

# KENT COUNTY WATER AUTHORITY

## MINUTES OF THE MEETING OF THE BOARD

January 17, 2013

A regular meeting of the Board of Directors of the Kent County Water Authority was held on the 17<sup>th</sup> day of January, 2013, at 3:30 p.m. at the offices of the Authority in West Warwick, RI, in the Joseph D. Richard Board Room.

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

### **APPROVAL OF THE MINUTES**

The minutes of the regular board meeting of December 20, 2012 were presented for approval. Mr. Masterson moved passage, seconded by Mr. Inman and the minutes were unanimously approved.

### **LEGAL MATTERS**

Legal counsel Patrick J. Sullivan updated the Board on the Central Coventry Fire District receivership. He reports that the Authority received a claim form from the special master/receiver Mr. Land. The language on the claim form was boiler-plate in nature, but referred to the claim as being a general unsecured claim. Mr. Sullivan instructed the General Manager to strike that language and to replace it with the fact that the claim is a secured, priority claim. The General Manager reports to the Board that the claim has been filed.

Mr. Sullivan also reports that he had little success with Commerce Park companies at the Centre of New England and collected only \$10,000.00 after repeated contacts with Commerce Park, as directed by the board at the December 2012 meeting. In addition, Mr. Sullivan reports that he notified the largest commercial tenants at the Centre of New England of the severe delinquency, and that a potential termination of service may occur without further notice to the individual tenant. He reports that he has been contacted by the attorney for the Marriott Residence Inn and was told that the hotel was very concerned about the potential termination of service, and if the disconnection was imminent, that the hotel was willing to wire funds to cover their portion of the delinquency immediately. The attorney was advised that the customer is Commerce Park Management, LLC and individual shutoffs were not possible as there are only two master meters. The attorney for the Marriott indicated that he was going to spearhead an effort to attempt to coordinate the major tenants to contribute to pay the arrearage, and simply

withhold other fees they each owe Commerce Park Management, LLC. Mr. Sullivan expressed to the board his confidence that the efforts of the major tenants would ultimately be successful. The board directed him to continue on that path and report back.

Mr. Sullivan adds that there was a notice of foreclosure on what appears to be the entire parcel known as the Center of New England in today's Providence Journal. The foreclosure is scheduled for February 7, 2013.

Finally, Mr. Sullivan informs the board that pursuant to their request on the Industrial Lane, West Warwick agenda item at the December 2012 meeting, he has prepared the Escrow Agreement between the Kent County Water Authority and the Town of West Warwick that puts the \$37,600.00 into an escrow account to be held by the Authority. The funds can only be released by a written document that is signed by both the Authority and the Town certifying that they agree that the roadway is sufficiently complete to the satisfaction of both parties. There is no obligation to notify the town that the time is elapsing, and at the close of twenty four (24) months, if the roadway isn't completed, the Authority, at its sole discretion, may simply withdraw the funds and close the escrow account. The board directed legal counsel to forward the agreement to the Town of West Warwick for their consideration prior to the next meeting.

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

Jo-Ann Gershkoff, Finance Director, explained and submitted the financial report. She introduced and explained the Statement of Cash Location FY 2012-2013 (through December 31 2012) and the Statement of Revenues, Expenditures and Changes in Fund Balance as of November 30, 2012 attached as exhibit "A". A thorough discussion ensued by the board with regard to the sales and revenue.

Chairman Boyer noted that the expense for purchasing water has been steadily decreasing. The General Manager indicated that winter sales are down considerably. Mr. Brown added that the sales in December 2012 are the lowest in twenty-three (23) years. He further added that these numbers are a good argument to Division for access to the restricted receipt account.

Mr. Gallucci moved and seconded by Mr. Masterson to accept the reports and attach the same as an exhibit and that the same be incorporated by reference and be made a part of these minutes.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Statement of Cash Location FY 2012-2013 (through December 2012) and the Statement of Revenues, Expenditures and Changes in Fund Balance as of November 30, 2012 attached as exhibit "A", be approved as presented and be incorporated herein and are made a part hereof.

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

Chairman Boyer wished all in attendance a happy new year. The remainder of the Board echoed the sentiment.

Mr. Masterson offered that the current development of the former On Semiconductor site in East Greenwich, which was previously vacant, should increase water sales for the Authority.

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

### **GENERAL:**

#### **Restricted Operating Filing**

General Manager reports that the filing was complete and although Division disagreed with the Authority's interpretation, Mr. Brown indicated that, at the end of the day, they ultimately agreed. The Authority has until the 25<sup>th</sup> to give its counter position. Mr. Brown reminds the Board that \$607,000.00 was requested.

#### **CCFD Receivership – KCWA Billings**

General Manager Brown reports that the claim has been filed with the special master/receiver Mr. Land. The Central Coventry Fire District has paid down some of their balance. He reports a prior payment of \$45,000.00, leaving a balance of \$34,000.00. In addition, the December bill has gone out with an additional charge of \$47,000.00.

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

General Manager reports that the case of IN RE: DOCKET NO. D-111-45 COMPLAINT FILING BY GREGORY M. DECUBELLIS AGAINST THE KENT COUNTY WATER AUTHORITY has been appealed to the Superior Court for Providence County, and that it was filed today. Mr. Brown reports that the appeal should be decided by a Judge, and that decision will protect the Authority against complaints that he fully expects from the rate payers. Mr. Boyer asked about the scope of the legal work and whether it only relies briefs, to which Mr. Brown confirmed. Mr. Brown indicates that the appeal is memoranda and briefs only, and not a full trial, and that the Court will render a written decision.

#### **642 Washington Street, Status of Engineering Review**

General Manager Brown discussed the ongoing situation at the Shell Station located at 642 Washington Street in Coventry. He reminded the Board that this involves the soil contaminated with gasoline that surrounds the main that traverses the Shell Station Property. He offered a draft of the Final Report from our consultant, and advised the Board that the consultant offers options, but the draft Final Report ultimately opines that the pipe be completely replaced. Mr. Brown further indicates that he is awaiting letters from both the Department of Environmental Management and the Department of Health, and he believes that the matter will ultimately end up in litigation.

Chairman Boyer indicates his dismay at the fact that our attempts at notification of the same agencies were ignored.

Mr. Brown agreed, and indicates that there is a high level of gasoline that DEM and the owners allowed to remain in the ground around our water main. He indicated that the replacement would involve a 10'-15' swath to be cut across their parking lot.

Mr. Masterson inquires about the easement that the Authority may have. Mr. Brown replies that the easement is prescriptive at best, and there is no recorded easement. He indicates that the line was there much prior to the erection of the gas station there. He indicated there is a historical context contained in the consultant's report.

Mr. Boyer requested Mr. Brown obtain an as built from the owner.

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

Mr. Brown reports that Mr. Sullivan covered this issue in the Legal Matter portion of the agenda.

### **Cross Connection Surveys**

General Manager Brown reports that state law requires cross connection surveys of our customer base. The Authority has begun reviewing all commercial and industrial customers for their compliance with the law.

Mr. Boyer reminds the Board that this is required by the state.

### **Discoloration Main Street, Scituate – DOH complaint**

General Manager Brown discusses the recent gradient change around Seven Mile Road and Hope Road areas in the Scituate/Cranston border area. He indicates that residents had complained to the Department of Health regarding discolored water. Mr. Brown indicates that it appears that the increased water flow may have dislodged tubercles from the pipe during pressure testing and flushing, and they bled into the water carried by the cast iron pipe. The pipe is being flushed and checked every two days. He indicated that the Department of Health, Ms. Swallow, had given the Authority until spring to resolve the problem. Mr. Brown indicates the flushing will continue every two days. He further reminds the Board that this is a condition in cast iron pipes and illustrates a good reason to continue to replace these pipes. Mr. Brown indicates that if it isn't resolved by the February 2013 meeting, he will recommend replacement.

Mr. Boyer added that there appears to be a discoloration of the water in the Artic area. Mr. Brown promised to look into that right away.

### **RFP Water Rate Consultant**

General Manager Brown indicates that he has solicited proposals for water rate consultants, as a filing by the Providence Water Supply is expected at the end of this month for a pass-through rate case. One response was received, and the consultant that had applied, Woodcock & Associates, was the same as the Authority had previously used. Mr. Brown recommends approval of the proposal for one year, with an option to extend it for an additional two years.

Mr. Masterson moved and seconded by Mr. Inman to approve and accept the proposal from Woodcock & Associates for water rate consulting for a period of one year, with an option to extend for an additional two years.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Board approves and accepts the proposal from Woodcock & Associates for water rate consulting for a period of one year, with an option to extend for an additional two years.

### **Employee Vacation Policy Request**

Mr. Brown submitted a request to the Board on behalf of employee Ms. Heard and other long-term employees. The request asks for a modification to the vacation policy as a reward for the long-term employees' loyalty. Mr. Brown explains that the request is for longer serving employees, twenty (20) years and above, for an additional period of vacation each year. He advises the Board that currently, after fifteen (15) years, the employee reaches the maximum of twenty (20) days of vacation per year. This vacation can only be taken two (2) consecutive weeks at a time so as to avoid disruption.

Mr. Boyer led the discussion, asking if there were any comparable policies investigated? Mr. Brown said there were none at this time. Mr. Boyer continued, indicating that thirty (30) days seemed reasonable for a maximum amount for the most senior employees, such as twenty five (25) years and on. Mr. Boyer also suggested twenty-five (25) vacation days for those with twenty (20) years of service as well.

Mr. Gallucci asked about the vacation benefit and if unused days were paid out at retirement. Mr. Brown replied that the current policy is that only one year can be carried over to the next, so that a maximum of two years of vacation can be in an employees account at any given time. The employee may use them or be compensated for that maximum at retirement.

Mr. Brown also reminded the board that the employees enjoy only five (5) sick days per year. Employees are rewarded with full payment for these days at the end of each year for an incentive not to use them. He advised the Board that the policy works, as last year there was only a 36% utilization overall.

Mr. Masterson indicated that the sick time utilization by employees was impressive and does indeed show loyalty to the company.

Mr. Brown indicated that he would not make a recommendation to the Board in their decision process as it could ultimately affect his own status, and requested the Board make the entire decision without his recommendation.

Mr. Boyer asked Mr. Brown for a detailed report for the next meeting on his suggestions.

### **Rhode Island Tax Waiver Request**

The RI Division of Taxation has requested the Authority extend the deadline for the Division of Taxation to conduct its tax review of the Authority. Mr. Brown explained that the process was essentially an audit regarding the sales and use tax waiver. They are looking for problems in collecting or exempting sales and/or use taxes by the Authority. Mr. Brown indicates that this occurs every couple of years and recommends passage.

Mr. Galucci moved and seconded by Mr. Masterson to extend the deadline for the tax review by the Division of Taxation and to authorize the Chairman to sign any agreement to accomplish said extension.

Upon Motion duly made and seconded, it was unanimously,

VOTED: That the Board approves the request by the Division of Taxation to extend the deadline for the Division of Taxation to conduct the tax review and authorizes the Chairman to execute any and all documents to accomplish said extension.

## **CAPITAL PROJECTS:**

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

The General Manager reports the project is moving along quite well. He estimates, although the project is behind schedule, it is projected to be completed in April 2013. He went on to say he would not consider liquidated damages as of this point in time, and will examine if the Authority was truly damaged as a result of the extension of the schedule. A valve issue has arisen and new valves have been ordered, and this may cause a small extension of time for completion.

## **INFRASTRUCTURE PROJECTS**

### **IFR 2009B (Construction Status)**

The General Manager reports that construction is complete and final payment remains

### **IFR 2010A (Winter Shut Down)**

The General Manager reports that this project has been shut down for winter as of this week. All services have been installed as of today.

### **IFR 2010B (Winter Shut Down)**

The General Manager informs the board that this project has also been shut down for winter and advised the Board to expect a spring construction startup.

### **Quaker Lane Pump Station Upgrade (Construction Status)**

The General Manager reports that this has also been shut down for the winter, with a

spring construction startup.

**Tech Park Storage Tank Painting**

The General Manager reports to the board that this project is currently in the process of being rebid. The RFP was in the Providence Journal today for proposals.

**Water Street Replacement (Construction Status)**

The General Manager reports that the water line replacement portion of this job is complete, with the small exception of an area near the Harborside Restaurant. Both the water line replacement as well as the sewer line replacement jobs are being shut down for winter.

There being no further business before this meeting, on motion duly made by Mr. Inman, seconded by Mr. Gallucci and carried, the meeting was adjourned at 4:16 p.m.

Dated: December 29, 2012

  
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Legal Counsel

Kent County Water Authority  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 AS OF 11/2012

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR - TO - DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
1-4150		574.50	2291.65	3368.56	1076.91
MERCHANDISING & JOBBING	458.33				
1-4160		9907.44	8782.44	4387.56	-1237.44
M & J COSTS & EXPENSES	1125.00				
1-4190		4166.66	-4166.66	15529.78	-5303.52
INTEREST & DIVIDEND INC.	4166.66				
1-4210		518.27	-1231.73	569.27	-8180.73
MISC. NON-OPER. INCOME	1750.00				
TOTALS FOR OTHER INCOME	7499.99	11000.21	37499.95	23855.17	-13644.78
1-461A		1045516.29	-121150.37	6982296.28	1148962.98
METERED SALES - GC	1166666.66				
1-461B		148141.92	-141941.41	1455162.80	4746.15
METERED SALES - IC	290083.33				
1-4620				42958.27	-2041.73
PRIVATE FIRE PROTECTION			45000.00		
1-4630				325275.78	275.78
PUBLIC FIRE PROTECTION			325000.00		
1-4640		36876.86	-25623.14	329210.13	16710.13
SALES - PUBLIC AUTHORITIES	62500.00				
1-4660		16095.57	1845.57	60492.30	29242.30
SALES FOR RESALE					
1-4710		3142.86	-607.14	24404.82	5654.82
MISC. SERVICE REVENUE	14250.00				
1-4740		1249773.50	-287476.49	9302781.06	1215281.11
OTHER WATER REVENUES	3750.00				
TOTALS FOR OPERATING REVENUE ACCTS.	1537249.99	1260773.71	8124999.90	9326636.23	1201636.33
TOTALS FOR REVENUES	1544749.98	1260773.71	8124999.90	9326636.23	1201636.33
EXPENDITURES					
1-6020		298316.19	62661.06	2189835.02	-384948.77
PURCHASED WATER	360977.25				
1-6140			50.00		250.00
MAINTENANCE OF WELLS	50.00				
TOTALS FOR SOURCE OF SUPPLY EXPENSES	361027.25	298316.19	1805136.25	2189835.02	-384698.77
1-6210		66.02	350.64	118.90	1964.40
FUEL FOR PUMPING	416.66				
1-6230			28333.33	131960.97	9705.68
POWER PURCHASED	28333.33				
1-624A		5142.97	298.69	27235.20	-26.90
PUMPING LABOR	5441.66				
1-624B		400.00	400.00	1134.58	865.42
PUMPING EXPENSES	400.00				
1-6310		1743.34	3256.66	12129.79	12870.21
MAINT STRUCT & IMPROVE	5000.00				



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

AS OF 11/2012

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/ UNDER BUDGET
	BUDGET	ACTUAL	BUDGET	ACTUAL	
1-6330 MAINT PUMPING EQUIPMENT	2916.66	1392.89	14583.30	18832.65	-4249.35
TOTALS FOR PUMPING EXPENSES	42508.31	8345.22	212541.55	191412.09	21129.46
1-6410 CHEMICALS	11250.00	8531.09	56250.00	51423.41	4826.59
1-642A OPERATION LABOR	6591.66	6162.56	32958.30	33776.81	-818.51
1-642B OPERATION EXPENSES	3750.00	4683.00	18750.00	12693.70	6056.30
1-6520 MAINT WATER TREAT EQUIP	416.66		2083.30	1027.37	1055.93
TOTALS FOR WATER TREATMENT EXPENSES	22008.32	19376.65	110041.60	98921.29	11120.31
1-6610 STORAGE FACILITIES EXP				164.96	-164.96
1-662A T & D LABOR	2100.00		10500.00	8308.24	2191.76
1-662B T & D SUPPLIES & EXP	7000.00	68.92	35000.00	9921.92	25078.08
1-663A T & D METER LABOR	3216.66	3652.47	16083.30	18881.43	-2798.13
1-663B T & D METER SUPP & EXP	1833.33		9166.65	4204.08	4962.57
1-6650 T & D MISC	250.00	289.24	1250.00	3124.42	-1874.42
1-6710 MAINT STRUCT & IMPROV	3000.00	34923.00	15000.00	38089.30	-23089.30
1-6720 MAINT RESERVOIR & STDPIPE	1333.33	1399.56	6666.65	10347.78	-3681.13
1-6730 MAINT T & D MAINS	68083.33	34786.41	340416.65	234645.19	105771.46
1-6750 MAINT SERVICES	20250.00	8450.27	101250.00	78146.83	23103.17
1-6760 MAINT METERS	10500.00	3181.86	52500.00	28006.61	24493.39
1-6770 MAINT HYDRANTS	9000.00	3022.92	45000.00	35006.78	9993.22
1-6790 TRANSFER TO CONSTRUCTION	-833.33		-4166.65	-68.00	-4098.65
TOTALS FOR TRANS. & DISTR. EXPENSES	125733.32	89774.65	628666.60	468779.54	159887.06
1-902A METER READING LABOR	7875.00	6255.85	39375.00	38023.41	1351.59
1-902B METER READING SUPP & EXP	22.91		114.55	7143.65	-7029.10
1-903A CUSTOMER RECORDS LABOR	16000.00	12818.56	80000.00	79397.26	602.74
1-903B CUSTOMER RECORDS SUPP	4583.33	1145.31	22916.65	17192.31	5724.34

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

AS OF 11/2012

ACCOUNT DESCRIPTION	CURRENT MONTH		YEAR TO DATE		ACTUAL OVER/UNDER BUDGET	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
TOTALS FOR CUSTOMER ACCT. EXPENSES	28481.24	20219.72	142406.20	141756.63	649.57	
1-9200 ADM & GENERAL SALARIES	32558.33	23455.04	162791.65	140153.34	22638.31	
1-9210 OFFICE SUPPLIES & EXP	13833.33	11208.03	69166.65	94400.36	-25233.71	
1-9230 OUTSIDE SERVICES	19166.66	12861.00	95833.30	76234.65	19598.65	
1-9240 PROPERTY INSURANCE		-1811.82	188000.00	127014.18	60985.82	
1-9250 INJURIES & DAMAGES	10.41		52.05		52.05	
1-9260 EMPLOYEE PENSION & BENEF	59119.50	52746.91	552163.50	581291.21	-29127.71	
1-9280 REGULATORY COMM EXP	11750.00		58750.00	2253.90	56496.10	
1-930B MISC GENERAL EXPENSE	1250.00	1259.35	6250.00	6272.33	-22.33	
1-930C MISC GENERAL EXPENSE	416.66		2083.30		2083.30	
1-932A MAINT GENERAL PLANT	10666.66	13082.75	53333.30	57140.33	-3807.03	
1-932B MAINT VEHICLES	14166.66	9856.37	70833.30	80720.76	-9887.46	
1-9330 UNASSIGNED TIME VAC HOL	21000.00	29939.37	105000.00	115557.17	-10557.17	
TOTALS FOR ADM. & GENERAL EXPENSES	183938.21	152597.00	1364257.05	1281038.23	83218.82	
1-4030 DEPRECIATION EXPENSE	96666.66	96666.67	483333.30	483333.35	-.05	
1-4080 TAXES OTHER THAN INCOME	15833.33	11842.33	79166.65	65974.09	13192.56	
1-4270 INTEREST-LONG TERM DEBT	107157.00	107157.00	535785.00	535785.00		
1-4280 AMORTIZATION OF DEBT DISC	5833.33	5833.33	29166.65	29166.65		
TOTALS FOR OTHER EXPENSES	225490.32	221499.33	1127451.60	1114259.09	13192.51	
TOTALS FOR EXPENDITURES	989186.97	810128.76	5390500.85	5486001.89	-95501.04	
EXCESS OF REVENUE OVER EXPENDITURES	555563.01	450644.95	2734499.05	3840634.34	1106135.29	
For general						

KENT COUNTY WATER AUTHORITY  
CASH LOCATION  
FISCAL YEAR 2012-2013

	JUL 2012	AUG 2012	SEP 2012	OCT 2012	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUN 2013
<b>CASH LOCATION:</b>												
Citizens Bank - Payroll	\$ 40,000.00	40,000.00	40,000.00	40,000.00	40,000.00	40,000.00						
Bank of America - Deposit	767,453.39	305,308.34	265,368.14	397,873.15	301,948.00	49,236.00						
Bank of America - Checking	67,287.04	110,487.97	28,329.82	78,597.23	66,282.17	144,507.59						
	874,740.43	455,796.31	333,697.96	516,470.38	408,230.17	233,743.59						
Revenue	618,793.19	595,926.67	1,201,514.02	2,217,103.90	2,129,132.94	2,111,052.33						
Infrastructure Fund	9,969,595.97	8,851,142.45	7,943,732.83	7,816,903.88	8,433,955.64	8,239,913.04						
Operation Reserve Allowance	656,296.68	680,606.50	704,916.76	729,227.09	753,537.79	777,848.49						
Operation & Maintenance Reserve	2,373,625.17	2,373,644.67	2,373,664.82	2,373,684.32	2,527,330.81	2,527,350.35						
Renewal & Replacement Fund	180,988.65	189,323.43	197,658.31	205,993.19	214,328.16	222,663.24						
Renewal & Replacement Reserve	1,023,927.53	1,023,935.93	1,023,944.61	1,023,953.01	1,124,501.41	1,124,510.27						
Debt Service Fund - 2001	4.35	7.02										
Debt Service Reserve - 2001												
General Project - 2002												
Debt Service Fund - 2002	11.41	17.44										
Debt Service Reserve - 2002												
Debt Service Fund - 2004	104,548.16	209,091.68	313,631.21	418,171.65	522,713.01	627,254.94						
Debt Service Reserve - 2004	228,601.64	225,636.90	225,636.90	225,636.90	225,636.90	225,636.90						
Refunding Trust Account 2001*	5,698,109.00											
Refunding Trust Account 2002*	15,678,288.00											
Debt Service Reserve 2012	1,728,590.36	1,728,765.18	1,728,900.12	1,728,937.86	1,734,178.67	1,734,211.55						
Debt Service Fund 2012	180,798.40	361,596.85	542,396.90	723,198.55	904,001.74	1,084,806.15						
Debt Service Fund 2012 **	9,719,529.41	8,528,035.54	5,810,577.01	5,140,074.26	4,642,605.49	4,642,644.74						
Project Fund 2012 **	\$ 49,036,448.35	25,223,526.57	22,400,271.45	23,119,354.99	23,620,152.73	23,551,635.59						
	(21,376,397.00)											
	(6,336.04)											
<b>Total</b>	<b>27,653,715.31</b>											

\* Full Redemption on 8/17/2012

\*\* Issuance Costs to be Paid

Total

KENT COUNTY WATER AUTHORITY  
CASH RECEIPTS & DISBURSEMENTS  
FISCAL YEAR 2012 - 2013

	RATE REVENUE												LATE REVENUE FY 12-13
	JULY 2012	AUGUST 2012	SEPTEMBER 2012	OCTOBER 2012	NOVEMBER 2012	DECEMBER 2012	JANUARY 2013	FEBRUARY 2013	MARCH 2013	APRIL 2013	MAY 2013	JUNE 2013	
<b>BEGINNING MONTH BALANCE</b>	32,666,764	27,653,715	25,223,526	22,400,271	23,119,355	23,620,153	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	1,581,350
<b>CASH RECEIPTS:</b>													
Collections	2,263,781	1,706,306	1,343,032	3,040,234	1,975,482	1,426,625							1,404,818
Interest Earned	14,628	357	336	208	8,461	197							3,370,624
<b>TOTAL CASH RECEIPTS</b>	34,945,173	29,360,379	26,566,895	25,440,713	25,103,298	25,046,974	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	1,608,069
<b>CASH DISBURSEMENTS:</b>													
Purchased Water	555,637	614,961	498,788	400,861	376,908	298,507							1,090,917
Electric Power	31,083	33,977	35,836	31,065	51,201								1,782,678
Payroll	184,206	146,530	151,922	184,980	148,885	156,630							1,100,992
Operations	28,917	62,220	78,337	78,112	68,383	119,820							1,021,305
Employee Benefits	375,142	62,351	52,768	56,986	56,876	5,012							2,216,491
Legal	9,367	6,073	4,999	3,470	2,858	12,861							
Materials	28,754	33,859	100,147	63,871	43,546	92,272							
Insurance	26,690	14,035	11,068	39,456	14,096	10,311							
Sales Taxes	467	248	320	277	6,315	2,905							
Refunds													
Rate Case													
Conservation													
Pilot	4,229	470	605										
Capital Expenditures (Other)	1,938	13,555	36,053	24,750	8,800	33,999							
Mishnock Well/Storage/Pump/1221C		33,284	2,280,008	670,557	497,517	371							
Mishnock Treatment Facility	446,898												
Read School House													
234C													
CIP Update													
235A													
Read School House Tank	150,567	17,026	103,163	158,885	10,262								
236C													
Quaker Lane													
240C													
2007 Infrastructure													
244B													
2009 A Infrastructure	48,753	670,393	62,775	95,385	2,660	16,350							
243C													
2009 B Infrastructure	19,806	1,026,971	692,080	399,386	40,482	664,480							
248C													
2010 Infrastructure Design													
249C													
Water Street EG													
250C													
Water System Management													
237A													
Mishnock Transmission Main	43,467	1,214,540	9,129	2,859	13,305	12,160							
245C													
Bank New York - Debt Service (P. &	3,316,556												
Water Protection	65,217,07	55,769,61	48,627	108,827	58,669	42,406							
Reduction in Debt Service Reserve	1,953,763.15												
<b>TOTAL DISBURSEMENTS</b>	7,291,458	4,136,853	4,166,624	2,321,359	1,483,145	1,495,339							
<b>BALANCE END OF MONTH</b>	27,653,715	25,223,526	22,400,271	23,119,355	23,620,153	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635	23,551,635

## **GENERAL MANAGER'S REPORT**

Board Meeting  
January 17, 2013

### **Restricted Operating Request for Use**

Division's response is due on the 18<sup>th</sup> of January with ours on the 25<sup>th</sup> of January. Data requests have been responded to and we await action.

### **CCFD Receivership KCWA Billing**

The receiver has made partial payment of bills prior to filed action. Balance due is \$34,612.30. December billing has gone out and amount due for that billing is \$47,118.02.

### **Division Hearing Service Availability**

Division Order has been issued and the Chairman has authorized an appeal based on my recommendation. This is a Superior Court review of the record with briefs. We believe we have a number of issues that we can argue. If we are unsuccessful, at least the court decision will protect the Authority from the low pressure complaints that will certainly follow. We have requested a review by the Department of Health and will request a meeting to review the concerns.

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

This property is located on Washington Street and supports a Shell Gas Station. Our engineer is awaiting a letter from the Department of Health and the Department of Environmental Management prior to finalizing an action plan. It is expected they will require removal of contaminated soil and pipe replacement.

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

Awaiting directive and action for a resolution. This will be reviewed by legal counsel.

### **Cross Connection Surveys**

State law requires cross connection surveys of our customer base. We have begun reviewing all Commercial and Industrial customers for their compliance with the law. We have started with all known backflow preventers installed and then field review all others. We are in the process of field surveys with follow-up advice to the customers that need corrective action to comply. We will report periodically to the Board of our progress. To date our surveys are continuing.

### **Discoloration Main Street, Scituate**

With the most recent gradient change (Seven Mile Road and Hope Road) we have been getting complaints of dirty water from the customers along the Main Street stretch between Jackson Flat Road and Hope Road. We believe this is caused by the re-service construction that dislodged tubercles from the pipe during pressure testing and flushing procedures of the construction. With luck they will heal and eliminate the bleeding discoloration that is now occurring. We are currently flushing the system every 2 days and sampling each flushing period. We have seen a decrease in the coloration but remaining on a 2 day flushing schedule. Customers have filed a complaint with the Department of Health. I have explained to the Department of Health our current procedure and what we feel caused the problem. I also outlined with them actions that may need to be taken if the tubercles do not heal and we are required to replace the water

main. I have forwarded under separate cover a copy of the estimated cost to add it to IFR 2010B the most current infrastructure project based on bid price if that is needed.

### **RFP Water Rate Consultants Approval**

We solicited proposals for water rate consultants as we expect a filing by Providence Water sometime the end of this month for a pass-through rate case. One response was received which is Woodcock & Associates a company that we have used for many years as our rate consultant. I recommend approval of the request for proposal for one year with option of extending it for an additional two.

### **Employee Vacation Policy Request**

I received a request from an employee representing a number of employees for a policy review of vacation. The concern is that people with considerable years of service with the Kent County Water Authority are not rewarded for that because the vacation tops out after 15 years of service. This is being brought forward for the Board's review and discussion at this January meeting. I have also prepared a listing of years of service with retirement dates for the Board to review as I believe this benefit will be limited to a few employees until their retirement. This is for the Board's review and action.

### **Rhode Island Tax Waiver Request**

The Rhode Island tax division is requesting the Authority to waive our rights to extend the deadline for tax review by the state.

### **Capital Projects**

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

Project is moving along fairly well. It is behind schedule and scheduled for completion in April. Startup will be scheduled when completion occurs. We will be training initially 2 employees as well as our new engineer/operator manager. The high service transmission main is completed. It, however, is not active as the remainder will need to be constructed when funds are secured.

### **Infrastructure Projects**

#### **IFR 2009B**

Construction complete final payment remains.

#### **IFR 2010A**

Winter shut down – paving remains next spring.

#### **IFR 2010B**

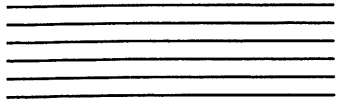
Winter shut down expect spring construction startup.

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

Winter shutdown expect spring construction startup.

### **Water Street Replacement**

Our water main is being installed and testing is underway. Construction continues as the winter has been mild.



# OFFICE MEMO

**To:** Tim Brown  
**From:** Cindy Heard  
**Subject:** Additional Vacation  
**Date:** January 4, 2013

Through conversations with my fellow co-workers, we request the Board's consideration to review the vacation schedule for employee's years of service and continued loyalty to the Authority. Currently, the limit on vacation time is allocated as follows:

- Full time employees with less than two years of continuous service:  
Vacation time accrues at the rate of 5/6ths of a day per month to a maximum of 10 days per calendar year. Accrual commences on the first month of hire provided the hire date is prior to the 15<sup>th</sup> of the month, otherwise, accrual begins the second month.
- Full time employees after two years of continuous service:  
Vacation time accrues at the rate of 15/12ths of a day per month to a maximum of 15 days per calendar year.
- Full time employees after fifteen years of continuous service:  
Vacation time accrues at the rate of 20/12ths of a day per month to a maximum of 20 days per calendar year.

Long term employees of the Authority should be rewarded with modification to the vacation schedule with an enhancement of additional time off for years of service.

COPY SENT TO	
BOARD MEMBERS	1/4/13
CLERK	
GENERAL	

NAME	YEARS OF EMPLOYMENT AS OF JANUARY 2013	DATE OF RETIREMENT AGE
ANGIOLILLI, ALAN	24 yrs/11 mo	12/1/2018
BATE, BETH	6 yrs/5 mo	1/1/2015
BEAUREGARD, MICHAEL	3 year/4 mo	5/1/2035
BOSCO, NICHOLAS	13 yrs/7 mo	8/1/2029
BROWN, TIMOTHY	24 yrs/4 mo	2/1/2015
BURNS, RICHARD	27 yrs/3 mo	4/1/2023
BUTLER, JESSE	10 yrs/4 mo	4/1/2023
CORREIA, ELSON	9 yr/4 mo	11/1/2030
CORREIA, STEPHEN	2 yr/3 months	5/1/2035
COYLE, DAVID	10 yrs/4 mo	10/1/2033
DESSERT, JOSEPH	12 yrs/2 mo	5/1/2024
DIXON, GLENN	9 yr/8 mo	3/1/2029
DUCHESNEAU, JOHN	14 yrs/5 mo	11/1/2019
DUFF, KEITH	16 yrs/7 mo	2/1/2024
ENOS, BRIAN	10 yrs/4 mo	12/1/2024
FOSS, STEVEN	14 yrs/9 mo	10/1/2021
GERSHKOFF, JO-ANN	4 yrs/3 mo	9/1/2029
GLENN, GARY	16 yrs/7 mo	10/1/2025
GOODRICH, DANIEL	3 yrs/4 mo	6/1/2047
HEARD, CINDY	37 yrs/3 mo	4/1/2019
JACQUES, NICOLE	4 yrs/8 mo	9/1/2043
LARKIN, STEPHEN	13 yrs/7 mo	8/1/2021
LESNIAK, TAD	19 yrs/3 mo	2/1/2024
LUKOWICZ, RONALD	14 yrs/10 mo	11/1/2025
LUKOWICZ, STEVEN	1 Year	4/1/2034
PERRY, SCOTT	4 Year/2 mo	7/1/2025
SALISBURY, LISA	8 yrs/5 mo	3/1/2033
SILVA, THOMAS	24 yrs/10 mo	4/1/2029
SIMMONS, DAVID	0	10/1/2036
SKORSKI, TIMOTHY	25 yrs/2 mo	5/1/2030
TIFT, ERIC	7 yrs 11 mo	6/1/2043
WINTON, MATTHEW	5 yrs/2 mo	8/1/2017



## **GENERAL MANAGER'S REPORT**

Board Meeting  
December 20, 2012

### **Restricted Operating Request for Use**

Discussions occurring on the Order and its meaning in relation to the petition. This will be held over to January to continue the discussion and its availability to Kent County Water Authority.

### **CCFD Receivership KCWA Billing**

The receiver has made partial payment of bills prior to filed action. Balance due is \$34,612.30.

### **Division Hearing Service Availability**

As the Board is aware we have been involved in a service issue on Deer Run concerning the availability of water and our policies and regulations for serviceability. The hearing has now been concluded. Briefs and reply briefs have been filed. This case has now taken on legs of its own and it looks as though a rule making may ultimately come out of this order. This will have a major impact upon Kent County Water Authority and our ability to supply and/or be licensed to operate. There is conflict between Division, Department of Health, Environmental Protection Agency and Plumbing Code Regulations and they have all been brought forward at the hearings. We will have 20 days in which to appeal this decision if it is not acceptable. Therefore, we will be prepared to appeal when and if it is necessary as this is an extremely important issue for the Authorities operation. If there is a rule making that does come out of this order we certainly will be represented.

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

This property is located on Washington Street and supports a Shell Gas Station. We have engaged a qualified engineer to assist in the review and protection of Kent County Water Authority's rights. I will report action to date at the Board meeting

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

The Chairman will report on a meeting he attended at the West Warwick Town Council. There is concern that the reconstruction of the roadway by the town was not funded and now requires Kent County Water Authority to pave the roadway due to our main replacement.

The main replacement was done in close coordination with the design of the reconstruction. We would not have replaced the main if not for the town's reconstruction. The project was added to 2009B after design completion and made part of the bid documents. The town was properly informed about our proposed paving.

### **Cross Connection Surveys**

State law requires cross connection surveys of our customer base. In January we will begin reviewing all Commercial and Industrial customers for their compliance with the law. We will start with all known backflow preventers installed and then review all others. These will be field surveys with follow-up advice to the customers that need corrective action to comply. We will report periodically to the Board of our progress.

### **Capital Projects**

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

Project is moving along fairly well. It is behind schedule and scheduled completion is April of next year. Indication is from the current scheduling that the beginning of next year through February will be process startup and training. At this point, I will not consider liquidated damages and will await the finalization of the project and whether Kent County Water Authority has been truly damaged by the extension of the schedule. I am, however, pleased with the contractor and the work that they are doing and I hope it will result in a very high quality treatment facility for our use. Startup is scheduled for the beginning of next year. We will be training initially 2 employees as well as our new engineer/operator manager. The high service transmission main has been tested and chlorinated. Paving has been completed.

## **Infrastructure Projects**

### **IFR 2009B**

Construction complete final payment remains.

### **IFR 2010A**

Construction is moving along well on this project. J.P. Murphy Highway main installation is complete awaiting sample testing. When samples pass, services will be installed. A leveling course was installed and final paving is due in spring of 2013. The O'Donnell Hill area in Warwick is awaiting sample results and should be completed by the winter of this year. Services will be installed and final paving will be in spring of next year. Meadow Road, Garden Lane and County Lane have been activated final paving in spring of 2013.

### **IFR 2010B**

Contract has been executed. Work to begin in the spring construction season in 2013.

### **Quaker Lake Pump Station Upgrade**

Construction is ongoing revised schedule is being reviewed and expectations of construction will continue with a delay of 24 weeks needed for pump delivery. Bypass pipe tapping is scheduled for next week, electric transformer will be installed and activated and then the site will be secured for winter. Start up of construction is scheduled for March of 2013 with completion in June of 2013.

### **Water Street Replacement**

Construction of the sewer has begun. Our water main is being installed and testing is underway. This is a joint project between the Town of East Greenwich and Kent County Water Authority with Kent County funding the water portion and of course the sewer portion funded by the Town of East Greenwich.

CENTRAL COVENTRY FIRE DISTRICT  
AS OF 12/12/2012

WATER BILLS

ACCOUNT# 200543  
699 MAIN STREET

\$59.26 BILL PERIOD 6/01/12 THROUGH 8/31/12  
\$0.89 INTEREST 10/9/2012  
\$0.89 INTEREST 11/7/2012  
-----  
\$61.04  
\$53.81 BILL PERIOD 9/01/12 THROUGH 11/30/12  
\$0.89 INTEREST 12/7/2012  
-----  
\$115.74

PAID CHECK 00010401 12/12/2012

**\$54.70 BALANCE**

ACCOUNT# 106546  
2 STATION STREET

\$70.15 BILL PERIOD 8/01/12 THROUGH 10/31/12  
\$1.25 INTEREST 12/7/2012  
-----  
\$71.40

PAID CHECK 00010411 12/12/2012

**\$1.25 BALANCE**

ACCOUNT# 109956  
240 ARNOLD ROAD

\$81.04 BILL PERIOD 8/01/12 THROUGH 10/31/12  
\$1.22 INTEREST 12/7/2012  
-----  
82.26

PAID CHECK 00010412 12/12/2012

**\$1.22 BALANCE**

HYDRANT BILLING

ACCOUNT# HYG108270

\$1,650.96 BILL PERIOD 4/01/12 THROUGH 6/30/12  
\$24.76 INTEREST 5/4/12  
\$142.60 INTEREST 5/6/12  
\$11,013.19 BILL PERIOD 7/01/12 THROUGH 9/30/12  
\$142.60 INTEREST 7/9/12  
\$142.60 INTEREST 8/06/12  
\$192.47 INTEREST 9/06/12

PAID CHECK 00010413 12/12/2012

**\$192.47 INTEREST 10/09/12**

PAID CHECK 00010414 12/12/2012

**\$364.84 INTEREST 12/7/12**

**\$25,244.52**

PAID CHECK 00010415 12/12/2012

**\$13,866.49**

ACCOUNT# HYG106448

\$157.11 INTEREST 5/4/2012  
\$157.11 INTEREST 6/6/2012  
\$10,316.54 BILL PERIOD 7/01/12 THROUGH 9/30/12  
\$159.46 INTEREST 9/6/2012

PAID CHECK 00010416 12/12/2012

**\$159.46 INTEREST 10/9/2012**

PAID CHECK 00010417 12/12/2012

**\$316.60 INTEREST 12/7/12**

**\$21,899.42**

PAID CHECK 00010418 12/12/2012

**\$11,266.28**

ACCOUNT# HYG200631

\$8,644.58 BILL PERIOD 7/01/12 THROUGH 9/30/12  
\$129.67 INTEREST 9/6/2012

~~\$8,644.58 BILL PERIOD 10/01/12 THROUGH 12/31/12~~

\$129.67 INTEREST 10/9/2012

~~\$261.28 INTEREST 11/7/2012~~

\$261.28 INTEREST 12/7/12

\$18,071.06

~~\$8,912.86 PAID - CHECK 0001045 12/12/2012~~

\$9,165.20

ACCOUNT# HYG104493

\$17,143.71 BILL PERIOD 10/01/12 THROUGH 12/31/12

\$257.16 INTERST 11/7/2012

\$257.16 INTEREST 12/7/12

\$17,658.03

~~\$17,400.87 PAID - CHECK 0001046 12/12/2012~~

\$257.16

\$83,142.43 TOTAL AMOUNT DUE

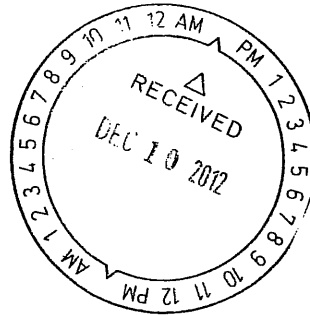
~~\$83,142.43 TOTAL AMOUNT DUE 12/2012~~

\$34,612.30 BALANCE DUE



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

December 7, 2012



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

Re: 2010A Infrastructure Improvements Project  
Industrial Lane – West Warwick

Dear Mr. Brown:

JGA has developed two alternates for permanent pavement restoration for Industrial Lane. The first alternate involves overlaying the existing roadway full width. Based on the design drawings for the proposed new roadway, the roadway width is 34 feet and the length is 1,660 feet. Boyle & Fogarty Construction's bid price for 1½" overlay is \$6.00 per square yard. The cost for the overlay, therefore, is \$37,626 (1,660 ft. x 34 ft. = 6,271 s.y. x \$6.00/s.y.).

The second alternate consists of the removal of the existing trench patch and installation of a permanent trench patch. The permanent trench patch will consist of sawcutting, the removal of the existing trench patch and installing 1½" of binder course and 1½" wearing course. Boyle & Fogarty Construction has submitted a cost of \$49,000 for Alternate No. 2 (2,504 s.y. x \$19.57/s.y.)

If you have any questions, please call.

Very truly yours,

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

Richard M. Hencler, P.E.  
Project Manager

Enclosures

Z:\Clerical\My Documents\KCWAA\AUTHORITY\12-001(2010A)\BROWN-01.doc