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June 8, 2011

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

The Hon. Angel Taveras
Mayor

Re: Providence Water Supply Board-Docket No. 4022

Pamela M. Marchand, P.E.
*Chief Engineer &
General Manager*

Dear Ms. Massaro:

BOARD OF DIRECTORS

Enclosed please find an original and 9 copies of the second 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.

Brett P. Smiley
Chairman

For the period commencing May 14, 2010 and ending May 13, 2011, seven properties have contractual commitments (signed Purchase & Sales agreements) secured or were purchased with a total purchase price of \$2,890,400. Therefore, the \$1 million requirement has been exceeded for the second year May 14, 2010 through May 13, 2011.

Joseph D. Cataldi
Vice Chairman

Richard Kerbel
Ex-Officio

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.

Michael A. Solomon
City Council President

Michael J. Correia
City Councilman

Andy M. Andujar
Member

Joan S. Badway
Member

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.

Carissa R. Richard
Secretary

Sincerely,

Fernando S. Cunha, Esq.
Legal Advisor

Mary L. Deignan-White, Senior Manager of Regulatory

Member
Rhode Island Water Works Assn.
New England Water Works Assn.
American Water Works Assn.

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

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Only Tap Water DELIVERS

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 SECOND ANNUAL REPORTING ON THE PROPERTIES
ACQUIRED**

(MAY 14, 2010 – MAY 13, 2011)

During the past year, the Scituate Watershed Protection Restricted Fund Advisory Board closed on the three properties under Purchase and Sales (P&S) agreements from the first year. The cost of these properties in the second year, including minor closing costs, in addition to the deposits paid in the first year, was \$1,687,523.

In the second year, P&S agreements were entered into for seven additional properties. Deposits totaling \$142,470 were made for six of the seven properties between May 14, 2010 and May 13, 2011. Three of the properties were closed during the year. The final cost, including minor closing costs, in addition to the deposits, for these additional three properties was \$1,506,717. In the first two years, ten properties were purchased or under agreement for \$4,659,400. Please see the attached schedule which provides details of the properties acquired, or under P&S agreements, as required by the Report and Order.

**II. ACCOUNTING OF THE FUNDS SPENT AND/OR COMMITTED DURING THE TWELVE
MONTH PERIOD MAY 14, 2010 – MAY 13, 2011**

Please see the attached schedule which shows the receipts and disbursements, on a cash basis from the Scituate Watershed Fund.

III. PROPOSAL TO REDIRECT THE UNSPENT OR UNCOMMITTED FUNDS

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

Prepared by Richard Blodgett, Chairman, Watershed Protection Restricted Fund Advisory Board, June 6, 2011

RIPUC Docket No. 4022

Providence Water
Report on Properties Acquired
5/14/10 - 5/13/2011

Parcel #	Assessor's		Approx. Acreage	Owner	Summary of Appraisals		Deposit Amount	Agreement Date	Final Purchase Price	Closing Date	Final Closing Disbursement
	Plat	Lot			Andolfo *	Valuation Concepts					
1	51	37 & 42	100	Tirell	\$ 910,000	Andolfo *	\$ 48,200.00	5/12/2010	\$ 964,000.00	8/26/2010	\$ 919,419.00
2	47	1	50	Earle	\$ 274,000	Integra	\$ 17,500.00	5/10/2010	\$ 350,000.00	7/20/2010	\$ 333,518.00
3	47	2	33	Wall	\$ 455,000	Integra	\$ 22,750.00	5/5/2010	\$ 455,000.00	10/29/2010	\$ 434,586.00
							\$ 88,450.00		\$ 1,769,000.00		\$ 1,687,523.00
4	51	53	65	Hall	\$ 651,000	Integra	\$ 40,420.00	9/1/2010	\$ 808,400.00	11/18/2010	\$ 771,241.00
5	42	15	35	Davis	\$ 317,880	Integra	\$ 19,200.00	7/23/2010	\$ 384,000.00	12/3/2010	\$ 367,398.00
6	49, 50	21, 81	80	Beattie	\$ 385,000	Integra	\$ 19,250.00	9/15/2010	\$ 385,000.00	2/7/2011	\$ 368,078.00
7	11, 13	61-63, 27	36	Macera	\$ 360,000	Valuation Concepts	\$ 19,350.00	9/1/2010	\$ 387,000.00		
8	49	249	34	Roy	\$ 290,000	Integra	\$ 16,750.00	3/22/2011	\$ 335,000.00		
9	46	12, 43	72	Carlow	\$ 389,000	Integra	\$ 27,500.00	4/15/2011	\$ 550,000.00		
10	31	9	14	Ronci	\$ 40,000	Integra	**	5/11/2011	\$ 41,000.00		\$ -
Cumulative							\$ 142,470.00		\$ 2,890,400.00		\$ 1,506,717.00
							\$ 230,920.00		\$ 4,659,400.00		\$ 3,194,240.00

* 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%.

** Actual deposit made after 5/13/11

Prepared by Richard Blodgett, Chairman, Watershed Protection Restricted Fund Advisory Board June 6, 2011

PROVIDENCE WATER
Scituate Watershed Protection Restricted Fund
May 14, 2010 - May 13, 2011 Accounting

Balance at 5/13/2010		\$4,876,237
Interest Income	\$7,055	
Sub-total		\$7,055
Disbursements:		
Appraisal & Survey Services	-\$81,645	
Land Deposits/Purchase	-\$3,336,710	
Other	<u>-\$320</u>	
Sub-total	-\$3,418,675	<u>-\$3,418,675</u>
Balance at 5/13/2011		<u>\$1,464,617</u>

Prepared by J. Bondarevskis