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June 10, 2010

Luly Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Providence Water Supply Board-Docket No. 4022

Dear Ms. Massaro:

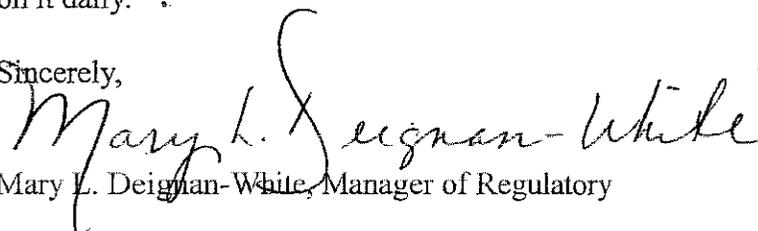
Enclosed please find an original and 9 copies of the first annual report of the Scituate Watershed Protection Restricted Fund, in accordance with Commission Order No.19691 issued on July 7, 2009. All detailed information required by the Commission in Docket No. 4022, entitled "In re: Providence Water Supply Board's Request for Approval to Apply \$5 Million Property Tax Refund" is attached.

For the period commencing May 14, 2009 and ending May 13, 2010, three properties, containing approximately 183 acres, have contractual commitments (signed Purchase & Sales agreements) secured, with a total purchase price of \$1,769,000. The anticipated closing date for all three properties is July 12, 2010. Therefore, the \$1 million requirement has been exceeded for the first year May 14, 2009 through May 13, 2010.

These parcels, along with all other properties being considered, are analyzed for their watershed protection value, consistent with Section 2.C of the tax agreement between Providence Water and the Town of Scituate. Specifically, every parcel is assigned a numeric rating or score, based on water resources contained on site, current, proposed and allowable development potential, and proximity to Providence Water landholdings.

Through this new program, Providence Water is continuing to protect the Scituate Reservoir watershed, and therefore the 600,000 Rhode Island residents which rely on it daily.

Sincerely,


Mary L. Deignan-White, Manager of Regulatory

cc: service list Docket No. 4022
R. Blodgett
C. Richard
File

RIPUC Docket No. 4022
"In RE: Providence Water Supply Board's Request for
Approval to Apply \$5 Million Property Tax Refund"

I. PROVIDENCE WATER'S ANNUAL REPORTING ON THE PROPERTIES ACQUIRED
(MAY 14, 2009 – MAY 13, 2010)

As of May 13, 2010, the following three properties in Scituate are under contractual commitments (signed Purchase & Sales agreements).

Parcel Identification

1. Assessor's Plat 51, Lots 37 & 42, approximately 100 acres, owned by Tirrell (deposit \$48,200)
2. Assessor's Plat 47, Lot 1, approximately 50 acres, owned by Earle (deposit \$17,500)
3. Assessor's Plat 47, Lot 2, approximately 33 acres, owned by Wall (deposit \$22,750)

Summary of Appraisals

1. \$910,000 (Andolfo), \$700,000 (Integra)
2. \$274,000 (Integra), \$550,000 (Valuation Concepts)
3. \$455,000 (Integra), \$480,000 (Valuation Concepts)

Final Purchase Price

1. \$964,000 * (Agreement dated May 12, 2010)
 2. \$350,000 (Agreement dated May 10, 2010)
 3. \$455,000 (Agreement dated May 05, 2010)
- \$1,769,000

Anticipated Closing Date

1. July 12, 2010
2. July 12, 2010
3. July 12, 2010

2. ACCOUNTING OF THE FUNDS SPENT AND/OR COMMITTED DURING THE
TWELVE MONTH PERIOD MAY 14, 2009 THROUGH MAY 13, 2010

(Please see the attached)

3. PROPOSAL TO REDIRECT THE UNSPENT OR UNCOMMITTED FUNDS

More than the \$1 million was committed during the first year of this effort, therefore there is no proposal to redirect any funds.

Prepared by Richard Blodgett, Chairman, Scituate Watershed Protection Restricted Fund Advisory Board, June 8, 2010

footnotes

* Existing Providence Water land acquisition policy and practice allow for purchase agreements to exceed an appraisal by no more than 10%. This negotiated purchase exceeds the Andolfo appraisal by approximately 6%.

PROVIDENCE WATER
Scituate Watershed Protection Restricted Fund
May 14, 2009 - May 13, 2010 Accounting

Deposit May 2009		\$5,000,000
Interest Income	\$11,337	
Sub-total		\$11,337
Disbursements:		
Appraisal Services	-\$46,650	
Land Deposits/Purchase	-\$88,450	
Other	\$0	
Sub-total	-\$135,100	<u>-\$135,100</u>
Balance at 5/13/2010		<u>\$4,876,237</u>