.73	466.27
TOTALS FOR WATER TREATMENT EXPENSES	20324.98	25557.20	182924.82	209258.34	-26333.52
1-6610 STORAGE FACILITIES EXP	70.83		637.47		637.47
1-662A T & D LABOR	2516.66		22649.94	14370.34	8279.60
1-662B T & D SUPPLIES & EXP	3208.33	3358.99	28874.97	22653.49	6221.48
1-663A T & D METER LABOR	2741.66	2664.75	24674.94	24189.34	485.60
1-663B T & D METER SUPP & EXP	925.00		8325.00	11307.26	-2982.26
1-6650 T & D MISC	1166.66		10499.94	11160.14	-660.20
1-6710 MAINT STRUCT & IMPROV	89.58		806.22	7374.85	-6568.63
1-6720 MAINT RESERVOIR & STDPIPE	708.33	187.36	6374.97	7711.90	-1336.93
1-6730 MAINT T & D MAINS	47917.33	53934.99	431255.97	373422.60	57833.37
1-6750 MAINT SERVICES	13846.75	8678.09	124620.75	143020.03	-18399.28
1-6760 MAINT METERS	9634.16	5792.30	86707.44	66810.80	19896.64
1-6770 MAINT HYDRANTS	8331.00	4654.72	74979.00	69223.06	5755.94
1-6790 TRANSFER TO CONSTRUCTION	-704.16		-6337.44	-6143.48	-193.96
TOTALS FOR TRANS. & DISTR. EXPENSES	90452.13	79271.20	814069.17	745100.33	68968.84
1-902A METER READING LABOR	6325.00	6512.39	56925.00	60445.50	-3520.50
1-902B METER READING SUPP & EXP	83.33		749.97		749.97
1-903A CUSTOMER RECORDS LABOR	16393.49	18501.13	131153.24	138077.69	-6924.45
1-903B CUSTOMER RECORDS SUPP	7083.33	707.37	63749.97	52095.39	11654.58

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 AS OF 03/2010

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
TOTALS FOR CUSTOMER ACCT. EXPENSES	29885.15	25720.89	252578.18	250618.58	1959.60
1-9200 ADM & GENERAL SALARIES	31391.66	32039.78	282524.94	220799.80	61725.14
1-9210 OFFICE SUPPLIES & EXP	11583.33	7103.52	104249.97	88452.96	15797.01
1-9230 OUTSIDE SERVICES	10950.00	4088.00	98550.00	110839.11	-12289.11
1-9240 PROPERTY INSURANCE	14833.33	4721.25	133499.97	160944.25	-27444.28
1-9250 INJURIES & DAMAGES	25.83		232.47		232.47
1-9260 EMPLOYEE PENSION & BENEF	34529.16	52956.01	830762.52	732844.75	97917.77
1-9280 REGULATORY COMM EXP	6875.00	2550.00	61875.00	67583.06	-5708.06
1-930A MISC GENERAL EXPENSE	1695.83		15262.47	-681.63	15944.10
1-930B MISC GENERAL EXPENSE	1250.00	3808.76	11250.00	12580.05	-1330.05
1-930C MISC GENERAL EXPENSE	3000.00		27000.00	5000.00	22000.00
1-9300 MISC GENERAL EXPENSE	29.16		262.44		262.44
1-932A MAINT GENERAL PLANT	14619.50	8073.81	131575.50	86016.99	45558.51
1-932B MAINT VEHICLES	8367.58	2789.67	75308.22	54329.60	20978.62
1-9330 UNASSIGNED TIME VAC HOL	21941.66	11966.56	197474.94	181963.97	15510.97
TOTALS FOR ADM. & GENERAL EXPENSES	161092.04	130097.36	1969828.44	1720672.91	249155.53
1-4030 DEPRECIATION EXPENSE	96666.66	96666.67	869999.94	870000.03	-.09
1-4080 TAXES OTHER THAN INCOME	15000.00	14360.44	135000.00	115843.00	19157.00
1-4270 INTEREST-LONG TERM DEBT	123101.08	123101.04	1107909.72	1107909.36	.36
1-4280 AMORTIZATION OF DEBT DISC	5010.00	5010.00	45090.00	45090.00	
TOTALS FOR OTHER EXPENSES	239777.74	239138.15	2157999.66	2138842.39	19157.27
TOTALS FOR EXPENDITURES	960785.77	815641.87	9150683.84	8432679.43	718004.41
EXCESS OF REVENUE OVER EXPENDITURES	984116.04	1113559.07	5977486.45	4868929.71	-1108556.74
FOR general					

# **EXHIBIT H**

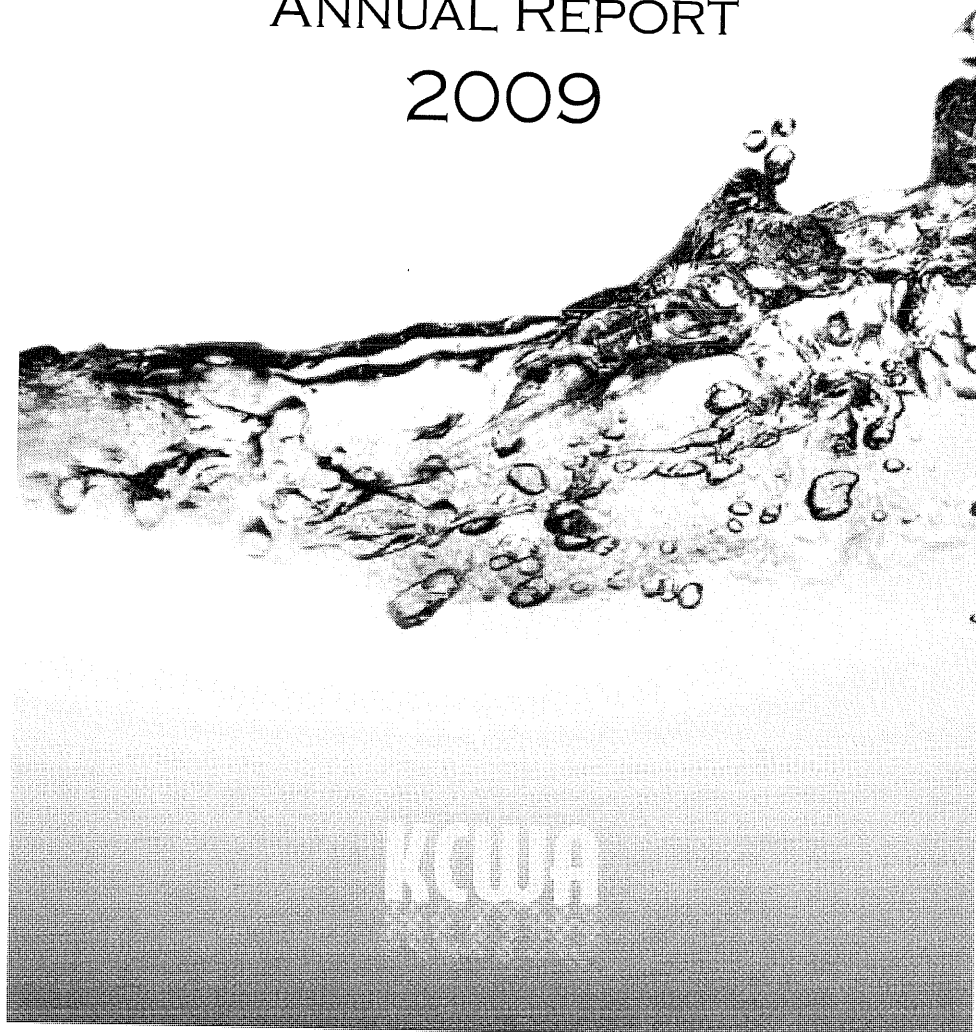
Board Meeting

May 20, 2010

# KENT COUNTY WATER AUTHORITY

CONSUMER  
CONFIDENCE  
WATER QUALITY

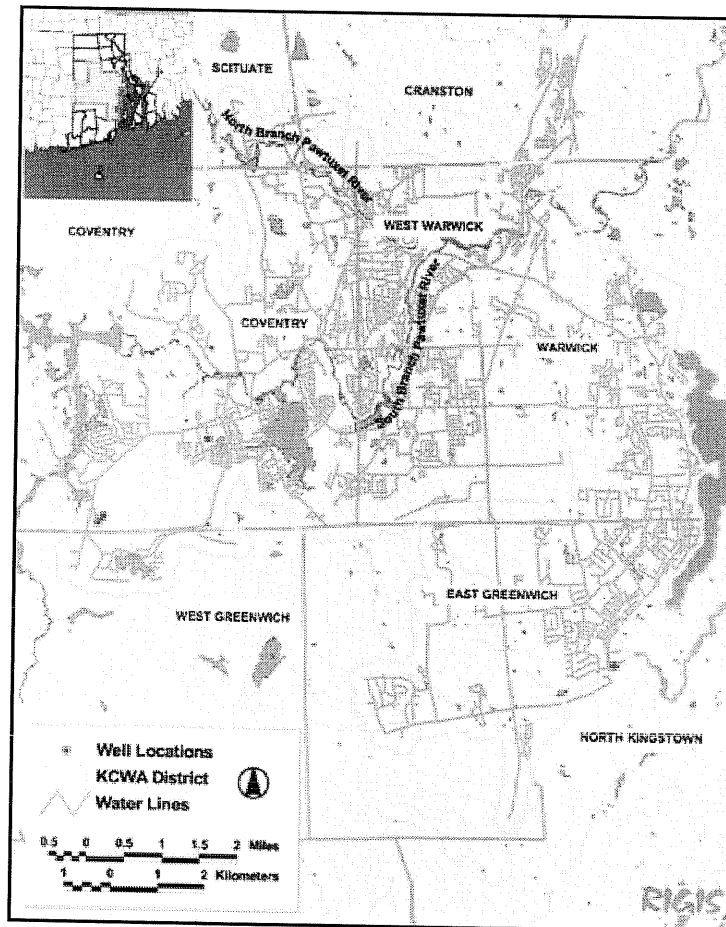
ANNUAL REPORT  
2009



# KCWA Consumer Confidence Water Quality 2009 Annual Report

We are once again proud to present you with this year's Water Quality Report. This year's report covers all testing completed from January 1, 2009 through December 31, 2009 and fulfills both the Environmental Protection Agency (EPA) and Rhode Island Department of Health (RIDOH) requirements to provide a "Consumer Confidence Report" to our customers. This publication reflects our ongoing efforts to keep you informed about the quality of the water and services we deliver to you every day.

Over the years we have dedicated ourselves to producing drinking water that meets all state and federal drinking water standards. This report includes information related to the origin of your water, what it contains and how it compares to the quality standards set by the EPA. Be assured, the Kent County Water Authority and their professional staff are committed to providing our customers with the finest, most cost effective and reliable drinking water.





It's what's inside your water that counts and nothing counts more than your health. The Kent County Water Authority and its predecessor companies have been delivering safe, dependable water, seven days a week, 24 hours a day for 130 years. We continually strive to adopt new and better methods for delivering the best quality drinking water to you. As new challenges to drinking water safety emerge, we remain vigilant in meeting these demands while continuing to serve the needs of all of our customers. Because it's important to understand the facts about the quality of your drinking water, here's the bottom line. As reported this year and in previous years, our monitoring results show our system had no violations. Water delivered by the Kent County Water

Water delivered by the Kent County Water Authority meets or surpasses all federal and state of Rhode Island requirements.

Authority meets or surpasses all Federal and State of Rhode Island requirements. You put a lot of faith in us and we take that very seriously. Thank you for your continued confidence in the product we deliver to you.

We have learned through our monitoring and testing efforts that some regulated constituents have been detected. The EPA and RIDOH have determined that your water is SAFE at these levels. To learn more, please continue reading. We will tell you about the quality of your drinking water, its sources, an overview of the water system future goals, progress and more. Should you have any questions concerning this information or about your water utility, please contact our General Manager/Chief Engineer, Timothy J. Brown, P.E. at 401-821-9300 or [customerservice@kentcountywater.org](mailto:customerservice@kentcountywater.org). Customer concerns regarding Providence Water results may be directed to the customer service department of the Providence Water Supply Board at 401-521-6300.

We value your input and want our customers to stay informed about their water utility. Public participation adds value to the decision making process regarding the quality of your water and the service you're provided. If you would like to learn more about your water utility, or play a part in its future, please attend any of our regularly scheduled board meetings held on the third Thursday of each month. Meeting agenda information can also be found on the Secretary of State Website. <http://www.sec.state.ri.us/govtracker/>. Meetings begin at 3:30 p.m. at our office located at 1072 Main Street, West Warwick. We look forward to seeing you there!

## **Additional Health Information**

The sources of drinking water (both tap and bottled water) include rivers, lakes, ponds, reservoirs, springs, and wells. As water travels over the land or through the ground, it dissolves naturally occurring minerals, radioactive material and can pick up substances or contaminants resulting from the presence of human or animal activities.

All sources of drinking water are subject to potential contamination from substances that are naturally occurring or man made, such as: microbes, inorganic and organic chemicals, and naturally occurring radioactive substances. All drinking water, including bottled drinking water, may reasonably be expected to contain at least small amounts of some constituents. It's important to remember that the presence of these constituents does not necessarily pose a health risk. More information on contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline 800-426-4791 or visit the EPA web site [www.epa.gov/safewater](http://www.epa.gov/safewater).

Some people may be more vulnerable to contaminants in drinking water than the general population. Immuno-compromised persons such as persons with cancer who are undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly and infants can be particularly at risk from infections. These people should seek advice from their healthcare providers about drinking water. EPA and CDC guidelines on appropriate means to lessen the risk of infection by *Cryptosporidium* and other microbial contaminants are available from the Safe Water Drinking Hotline (800-426-4791).

Nitrate in drinking water at levels above 10 ppm is a health risk for infants of less than six months of age. High nitrate levels in drinking water can cause blue baby syndrome. Nitrate levels may rise quickly for short periods of time because of rainfall or agricultural activity. If you are caring for an infant, you should ask for advice from your healthcare provider.

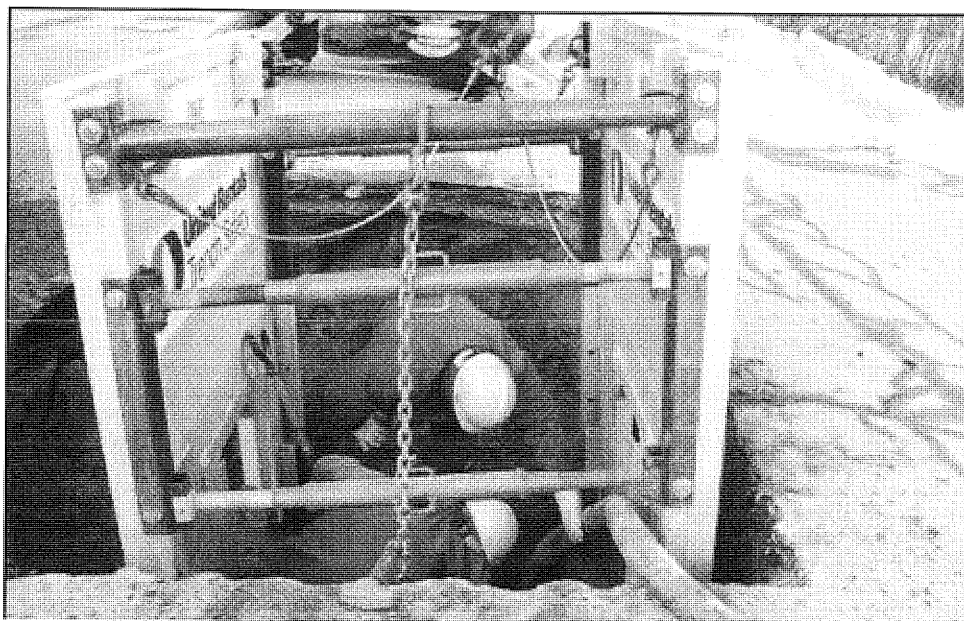
MCL's are set at very stringent levels. To understand the possible health effects described for many regulated constituents, a person would have to drink 2 liters of water every day, at the MCL, for a lifetime to have a one-in-one-million chance of having the described health effects.

## Infrastructure Improvements

Kent County Water Authority distribution and transmission mains comprise a network of more than 430 miles of underground infrastructure, 9 storage tank facilities and a multitude of pump, wells and pressure control stations that must be continually maintained. Many of the water mains are over 100 years old. Rhode Island General Law 46-15.6 requires that all large water suppliers implement an infrastructure replacement program to address such things as aged and failing mains, rehabilitation of tanks and pumping stations. Each water system throughout the state is required by law to provide a funding mechanism to replace and/or rehabilitate identified components at the end of their useful life within the framework of the regulations. As you might expect, water rates have to go up in order to pay for the replacement of old infrastructure. Costs associated with these improvements are incorporated in the rate structure for your billing. The rate structure and each program is fully reviewed and approved by the Public Utilities Commission (PUC) prior to commencing work on the planned improvements. At the current PUC approved rate, water costs less than  $\frac{3}{4}$  of a cent delivered to your home. Water is still the best bargain in town in comparison to bottled water or other utility and cable services.

At the current PUC approved rate water costs less than  $\frac{3}{4}$  of a cent per gallon delivered to your home. Water is still the best bargain in town in comparison to other utility and cable services.

It is imperative for the continued viability of your water system and water quality to replace aging water mains, rehabilitate tanks and pumping stations and implement programs that streamline our service to our customers. Several



planned projects are currently underway to replace failing water mains, enhance hydrant fire flow and better service you. In 2009, KCWA accomplished several important projects, including:

- Installation of approximately 15,000 feet of 12, 16 and 20-inch diameter water mains to complete Capital Improvement projects 7C, 7D, and 8A. These projects were necessary to provide transmission capabilities to the new Read Schoolhouse 500 foot elevation gradient storage tank facilities. This improvement in conjunction with the new tank completes a long term plan to correct deficient conditions created years ago when development was expanded into the higher elevations of this area of Coventry. Commissioning of this project allows for the deactivation of the old 410 foot elevation gradient tank on Read Schoolhouse Road and associated gradient infrastructure. At the request of the town final paving was expedited and completed in late December 2009.
- Construction of the new Read Schoolhouse Road 1.5 million gallon concrete storage tank facilities. This tank and new higher pressure gradient were activated in November 2009. This Capital project was necessary to correct deficient conditions created years ago when development was expanded into the higher elevations of this area of Coventry and facilitate the future augmentation of supply capacity. Completion of future capital projects will connect this infrastructure to existing 500 foot gradient infrastructure in the southern part of Coventry.
- Installation of approximately 50,000 linear feet of 8, 12 and 16-inch diameter water main replacements in the city of Cranston and towns of East Greenwich, Coventry and West Warwick.
- Design of the Mishnock Well Treatment Facilities. This work will improve the aesthetic water quality of this supply and include pumping capacity to both the 334 foot elevation low service and 500 foot elevation high service gradients to help alleviate supply constraints currently experienced in this part of our system.

## **Source Water Assessment**

The Rhode Island Department of Health completed a source water assessment of the Kent County Water Authority supplies during 2003. Susceptibility to contamination was determined to be "MODERATE" according to the guidelines used by the Department of Health during the assessment. This ranking is considered to be an average ranking for the water supply. Individual groundwater recharge

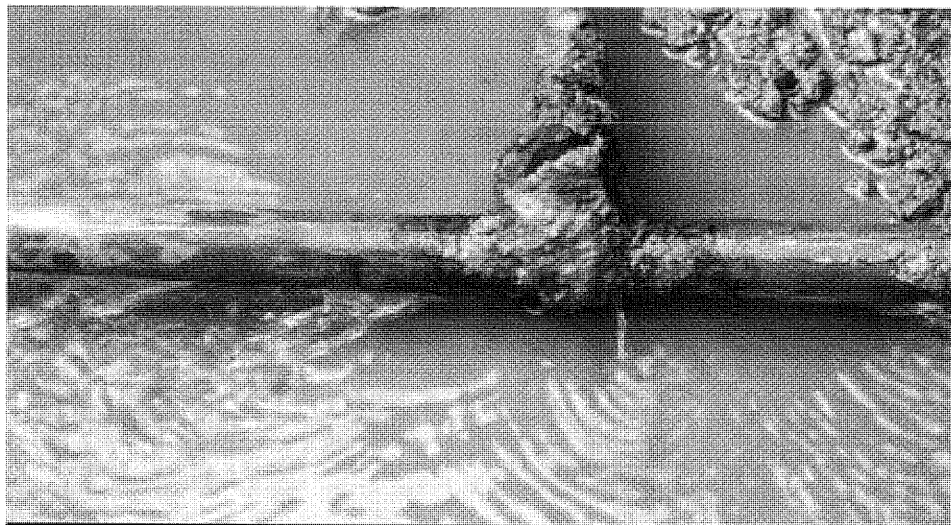
areas may fall into the high or extreme risk of susceptibility to contamination from land use activities. Future risk is expected to increase with continued development. Copies of this Assessment can be obtained from the RI Department of Health at 401-222-6867.

## Your Commitment to Protecting Your Watershed

What goes into our watershed may also come from your own landscape or home. Caring for our watershed and what goes into it is a way each of us can make a difference. Even small amounts of pollutants can add up. Contaminants introduced to the watershed can be classified into two categories, point and non-point source contaminates. Point source pollution is that which can be traced to a specific source such as a factory, farm, leaking fuel tank or industrial site. Non-point source contaminants are more difficult to manage because they represent small contributions from each of us. Paint thinner, antifreeze, pesticides, it doesn't take long for shelves to become cluttered with half-empty containers of chemicals. Chemicals or pollutants inadvertently put down a sink or street drain, or over application of fertilizer or pesticides sprayed around a foundation are all potential sources of watershed contamination because they can make their way to the aquifers that supply your drinking water. **Remember, clean safe potable water starts at the source.**

Caring for our watershed and what goes into it by our own action or inaction is a way each of us can make a difference.

Understanding what a watershed really is and its connection to the quantity and quality of your drinking water can help each of us safeguard our environment and the water resources of this state. A watershed is the natural drainage basin of any area. The Pawtuxet, Mishnock and Hunt River aquifers comprise the watersheds from which your water supply is drawn. As public sewer systems expand, concerns grow over groundwater aquifer depletion. Ninety to ninety-eight percent of household water use ends up down the drain. In the past, water taken from the aquifer was returned to the aquifer via onsite wastewater treatment systems in your yard. Now water is being transported out of the aquifer drainage basin via public sewers, treated to drinking water quality and then dumped into rivers, estuaries and Narragansett Bay. This represents millions of gallons and thousands of dollars each day. Many states are now embracing the concept of returning treated wastewater to its origins in an effort



to keep aquifers from becoming stressed. Talk to your state representatives to promote this type of initiative in our state. We spend millions of dollars each year treating wastewater to drinking water quality. Why not put this effort to full circle resource recovery. There is no better way to recycle and conserve our most precious resource.

Each city and town through its comprehensive plan has primacy in establishing future land use, zoning and growth projections for municipalities as established by Rhode Island General Law 45-22.2-3. The ultimate responsibility and authority for implementation and enforcement of protection strategies for your drinking water sources is the municipality's governing body and the Rhode Island Department of Environmental Protection (RIDEM). We ask all our customers to help us protect these sensitive drinking water sources by participating in your city and town land use decision making process. Protecting these sensitive drinking water aquifers and critical recharge areas is vital to the future of our communities.

Wellhead protection signs have been strategically positioned within existing wellhead protection areas as a more visible indicator of your drinking water sources located in the Towns of Coventry, East Greenwich and West Greenwich. We hope these signs have helped to increase public awareness and appreciation of the vital groundwater resources in these areas. Contact your city or town council member and zoning official to see what else can be done to protect these resources. Public participation in the zoning decision making process can be of great value in protecting your drinking water resources. We think of our customers who live within these areas as the guardians of these essential resources. Your help to preserve the aquifers of these critical drinking water sources will be eternally appreciated by your future family and friends who must perpetually rely on these drinking water resources. Please contact us or the Rhode Island Department of Environmental Management (401) 222-3070 if you suspect a potential contamination concern exists.

## Supply Deficit

We continue to look for feasibly economical ways to meet the increasing demands on our public water system. The availability of supply sources remains indeterminate within this state. The Rhode Island Water Resources Board is legislatively empowered as the agency that manages the withdrawal and use of the waters of the state with the obligation to assure drinking water is available to all Rhode Islanders for use in their daily lives. Rhode Island Department of Environmental Management is legislatively empowered to supervise and control the protection, development, planning and utilization of the natural resources of the state. The Kent County Water Authority must rely on these state agencies in its endeavor to acquire additional supplies to service the expanding service area.

Do not view the periodic shortfall many water suppliers' experience in meeting current maximum day demands as a passing event. The news is full of reports from other states suffering similar or worsening conditions. Statewide water supply philosophy has become awash in a sea of innuendo that could have a crippling effect on the long term availability of public water supply well into the next century. Another much overlooked factor is the growing adverse effects of climatic change on water supply availability and aquifer depletion due to out of drainage basin transfer associated with the expansion of public sewer systems. The ability to store large quantities of reserve capacity is increasingly necessary to transcend extended dry periods. Additional surface water reservoirs or impoundments are perhaps the only suitable long term solution to this concern. The issue of future water supply has also become a nation wide concern as addressed in the United States Congress bill H.R. 135 also known as the 'Twenty-First Century Water Commission Act of 2009'. This bill was submitted to establish the Twenty-First Century Water Commission to study and develop recommendations for a comprehensive water strategy to increase water availability and ensure safe, adequate, reliable, and sustainable water supplies vital to the economic and environmental future of the Nation.

In the 1960's the State of Rhode Island obtained 8,600 acres of land in the Big River Watershed through eminent domain. At that time this undertaking was with the specific intent of constructing a second drinking water reservoir supply, similar to the Scituate Reservoir system that currently supplies the majority of the State. To date no action has been taken to construct this needed reservoir resource. Over the years expansion of public water and public sewer systems throughout the state has continued to nibble away at the available safe yield of our groundwater aquifers and the

Scituate Reservoir source to the point where the full capacity has been appreciably allocated. No other large drinking water sources exist within the state and demand continues to escalate in conjunction with residential and essential economic development.

In 2008 the Rhode Island Water Resources Board completed a study to assess the potential risk of losing critical water sources of the State's major water suppliers to identify potential supplemental emergency water sources to meet emergency demands.

We continue to believe that the Big River Reservoir project is vital to the future of our State's water resources to fulfill our future economic and domestic concerns.

The assessment indicated it did not consider development of new surface water sources as part of the supplemental supply portion of the study. Loss of the Providence Water Supply Board Scituate Reservoir source was indicated to present the largest impact on our customers. The assessment conclusions rely on existing local supplemental sources

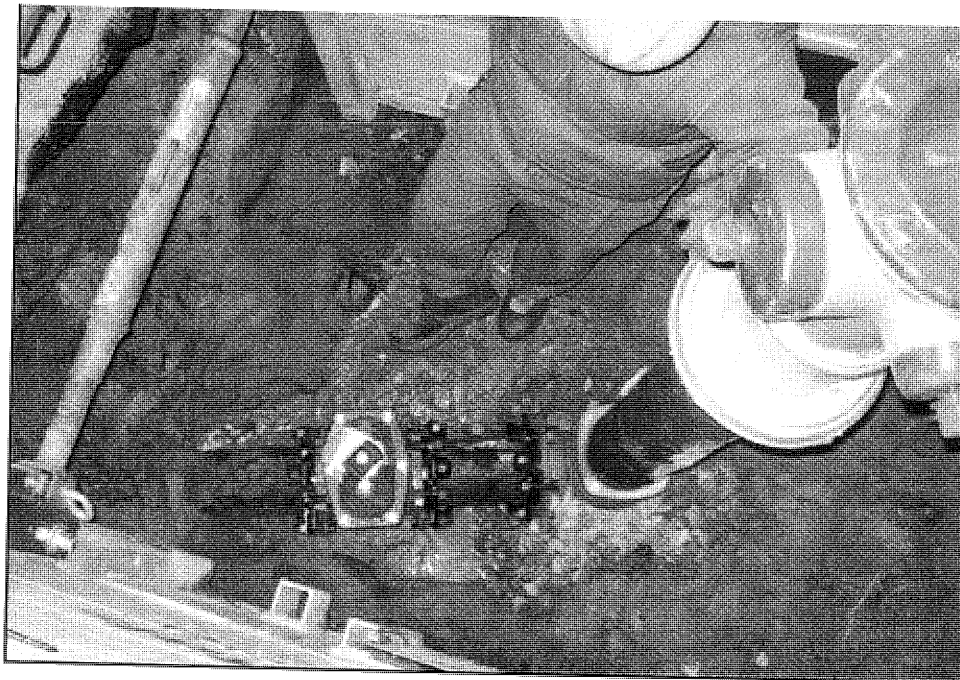
to provide minimum levels of service during a loss of a critical supply source. Many of which will require considerable infrastructure improvements or development of alternate facilities to be effective.

We will continue to bring forward our concerns regarding the water supply industry within our state and present ideas for improvement and/or modification as appropriate. We urge all customers to consider the same by contacting their senator or representative to voice your concerns regarding the future of water supply in Rhode Island. An abundant reliable supply is crucial to our growth and well-being. What other resource is available should the Scituate supply source become compromised or reaches its maximum output capacity or safe yield? A second major reservoir source of supply is critically necessary to provide for redundant supply should a malevolent act or major catastrophe occur to the Scituate Reservoir system or its treatment plant.

We all need to support the Big River Reservoir initiative by conveying your concerns to your state and local representatives. Building the reservoir doesn't mean we must tap the resource right away. But, prolonging construction of this essential resource will exponentially increase the overall future cost to construct the reservoir and also affect the future prosperity of our state.

The Water Resources Board is evaluating the potential of wells in the Big River Management Area. Groundwater





aquifers that support well withdrawals do not provide sufficient storage capacity necessary during the summer use period and during drought conditions. Essentially the water is not there when you need it most. Results from test well development pumping studies indicate that initial assumptions on future production well capacity were overstated by the study engineers. It has been subsequently determined that an increase in the number of production wells will be necessary to meet the minimum well field supply capacity output contemplated by the Water Resources Board for this type of drinking water resource. State regulatory requirements for permitting new groundwater sources have remained not well defined or specific enough to fully evaluate the overall cost associated with meeting the open-ended prerequisite requirements for the Rhode Island Department of Environmental Management groundwater withdrawal application and permitting process. Very limited progress has been made to date towards obtaining a viable cost effective withdrawal permit on this initiative because of regulatory ambiguities and funding issues. Water supply is perhaps the most important component to statewide economic sustainability and a reservoir is the only long term cost effective solution to both drinking water and environmental viability in this state. Contact your area legislative representatives to find out more about this statewide issue and communicate your concerns.

Some years ago, the Kent County Water Authority purchased over 500 acres of land to develop additional production wells in West Greenwich and Coventry. Development of additional drinking water resources in this land will continue to be a long term goal of the Kent County Water Authority strategic plan. A comprehensive scientific analysis of this aquifer provided substantive documentation to the Rhode Island Department of Environmental Management

that three to four million gallons per day of drinking water could be realized with insignificant impact to the surrounding environment. The well field expansion proposed as part of this study would be within the confines of the property purchased for this purpose. These additional wells are necessary to supplement the existing supply in support of the communities we serve. For several years, the Kent County Water Authority attempted to navigate its way through the ambiguities of the RIDEM permitting process hoping to economically tap the safe yield of these additional drinking water resources. A viable, cost effective permit to expand the well field could not be obtained. Consequently, efforts in this direction continue to remain on hold while other alternative sources of drinking water are being sought. A growing number of communities are now experiencing similar obstacles in their quest for both replacement and additional public water wells to support growth in their communities. Because of our past experience and the trend towards disapproval of new or expanded groundwater supplies, we have focused our resources on moving forward to tap the full potential of our existing well field and evaluating the feasibility of other potential sources of increased supply. A Department of Health approved treatment system regime is in the final design stage for our existing well field. We hope to bid the construction of the project in 2010 and have full production capabilities online by 2011.

## **Water Conservation**

Clean potable drinking water is a finite resource. It is imperative for all of us to embrace new strategies that will work to both protect and conserve it. The impact of water conservation on supply availability has been generally understated and not well understood. Outdoor water use conservation is perhaps the most important factor to consider in your conservation efforts. Balancing the available water supply to meet both the current drinking water needs of our existing customers and the future economic development in our service area is of paramount concern. We strongly believe that this is a statewide conservation issue that demands equitable state regulatory management so that all residents of Rhode Island can equally contribute to the best use of the states waters. Over the past several years we have introduced several programs to promote water conservation. We appreciate our customers' participation in these programs and will continue to strengthen our commitment to this important cause. As a KCWA customer, you play a vital role in protecting and conserving our precious water resources. Your unyielding cooperation is necessary to help us continue to provide dependable service to all our customers.

On average Kent County Water Authority customers consume approximately 10 million gallons of water each day during the winter months. On hot summer days water use can almost double. Seasonal conditions and rising consumption rates may dictate implementation of outdoor water use restrictions on our customers to assure domestic and fire supplies are not compromised. Legislative initiatives promoting priority water supply for economic development demonstrate the importance our state legislative representatives have placed on the impact that water supply has on the economic well-being of the state. If voluntary conservation proves ineffective, our only recourse will be to impose a mandatory seasonal moratorium on outdoor water use until the overall supply problem can be resolved. It is very difficult to assess when additional supply initiatives could be fully implemented. A number of complicated factors must be considered in this process. Legislative support, regulatory delineations/determinations and adequate funding are essential to cost effectively tap new sources of supply and the success of this type of endeavour. Each and every customer must take action to conserve today, because inevitably every customer will be affected.

## Lawn Care and Landscaping Tips

*Water usage during the summer months increases significantly. This is primarily related to outdoor water use, the majority of which can be directly attributed to lawn watering. You can effectively reduce your summer water use in the following ways:*

- **Plant less lawn** - Reduce traditional grass lawns where possible. Grass requires more water than other types of ground covers. Replace lawn with drought tolerant shrubs, perennials and ground cover.
- **When to Plant Lawn** - The best time to plant grass is in the early spring or the early fall. The temperatures promote growth and the watering requirements are significantly less.
- **Grass Selection** - Select a native, drought-resistant, or low-water-use turf grass such as fescue grasses. Many varieties are available for your use that include blends of drought tolerant varieties.
- **Plant Trees** - Trees help maintain moisture for nearby plants.
- **Odd/Even Policy** - KCWA's year round odd/even watering policy is in place to help promote conservation and even out the peak demands placed on the available water supplies. This policy does not mean that you are

obligated to water your lawn every other day. Watering every other day when soil conditions do not require it can encourage shallow roots, disease and can weaken plants.

- **Water grass only when needed** - Your lawn needs only one inch of water a week to remain actively growing and healthy. Use a rain gauge to measure weekly rainfall and apply only the amount of extra water needed. Depending on the weather and type of grass, your lawn may go naturally dormant turning brown or hay like in color no matter how much you water. A good rule of thumb is to water approximately once every four to five days and use the rain gauge.
- **Best time to water** - Early morning is best. Less water is lost to evaporation and you will also reduce fungus problems with your lawn.
- **Maintain your lawn properly** - Maintain your lawn at three to four inches in length during the summer heat. During a serious, prolonged drought consider allowing lawns to go naturally dormant, because watering can actually stress the grass more by forcing it to grow under such adverse conditions.
- **Limit Fertilizer Use** - Fertilizer increases the plant's thirst for water. Avoid use of fertilizers in the summer.
- **Natural Runoff** - Install cisterns or rain barrels to collect water from downspouts which can later be used for watering plants and flowers or depress your lawn 1" or 2" to capture and hold runoff from your downspouts.
- **Soil Preparation** - Preparing your soil properly is perhaps the most important aspect of a water conservative landscape. Deep cultivation with lots of organic matter such as compost, leaf mold and peat moss will enrich the soil naturally and hold large quantities of water for proper growth of the root system and plants.
- **Using Mulch** - Use of mulch around plantings helps to reduce evaporation and maintain moisture, limit heat stress and discourage weed growth.

For more information visit the URI Healthy Landscapes Program website, [www.healthylandscapes.org](http://www.healthylandscapes.org) or call (401) 874-5398.

In-ground Automatic Sprinklers are perhaps the largest contributing factor to seasonal water waste. If used correctly, in-ground sprinklers can be somewhat water efficient. Unfortunately, many systems are not set up properly, or do not

contain necessary moisture/rain sensors to prohibit operation when it is not necessary. In some cases homeowners may not know how to reset the system for maximum efficiency. This results in considerable wasted water. The following general guidelines can help make your sprinkler system more efficient:

- A licensed irrigation professional should inspect and adjust your system each year.
- The point of connection is the supply line for the irrigation system. All connections, fittings and valves should be inspected for leaks and proper operation including the correct operating pressure. Excessive pressure can result in water waste and damaged parts.
- Sprinkler valves open and close to allow for operation of each zone. This is programmed into the controller and should be inspected regularly. Malfunction of these valves can also result in wasted water.
- Sprinkler heads should be checked for proper spacing and alignment, application rates and operating pressure. Move or cap sprinkler heads to avoid watering paved or non-vegetated areas.
- Look for suspicious spots in your landscape that are much greener or consistently wet and muddy. This may be due to an underground leak or other malfunction.
- Learn how to program the system and manage it in manual mode.
- Water once or twice per week. Frequent light watering events encourage disease and shallow roots.
- Water early in the morning to reduce evaporation.
- Do not over water. Use a rain gauge and strive for one inch of water per week (rainfall + irrigation = one inch/week).
- Sprinklers are best suited for grass. Drip irrigation is preferable for plants and shrubs.

**Upgrade your system with conservation technology to meet current KCWA rules and regulations:**

- Install a rain shut-off device to prevent watering when it rains.
- Install a soil moisture sensor that schedules irrigation based on soil moisture conditions.
- Consider installing a “smart” controller that schedules irrigation based on weather conditions. For more information visit the Irrigation Association website, [www.irrigation.org](http://www.irrigation.org).

## Kent County Water Authority Water Quality Data

The tables list all of the drinking water constituents detected during the calendar year of this report. The presence of those constituents found in the water at the time of testing does not necessarily indicate that the water poses a health risk. Unless otherwise noted, the data presented in these tables are from testing done in the calendar year of the report. In some cases the EPA and the State may require us to monitor for certain constituents less than once per year because the concentrations of these constituents do not change frequently.

Kent County Water Authority routinely monitors for constituents in your drinking water in compliance with Federal and State Laws. This table shows the detection results from the numerous monitoring tests conducted for the period January 1, 2009 to December 31, 2009. The tables of "Testing Results" identify those constituents that were "detected" in both the Kent County Water Authority and Providence Water Supply sources. As authorized by the EPA, the State has implemented reduced monitoring requirements for certain contaminants to less often than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. Some of our data, though representative, is more than one year old.

REGULATED CONTAMINANT	PERIOD	UNIT	MCL	MCLG	DETECTED	RANGE	MAJOR SOURCES	VIOLATION
BARIUM (1)	2008	ppm	2	2	0.023	0.006-0.023	Erosion of natural deposits.	NO
CADMIUM(3)	2008	ppb	5	5	1	0-1	Corrosion of galvanized pipes; Erosion of natural deposits.	NO
CHROMIUM(3)	2008	ppb	100	100	6	2-6	Erosion of natural deposits.	NO
FLUORIDE (1)	2009	ppm	4	4	1.2	0.9-1.2	Erosion of natural deposits. Water additive, which promotes strong teeth.	NO
NITRATE-N	2009	ppm	10	10	3.25	1.1-3.25	Erosion from natural deposits. Leaching from septic tanks; sewage; Runoff from fertilizer use.	NO
TURBIDITY (1)(5)	2009	NTU	TT	N/A	0.28	0.05-0.28	Soil runoff.	NO
TOTAL ORGANIC CARBON(1)(4)	2009	N/A	TT	N/A	1.21	1.17-1.41	Naturally present in the environment.	NO
TOTAL TRIHALOMETHANES (TTHM)	2009	ppb	80	N/A	50.1	43.7-56.5	By-product of drinking water chlorination.	NO
HALOACETIC ACIDS (HAAs)	2009	ppb	60	N/A	1.9	1.5-2.2	By-product of drinking water chlorination.	NO
CHLORINE FREE RESIDUAL	2009	ppm	4	4	0.32	0.02-0.39	Water additive used to control microbes.	NO
COMBINED RADIUM 226 AND 228(3)	2008	pCi/L	5	0	2.2	ND-2.2	Erosion of natural deposits.	NO
LEAD AND COPPER RULE	PERIOD	UNIT	AL	MCLG	90th PERCENTILE DETECTED	RANGE	MAJOR SOURCES	VIOLATION
COPPER	2009	ppm	1.3	1.3	0.038	0 of 60 samples was above the action level	Corrosion of household plumbing systems. Erosion of natural deposits.	NO
LEAD	2009	ppb	15	0	8	1 of 60 samples was above the action level	Corrosion of household plumbing systems. Erosion of natural deposits.	NO

### Kent County Water Authority Table Footnotes

- (1) Detection level influenced by Providence Water purchases.
- (2) This value refers to the highest monthly percentage of positive samples detected during the year. 1,246 samples were collected for compliance monitoring and none tested positive during the sampling period.
- (3) Reflects sampling at groundwater source before blending with purchased water

- from Providence Water Supply Board.
- (4) In order to comply with the EPA standard, the removal ratio must be greater than 1. Detected level is the lowest removal ratio per quarter. Range is the lowest and highest removal ratios per month.
- (5) 0.28 was the highest single turbidity measurement recorded. The lowest monthly percentage of samples meeting the turbidity limit was 100%. The average turbidity value for 2009 was <0.10 NTU.

## Providence Water Quality Data

Our Cranston customers receive water through a direct-metered connection to the Providence Water Supply Board. The table below represents the results of the testing performed by the Providence Water Supply Board that has been identified by Providence Water as applicable to the reporting requirements for

this area. Results shown on the Kent County Water Authority Quality Data table for lead, copper, haloacetic acids, total coliform bacteria and total trihalo-methanes are also applicable to our Cranston customers.

REGULATED CONTAMINANT	PERIOD	UNIT	MCL	MCLG	DETECTED	RANGE	MAJOR SOURCES	VIOLATION
FLUORIDE	2009	ppm	4	4	1.2	0.9-1.2	Erosion of natural deposits. Water additive, which promotes strong teeth.	NO
BARIUM	2009	ppm	2	2	0.01	N/A	Erosion of natural deposits	NO
TURBIDITY (1)	2009	NTU	TT	N/A	0.28	0.05-0.28	Soil runoff.	NO
TOTAL ORGANIC CARBON(2) (removal ratio)	2009	N/A	TT	N/A	1.21	1.17-1.41	Naturally present in the environment.	NO

### Water Quality Table Footnotes:

- (1) 0.28 NTU was the highest single turbidity measurement recorded. The lowest monthly percentage of samples meeting the turbidity limit was 100%. The average turbidity value for 2009 was < 10 NTU.
- (2) In order to comply with EPA standard, the removal ratio must be greater than 1. Detected level is the lowest removal ratio per quarter. Range is the lowest and highest removal ratios per month.
- N/A = Not Applicable

### Table Unit Descriptions:

- **AL** Action Level
- **MCL** Maximum Contaminant Level
- **MCLG** Maximum Contaminant Level Goal
- **pCi/L** Picocuries Per Liter  
(a measure of radioactivity)
- **ppb** Parts Per Billion, or micrograms per liter
- **TT** Treatment Technique
- **NTU** Nephelometric Turbidity Units
- **ppm** Part Per Million
- **N/A** Not Applicable
- **ND** None Detected

### Important Drinking Water Definitions:

**MCLG:** Maximum Contaminant Level Goal; The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

**MCL:** Maximum Contaminant Level; The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

**TT:** Treatment Technique; A required process intended to reduce the level of a contaminant in drinking water.

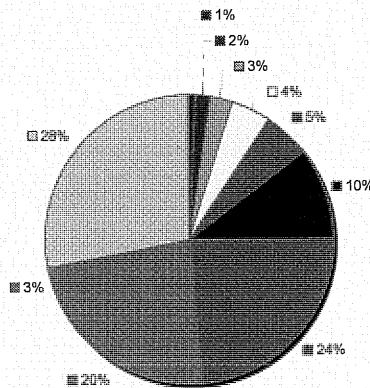
**AL:** Action Level; The concentration of a contaminant, which if exceeded, triggers a treatment of other requirements that a water system must follow.

**MRDL:** Maximum Residual Disinfectant Level; The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for the control of microbial contaminants.

**MRDLG:** Maximum Disinfectant Level Goal; The level of drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

## DID YOU KNOW IN 2009 KENT COUNTY WATER AUTHORITY EMPLOYEES

- Responded to the homes and businesses of 3,430 of its 26,500 customers in response to requests for assistance.
- Repaired 70 underground infrastructure leaks.
- Flushed 400 miles of main twice this year to help maintain the quality of your drinking water.
- Inspected and tested 2,200 hydrants of which 98 hydrants were either repaired or replaced.
- Processed 5,300 DigSafe marking requests requiring the marking of 37 miles of underground infrastructure.
- Recorded 109,000 meter reads.
- Prepared, printed, mailed and processed 109,000 customer bills, 18,000 delinquent notices and 15,000 shutoff/collections.
- Pumped 2.9 billion gallons of water to supply both domestic and fire service at less than 3/4 of a cent per gallon delivered to your home.
- Traveled 198,000 vehicle miles in service to our customers.
- Replaced 7 miles of failing underground water mains and associated valves, services and appurtenances to improve water quality and service to our customers.



- 1% INSURANCE: Property, Liability and Workers' Compensation
- 2% TREATMENT/SERVICE MATERIALS: Chemicals, Replacement Parts, Gravel and Asphalt
- 3% ELECTRICITY: Pumps, Wells, Tanks, Pressure Control Stations and Office Facility
- 4% BENEFITS: Life, Disability, Health, Dental Insurance and Pension
- 5% OPERATIONS: Vehicle Maintenance, Customer Records Support, Legal and Accounting Fees, Regulatory Commission Expense, Fuel, PILOT, Sample Testing and Dig Safe
- 10% PAYROLL: Base Salary and Overtime
- 24% PURCHASED WATER: Wholesale Water Purchases from Providence and Warwick
- 20% BOND RESTRICTED: Debt Service -Bonds for Capital Improvement Principal and Interest Payments
- 3% RESTRICTED: Renewal and Replacement Fund, Operations and Maintenance Fund and Operating Allowance
- 28% IFR RESTRICTED: Legislatively Mandated Infrastructure Replacement Program



## Source of Water

The Kent County Water Authority purchases approximately 90 percent of your water from the Providence Water Supply Board. This supply is treated surface water from the following reservoirs located in the central part of the state: Scituate, Regulating, Moswansicut, Ponaganset, Barden and Westconaug reservoirs. The remainder of your water is produced from our East Greenwich well located off Post Road at the Warwick and East Greenwich line. KCWA also wholesales water to the City of Warwick to supply the Potowomut section.

## Capital Improvements

Capital Improvement projects are intrinsic components to the future of the water supply system. Completion of these projects will help improve water quality, facilitate regulatory compliance initiatives and better provide supply for the customer. In 2008 the Capital Improvement Project plan was revised to reflect improvements identified in the latest hydraulic studies of the system.

Our goal is to provide better service. As an additional benefit of these projects, the Kent County Water Authority will be resurfacing the roadway impacted by construction work. The resurfacing effort will not impact your city, town or state tax base because it is funded solely from the project budget, which receives neither municipal nor state participation.

In 2009 KCWA commenced work on some important projects, including:

- The final Rhode Island Department of Health design review for a new water treatment plant at the Mishnock Well Field in Coventry. The new treatment plant will incorporate state-of-the-art technology to deliver high-quality water to our customers. It is anticipated that bidding and construction will be initiated in 2010 and the plant will come online in 2011.
- Transmission main design for the Mishnock Treatment Plant.

## Working Toward Manganese Mitigation

Manganese is not regulated under federal and state primary drinking water health standards. This mineral is a harmless aesthetic aspect of New England groundwater supplies that may be more noticeable to some consumers due to the use of chlorinated cleaning products. Some time ago we implemented a Manganese Sequestering Pilot

Treatment Program for our Warwick/East Greenwich distribution area. The goal of this program was to attempt to eliminate the staining effects related to the precipitation of soluble manganese in the source water supply. Our engineers have reviewed the results of this pilot study along with various other treatment options and recommend some options to deal with the aesthetic quality of this water supply. Some additional testing is currently underway to select the best overall treatment solution. In our endeavor to provide the highest quality, most cost effective product to our customers, we intend to move forward with the design and construction of the proposed treatment system once the final selection is made. We continue to advocate that you remain vigilant in following our suggestion to not use chlorinated dishwashing detergents, chlorine bleach laundry products or monthly drop-in toilet tank cleaning products that contain chlorine. These types of products tend to promote the occurrence of staining despite the use of the sequestering treatment regime. Certainly, feel free to contact us at 401-821-9300 or [customerservice@kentcountywater.org](mailto:customerservice@kentcountywater.org) if you have any questions about our proposed programs or would like to discuss aspects of the water supply with one of our customer representatives.

The goal of this program was to attempt to eliminate the staining effects related to the precipitation of soluble manganese in the source water supply.

## **Cross Connection Control**

Legislative initiative in 2007 resulted in new laws concerning cross connection control and backflow prevention. The Rhode Island Department of Health promulgated rules that outline mandatory and enforceable regulatory requirements concerning the installation of backflow prevention appurtenances in both residential and commercial buildings. The new requirements focus on “containment.” Containment will require the installation of an appropriate backflow prevention device directly after the meter in the vicinity where the water service enters the building. Rhode Island plumbing code also requires the installation of thermal expansion controls in conjunction with the backflow device installation. To be in compliance with the new regulations, the Kent County Water Authority has revised its Rules and Regulations to include implementing a full scale cross connection control initiative. We will keep our customers informed of these changes in future updates on the “E-News” section of our website. A copy of the current Kent County Water Authority Rules and Regulations can also be obtained at our office or online at [www.kentcountywater.org](http://www.kentcountywater.org).

## **Meter Technologies**

Metering technology continues to advance and represents a key aspect to economically providing you service. Radio frequency metering technology is now being introduced in the Kent County Water Authority service area. This technology represents the latest in digital meter registering equipment for documenting our customer's consumption. This type of meter also provides built-in leak detection and consumption trending that can help provide the information necessary to answer customer questions on unusual or abnormal consumption related billing concerns. The existing metering technology has become obsolete and no longer supported by the manufacturer. Our goal is to eventually replace all existing meters with this type of technology, as our programs advance and the new equipment becomes more readily available for installation.

## **Lead Informational Statement**

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. Kent County Water Authority is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at <http://www.epa.gov/safewater/lead>.

A few years ago Providence Water changed its water treatment process which altered the water chemistry to decrease the pH. After this change it was discovered that Providence Water was unable to maintain its lead and copper testing results within USEPA and RIDOH drinking water guidelines. The RIDOH has recently notified us that several other water suppliers in the state, who receive water from the Providence Water Supply, have also failed to maintain their lead and copper testing results within the USEPA primary drinking water requirement levels. The RIDOH has asked the Kent County Water Authority to conduct annual lead and copper testing as a result of the increasing failure of other Providence Water wholesale recipients to meet the minimum standards in other communities. Please contact the Rhode Island Department of Health, Office of Drinking Water Quality at (401) 222-7740 should you have any questions concerning this matter.

# **EXHIBIT I**

Board Meeting

May 20, 2010

**SUMMARY/SUGGESTIONS for Kent County Water Authority July 1, 2010**

1. Renew "as is" with BCBSRI for 7.5% Increase
2. Renew with BCBS \$500 deductible plan, use a third-party administrator to reimburse employees for the entire deductible and still save approx. \$53,000 in employer premium over the renewal (estimated savings - please see HRA illustration)
3. UnitedHealthcare plan U8T - slightly better benefit than current with .8% increase

	Current Plan Health mate	Option 2 Health mate \$500 Ded. plan	Option 5* United Plan U8T
<b>IN NETWORK</b>	<b>\$15/\$25</b>		
Office Visits - Primary	\$15	\$15	\$10
Specialist	\$25	\$25	\$10
Chiropractor	\$25	\$15/\$25	\$10
Urgent Care (Walk-in Centers)	\$50	\$15/\$25	\$25
Emergency Room	\$100	\$100	\$100
Annual Deductible (individual/family)	N/A	\$500/\$1,000	N/A
Inpatient hospitalization	\$0	Deductible applies	\$0
Outpatient Surgery	\$0	Deductible applies	\$0
Labs/X-rays preventive	\$0	\$0	\$0
Labs/X-rays diagnostic	\$0	Deductible applies	\$0
CT/PET scans, MRI's, Nuclear	\$0	Deductible applies	\$0
Outpatient Therapies	20% co-payment	20% co-payment after Ded.	\$10
Prescriptions 30 Days	\$7.30/50/75 Managed Rx	\$7.30/50/75 Managed Rx	\$10/30/50
Prescriptions 90 Days	\$17.50/75/125	\$17.50/75/125	\$25/75/125
<b>OUT OF NETWORK</b>			
Annual Deductible	\$200/\$600	\$500/\$1,000	\$350/\$700
Co-Insurance	20%	20%	20%
OOP maximum	\$3,000/\$9,000	\$4,000/\$8,000	\$2,850/\$5,700
	7.5% increase	6.3% decrease	2% increase

**Dental Renewal** \$33.27/Individual, \$95.62/Family (represents a 6% increase)

\*United will let me know very soon if they can run a retiree benefit this year on your group. Tufts Health plan will allow their retiree benefit as a separate (stand-alone) offering. However, Tufts is an HMO (requiring referrals for their R/IMA network of physicians), and the Florida resident would have to be placed on a local retiree product in Florida.

Plan 65 renewal rate: \$465.15 (current rate: \$453.92) Tufts retiree rate: \$361.00



Health Reimbursement Arrangement (HRA)				
BCBSRI Cost Analysis for Kent County Water Authority				
<b>Assumptions:</b>				
Current Deductible				\$50,000
New Plan Deductible				\$1,000,000
Annual Premium With Renewal - Current Plan				\$7,860,000
Annual Premium Utilizing HRA (BC/BS \$500 Ded.)				\$2,076,000
Annual Savings From Plan Design Change =				\$67,710.00
Total number of employees				34
<b>Employer HRA Levels:</b>				
	Single	Employee + 1	Employee + children	Family
Number of employees				20
Total Plan deductible	\$60,000	\$150,000	\$190,000	\$1,000,000
Employee Responsibility	\$0.00	\$0.00	\$0.00	\$6,000.00
Employer Responsibility	\$500.00	\$1,000.00	\$1,000.00	\$1,000.00
Total	\$2,000.00	\$6,000.00	\$4,000.00	\$20,000.00
Total Exposure (utilization)				\$32,000.00
Annual Employer Savings/Cost Assuming 100% Utilization =				\$35,710.00
Annual Employer Savings/Cost Assuming 80% Utilization =				\$42,110.00
Annual Employer Savings/Cost Assuming 60% Utilization =				\$48,510.00
Annual Employer Savings/Cost Assuming 50% Utilization =				\$51,710.00
Annual Employer Savings/Cost Assuming 40% Utilization =				\$54,910.00
Annual Employer Savings/Cost Assuming 20% Utilization =				\$61,310.00
<b>HRA Plan Administrative Fees</b>				
First Year Setup Fee				\$350.00
Monthly per Employee Administrative Fee \$4.50/employee (every year)	\$4.50		34	\$1,836.00
Deductible Reimbursement Card (one time fee)	\$0.50		34	\$17.00
Total First year				\$2,203.00
Total Estimated Cost @ 40% with cost of HRA Administration =		\$15,003		
Total Estimated Savings @ 40% with cost of HRA Administration =		\$52,707		

# **EXHIBIT J**

Board Meeting

May 20, 2010

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

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

**UPDATED CIP PROJECTS BOND FUNDING**

<b>PROJECT</b>	<b>STATUS</b>
Mishnock Well Field (new wells) CIP - 1A	Permit Submissions
Mishnock Transmission Mains CIP - 1B	Design Review, Funding may be critical
Mishnock Treatment Plant CIP - 1C	Design Review, Encroachment Issue Resolution
East Greenwich Well Treatment Plant – CIP-2	Modeling Proceeding
Clinton Avenue Pump Station Rehabilitation CIP - 7A	Completed
Read School House Road Tank CIP - 7B	Online - Punch list - Liquidated Damages
Read School House Road Main CIP 7c, 7d, 8a	Paving - Punch list

**IFR FUNDED PROJECTS**

<b>PROJECT</b>	<b>STATUS</b>
IFR 2005	Completed C. O. # 1 Asphalt Adjustment
IFR 2006 A	Closed out, Paving Issue West Warwick, Need Resolution
IFR 2006 B / IFR 2007	Construction Ongoing
IFR 2009 A & 2009 B	2009A - Spring Start-up, 2009B Design Complete, Funding
IFR 2010	Design Review, Funding
Prospect Street	Completed
PWSB 78" / Johnson Blvd. P.S. Modification	Completed
Greenwich Avenue Replacement	Completed
Hydraulic Tank Evaluation	Completed
Quaker P. S. Design	Bid on Hold, Funding Needed, Easement Negotiations for Extension
Tech Park Tank Recoating	Completed
Tiogue Tank Re-Service	Completed
Hydrant Painting	Ongoing KCWA Forces