

**PSC NO: 4- WATER**  
**COMPANY: ROLLING MEADOWS WATER CORPORATION**  
**INITIAL EFFECTIVE DATE: 12/01/06**

**STATEMENT TYPE: ESCW**  
**STATEMENT NO. 1**

**ESCROW ACCOUNT FOR CAPITAL IMPROVEMENT STUDY**  
**STATEMENT No. 1**

The company is authorized to establish an escrow account with a maximum balance of \$41,000, excluding accrued interest, to cover the cost of a hydraulic engineering study to prioritize system upgrade and analysis of water storage facility location. This account will be subject to the following conditions:

1. The account will be funded by a customer bill surcharge of \$3.23 per quarter, effective December 1, 2006, for 12 billing quarters.
2. This account will be established in a bank, in a separate interest bearing 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 associated taxes.
4. Any interest earned by the account shall remain in the account to cover the cost of the engineering study.
5. Customers terminating service will not be entitled to a refund of payments made to the escrow account.
6. The company must submit copies of all bank statements and a complete accounting of the revenues and expenses for the account by January 30th of each year. All information should be sent to the Water Rates Section. In addition, the company may be required to submit, at Staff's request, prioritized plans for the improvements and use of funds as well as additional account information.

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