

**PSC NO: 4 - WATER**  
**COMPANY: Rolling Meadows Water Corporation**  
**INITIAL EFFECTIVE DATE: January 1, 2009**

**STATEMENT TYPE: ESCI**  
**STATEMENT NO. 1**

**ESCROW ACCOUNT FOR CAPITAL IMPROVEMENTS**  
**STATEMENT NO. 1**

The company will establish a replenishable, interest-bearing escrow account with a maximum balance of \$30,000, not including account interest, for the purpose of making extraordinary repairs and/or plant replacements not included in base rates.

The account will be subject to the following conditions:

1. The account will be funded commencing January 1, 2009 by means of a quarterly customer surcharge of \$7.00.
2. The account will be established in a bank, in a separate account, and will be under the control of the company.
3. The water company will have access to the funds in this account solely for the purposes noted above and any taxes associated with the account.
4. Once the account has reached the maximum balance, the company will be permitted to resume the customer surcharge to bring the balance in the account back to the approved level only when the balance is reduced below the maximum level by the removal of money from the account for the purposes noted above and any taxes associated with the account. The unit customer surcharge in this case will be determined by dividing the difference between the maximum level and the balance in the account at the end of the previous quarter by the number of customers at that time of billing for that quarter. The company may not charge a unit customer charge greater than \$7.00 quarterly unless approved by the Commission.
5. This account shall bear interest and such interest shall remain in the account and be used to cover expenses or reduce payments by customers needed to replenish the account to its approved level.
6. A customer terminating service will not be entitled to a refund of payments made to the escrow account.
7. The company must submit copies of all bank statements and a complete accounting of the revenues and expenses (including supporting invoices) for the account by January 30 of each year, to the Chief of the Water Rates Section.

Issued By: Jeffrey M. Vogt, President, P.O. Box 540, Hurley, NY 12443  
(Name of Officer, Title, Address)