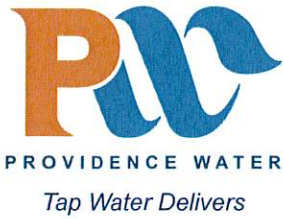




**PROVIDENCE WATER SUPPLY BOARD'S  
APPLICATION FOR AUTHORITY TO BORROW  
UP TO \$21,000,000 FROM THE  
DRINKING WATER STATE REVOLVING FUND  
THROUGH THE RI INFRASTRUCTURE BANK**

**April 2025**

**D-25-\_\_\_\_\_**



April 2, 2025

Ellen Golde, Clerk  
Division of Public Utilities and Carriers  
89 Jefferson Boulevard  
Warwick, RI 02888

**The Hon. Brett P. Smiley**  
Mayor  
**Ricky Caruolo**  
General Manager

RE: Application for Authority to Borrow up to \$21,000,000  
Docket No. D-25-\_\_\_\_\_

**BOARD OF DIRECTORS**

- Ateesh S. Chanda**  
Chairperson
- Cristen L. Raucci, Esq.**  
Vice Chairperson
- Juan M. Pichardo**  
Council President Pro Tempore
- Oscar O. Vargas**  
Councilperson
- Sara Silveria**  
Ex-Officio
- Dr. Alma M. Guerrero Bready**  
Member
- Raphael O. Okelola**  
Member
- Carissa R. Richard**  
Secretary
- William E. O’Gara, Esq.**  
Legal Advisor

Dear Ms. Golde:

Enclosed for filing are an original and four copies of Providence Water’s application for authority to borrow up to \$21,000,000 from the Drinking Water State Revolving Fund through the RI Infrastructure Bank.

If you have any questions, please contact me at 401-521-6300 ext.7238, or our attorney Leah Donaldson, Esq. at 401-351-4100.

Sincerely,

Cheryl McCreight  
Finance Director

- cc: R. Caruolo
- G. Giasson
- D. Tikoian
- K. Mello
- M. Blais
- K. Grande, Esq.
- L. Donaldson, Esq.
- File

**MEMBER**

- Rhode Island Water Works Assn.
- New England Water Works Assn.
- American Water Works Assn.
- Water Research Foundation

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Providence, RI 02907

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## **PROVIDENCE WATER SUPPLY BOARD**

Application for Authority to Borrow from the Rhode Island Infrastructure Bank in an amount  
of \$21,000,000

### Table of Contents

1. Application for Authority to Borrow up to \$21 Million from the Rhode Island Infrastructure Bank
2. Proposed Notice of Filing and Public Hearing
3. Statement in Accordance with RIGL § 39-3-17
4. Pre-Filed Testimony of Cheryl McCreight
  - Exhibit CM- 1 Providence Signed Ordinance 2025-94
  - Exhibit CM- 2 PW 6-30-24 Capitalization Schedule
  - Exhibit CM- 3 Interest Rate Table
  - Exhibit CM- 4 PW \$21 Commitment Letter -RIIB
5. Pre-Filed Testimony of Peter R LePage
6. Pre-Filed Testimony of Matthew Blais
  - Exhibit MB-1 Projected Debt Services
7. Appendix A: Audited Financial Statements FYE 6/30/2024.

STATE OF RHODE ISLAND  
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: PROVIDENCE WATER SUPPLY BOARD'S APPLICATION FOR BORROWING AUTHORITY	DOCKET NO. D-25-_____
--	-----------------------

**R.I.G.L. § 39-3-15**  
**APPLICATION OF THE PROVIDENCE WATER SUPPLY BOARD**  
**FOR AUTHORITY TO BORROW UP TO \$21 MILLION FROM**  
**THE RHODE ISLAND INFRASTRUCTURE BANK**

In the above-entitled cause, the Providence Water Supply Board represents that:

1. The Providence Water Supply Board was created in 1940 by Chapter 832 of the Public Laws of the State of Rhode Island.
2. Providence Water seeks to borrow from the Drinking Water State Revolving Fund an amount not to exceed \$21,000,000.00 primarily to fund improvements to the Providence Water distribution system and appurtenances within the system, including but not limited to the cleaning, lining, repair and replacement of water mains, transmission lines, service lines and valves at an interest rate not to exceed 5.0%.
3. The borrowing will be provided by the Rhode Island Infrastructure Bank, pursuant to a resolution of the Providence Water Supply Board dated November 20, 2024.
4. The loan will be secured by the Providence Water Enterprise Fund Revenues under the Providence Water Supply Board Bond Indenture.
5. The borrowing may reimburse Providence Water for project costs incurred from inception of the project until the actual funding date.
6. In accordance with Section 1.14 of the Rules of Practice and Procedure of the Division of Public Utilities and Carriers, written testimony and supporting exhibits are attached hereto, including the written testimony of Peter L. LePage and Cheryl McCreight of Providence Water, and Mathew J. Blais of Hilltop Securities.
7. In accordance with Section 1.14 of the Rules of Practice and Procedure of the Division of Public Utilities and Carriers, a copy of this application has been filed with the Attorney General.

WHEREFORE, the Providence Water Supply Board respectfully requests that the Division of Public Utilities and Carriers authorize and consent to the borrowing from the Rhode Island Infrastructure Bank an amount not to exceed \$21,000,000.00.

PROVIDENCE WATER SUPPLY BOARD

BY:   
Ricky Caruolo  
GENERAL MANAGER

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

Subscribed and sworn before me this 28 day of MARCH, 2025.

Notary Public Lauren A. Garzone  
My Commission Expires: 8/5/2028



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN RE: PROVIDENCE WATER SUPPLY BOARD : Docket No. D-25-\_\_\_\_\_  
APPLICATION FOR BORROWING AUTHORITY

**NOTICE OF FILING AND PUBLIC HEARING**

Pursuant to the provisions of the Rhode Island General Laws §39-3-15 and §39-3-17, the Division of Public Utilities and Carriers (Division) will conduct a public hearing on \_\_\_\_\_ at \_\_\_\_\_ in Hearing Room B of the Division, located at 89 Jefferson Boulevard, Warwick, Rhode Island.

At this hearing, the Division will examine the propriety of an application filed by the Providence Water Supply Board seeking consent and approval to obtain financing in an amount of \$21,000,000 through revenue bonds to be sold by the Rhode Island Infrastructure Bank for the Drinking Water State Revolving Fund. The proceeds from the sale of the bonds will be used to clean, line, and/or replace water mains located throughout the Providence Water distribution system.

The application is on file and may be examined at the Division office and at the office of the Providence Water Supply Board, 125 Dupont Drive, Providence, Rhode Island. The application can also be accessed at <https://ripuc.ri.gov/> \_\_\_\_\_. Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws.

The Division is accessible to the handicapped. Individuals requesting interpreter services for the hearing impaired must notify the Clerk's office at 780-2107 at least \_\_\_\_\_ in advance of hearing date.

Linda George, Administrator

\_\_\_\_\_2025


STATE OF RHODE ISLAND  
DIVISION OF PUBLIC UTILITIES AND CARRIERS


IN RE: PROVIDENCE WATER SUPPLY BOARD DOCKET NO. D-25-\_\_\_\_\_

STATEMENT IN ACCORDANCE WITH R.I.G.L. § 39-3-17

Ateesh S. Chanda , Chairman, and Carissa R. Richard, Secretary, Providence Water Supply Board , after being duly sworn, hereby make the following statement in accordance with R.I.G.L. § 39-3-17:

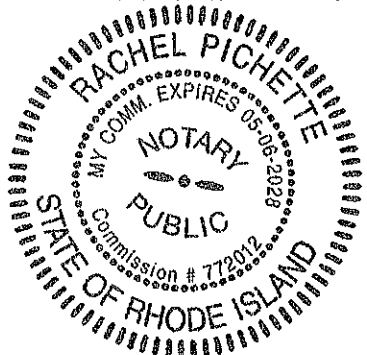
1. Providence Water Supply Board has filed with the Rhode Island Division of Public Utilities and Carriers an Application to Borrow from the Rhode Island Infrastructure Bank in the amount of twenty-one million dollars (\$21,000,000).
2. The debt will be incurred primarily for the purpose of the rehabilitation of water mains and appurtenances within the system, including but not limited to the cleaning, relining, repair and replacement of water mains, transmission lines, service lines and valves.
3. The total estimated project costs including cost of issuance, loan origination, etc., that will be borrowed are not to exceed twenty-one million, three hundred thousand dollars (\$21,000,000).
4. Attached hereto is the latest Audited Financial Statement of the Providence Water Supply Board, showing the assets and liabilities of the utility.


  
\_\_\_\_\_  
Ateesh S. Chanda, Chairman

  
\_\_\_\_\_  
Carissa R. Richard, Secretary

STATE OF RHODE ISLAND  
COUNTY OF PROVIDENCE

Subscribed and sworn before me this 10 day of March, 2025.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 05/06/2028

Testimony

of

CHERYL A. MCCREIGHT

before the

RI DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN SUPPORT OF APPLICATION FOR AUTHORIZATION TO BORROW FROM THE  
RI INFRASTRUCTURE BANK THE AMOUNT OF \$21,000,000

for

PROVIDENCE WATER SUPPLY BOARD

April 2025

Docket No. D-25- \_\_\_\_\_



1 **Q. Please state your full name and title.**

2 A. Cheryl A. McCreight, Finance Director for the Providence Water Supply Board.

3

4 **Q. Please describe your educational background and work experience.**

5 A. I graduated from Providence College with a Bachelor of Science in Marketing. I have  
6 been employed at Providence Water since June 2023. I was employed by the Providence  
7 Public Schools Department for 16 years, most recently as the Senior Budget Director and  
8 before that as Director of Operations.

9

10 **Q. What is the purpose of your testimony?**

11 A. To provide information in support of Providence Water's application to borrow \$21 million  
12 from the Rhode Island Infrastructure Bank (RIIB). The proceeds of the borrowing will be  
13 used primarily to fund improvements to the Providence Water distribution system and  
14 appurtenances thereto, including but not limited to the cleaning, relining, repair and  
15 replacement of water mains, transmission lines, service lines and valves.

16

17 **Q. Is this amount sufficient to cover the construction costs?**

18 A. This amount of \$21 million is estimated to be sufficient to cover the construction costs  
19 for this portion of the project, the cost of issuance, the origination fee to the RIIB, and the  
20 required debt service reserve fund.

21

22 **Q. What is the source of funds for payment of the debt service?**

23 A. In order to pay the debt service, Providence Water will use rate revenue as approved by

1 the PUC. Because of the structure of the repayment schedules by the RIIB, Providence  
2 Water does not need a rate increase to cover the initial repayments because the transfer of  
3 rate revenue to the Restricted Infrastructure Replacement Fund is currently sufficient.  
4 Providence Water anticipated additional borrowings in its most recent, three-step rate  
5 filing – Docket 4994 – approved by the PUC on August 27, 2020, and included the  
6 estimated debt service payments.

7  
8 **Q. What will be the impact to ratepayers from this borrowing?**

9 A. Any impact to the customer base has been anticipated and included in the three-step rate  
10 increase approved in Docket 4994.

11  
12 **Q. Have you addressed the requirements of RIGL § 39-3-17 regarding the approval of  
13 the financing by the Providence Water Supply Board and the City of Providence?**

14 A. Yes. At the November 20, 2024 Board Meeting, the Providence Water Supply Board  
15 authorized the General Manager to seek approval from the Providence City Council for  
16 financing from the RI Infrastructure Bank for an amount not to exceed \$21 million. The  
17 Ordinance authorizing this borrowing was approved on February 28, 2025. See Exhibit  
18 CM-1.

19  
20 **Q. Have you presented a pro forma capital structure showing the effect of the bond  
21 issuance as required by Section 1.14 of the Division’s Rules of Practice and  
22 Procedure?**

23 Yes. Exhibit CM-2 shows a present and pro forma capital structure demonstrating the

1 effects of the bond issue. Our projected debt to net property, plant, and equipment (“debt  
2 to plant”) with this issue would be 37.94%. Our financial consultant has indicated that  
3 rating agencies consider a ratio of debt to plant of less than 40% to be low and of 40% to  
4 60% to be moderate.

5  
6 **Q. What are the terms of the financing?**

7 A. The bonds will be issued under the Trust Indenture dated March 5, 2008. The City,  
8 Providence Water, and the bond trustee will enter into a Supplemental Indenture relating  
9 to these bonds. In this filing, Matthew Blais, our financial consultant with Hilltop  
10 Securities, a division of Hilltop Securities, Inc., provides testimony and additional  
11 information on the bond issuance and debt service requirements. The general terms of the  
12 borrowing are:

13  
14 Bonds will be funded through the Drinking Water State Revolving Fund (DWSRF). The term is  
15 approximately 20 years from the projected date of borrowing. The expected interest cost  
16 will reflect a 25% subsidized interest loan off the current market rates. Based upon  
17 market conditions as of March 5, 2025, it is anticipated that the market interest rate on the  
18 loan will not exceed 4.11%, which, with the 25% subsidy, would result in a projected  
19 subsidized rate of 3.08%. See Exhibit CM-3.

20  
21 **Q. What is the security for the bonds?**

22 A. The bonds will be secured with a revenue pledge by the Providence Water Enterprise  
23 Fund Revenues under the Providence Water Bond Indenture.

1

2 **Q. Has Providence Water received a commitment letter from the RI Infrastructure**  
3 **Bank?**

4 A. Yes, it has. See Exhibit CM-4.

5

6 **Q. Has Providence Water received a Certificate of Approval from the RI Department**  
7 **of Health?**

8 A. Not currently. The application has been submitted to the RI Department of Health and  
9 will be forwarded upon receipt.

10

11 **Q. Does this conclude your testimony?**

12 A. Yes.

**City of Providence**  
STATE OF RHODE ISLAND

**CHAPTER 2025-5**

No. 94     **AN ORDINANCE OF THE CITY OF PROVIDENCE APPROVING IMPROVEMENTS TO THE PROVIDENCE WATER SUPPLY BOARD DISTRIBUTION SYSTEM AND APPURTENANCES THERETO, INCLUDING BUT NOT LIMITED TO THE CLEANING, RELINING, REPAIR AND REPLACEMENT OF WATER MAINS, TRANSMISSION LINES, SERVICE LINES AND VALVES AND APPROVING THE FINANCING THEREOF BY THE ISSUANCE OF WATER REVENUE BONDS AND NOTES THEREFOR IN AN AMOUNT NOT TO EXCEED \$21,000,000.00**

Approved February 28, 2025

*Be it ordained by the City of Providence:*

BE IT ORDAINED BY THE CITY OF PROVIDENCE THAT:

SECTION 1. A sum not to exceed Twenty-One Million Dollars (\$21,000,000) is appropriated to fund improvements to the Providence Water Supply Board ("Providence Water") distribution system and appurtenances thereto, including but not limited to the cleaning, relining, repair and replacement of water mains, transmission lines, service lines and valves, funding of a debt service reserve fund and costs of issuance. The period of usefulness of the improvements financed is expected to be not less than forty (40) years.

SECTION 2. To provide funding for the program, in accordance with Chapter 46-12.8 of the Rhode Island General Laws, the City Treasurer and the Mayor are hereby authorized to borrow an amount not exceeding Twenty-One Million Dollars (\$21,000,000) from the Rhode Island Infrastructure Bank, and to evidence such loan, such officers are hereby authorized to issue and refund on behalf of the City, in an amount not exceeding Twenty-One Million Dollars (\$21,000,000) water revenue bonds (the "Bonds") of the City, at one time, or from time to time in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$21,000,000 interest bearing or discounted water revenue notes (the "Notes") in anticipation of the issue of said Bonds.

SECTION 4. The Bonds and Notes shall be payable solely from revenues of the Providence water supply system. The City may issue bonds, notes, or other obligations on a parity with these Bonds. The manner of sale, amount, denominations, maturities, conversion or registration privileges, interest rates, medium of payment, and other terms, conditions and details of the Bonds or Notes may be fixed by the officers authorized to sign the Bonds or Notes. The net debt of the City is not affected by the issuance of the Bonds or Notes and the Bonds and Notes authorized hereby will be within all debt and other limitations prescribed by the Constitution and the laws of Rhode Island.

SECTION 5. Pending the issuance of the Bonds under Section 2 hereof or pending or in lieu of the issue of Notes under Section 3 hereof, the General Manager of Providence Water may expend funds from the Water Fund of the City for the purposes specified in Section 1 hereof. Any advances made under this section shall be repaid without interest from the proceeds of the Bonds or Notes issued hereunder or from the proceeds of applicable federal or state assistance or from other available funds.

SECTION 6. The City Treasurer, the Mayor and the General Manager of Providence Water are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver a Supplemental Indenture (the "Supplemental Indenture") by and between the City and U. S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the "Trustee") amending and supplementing the Trust Indenture dated June 5, 2008 by and between the City and the Trustee (as supplemented, the "Indenture") relating to the Bonds and any and all other loan agreements, documents, including disclosure documents for investors, certificates or instruments necessary to effectuate such borrowing; (ii) amend, modify or supplement the Indenture, the Bonds or Notes and any and all other loan agreements, documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) direct the Trustee with regard to investments of trust funds pursuant to the Trust Indenture, and (iv) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this Ordinance.

SECTION 7. The City Treasurer, the Mayor and the General Manager of Providence Water are hereby authorized to deliver the Bonds or Notes to the purchaser and, to the extent that such Bonds or Notes may be issued on a tax-exempt basis, said officers are hereby authorized and instructed to take all actions, on behalf of the City and Providence Water, necessary to ensure that interest on the Bonds or Notes will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds or Notes to become subject to federal income taxes.

SECTION 8. The Director of Finance, the Mayor and the General Manager of Providence Water are authorized to take all actions necessary to comply with federal tax and securities laws including Rule 15c2-12 of the Securities and Exchange Commission (the "SEC Rule") and to execute and deliver one or more Disclosure Certificates in connection with the Bonds or Notes in the form as shall be deemed advisable by the Director of Finance, the Mayor and the General Manager of Providence Water in order to comply with the SEC Rule. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Disclosure Certificates, as they may be amended from time to time. Notwithstanding any other provision of this Ordinance or the Bonds or Notes, failure of the City or Providence Water to comply with a Disclosure Certificate shall not be considered an event of default; however, any Bondholder or Noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Providence Water to comply with its obligations under this Section and under the Disclosure Certificate.

SECTION 9. This Ordinance shall take effect upon passage.

IN CITY COUNCIL  
FEB 06 2025  
FIRST READING  
READ AND PASSED

Uma L. Mastocianni  
CLERK

IN CITY  
COUNCIL  
FEB 20 2025  
FINAL READING  
READ AND PASSED

Rachel N. Miller  
RACHEL N. MILLER, PRESIDENT  
Uma L. Mastocianni  
CLERK

I HEREBY APPROVE.

Burt P. Smith  
Mayor

Date: 2/20/2025





**RESOLUTION  
OF THE  
PROVIDENCE WATER SUPPLY BOARD**

A Resolution of the City of Providence Water Supply Board expressing the intention of the Board to reimburse expenditures from the proceeds of the Notes, Bonds, or Loans for certain Infrastructure Improvements and to provide an effective date.

The Hon. Brett P. Smiley  
Mayor

Ricky Caruolo  
General Manager

WHEREAS, the City of Providence Water Supply Board (the Board) is an agency of the City of Providence, Rhode Island and owns and operates a Water Supply system (the System); and

**BOARD OF DIRECTORS**

Ateesh S. Chanda  
Chairperson

Cristen L. Raucci, Esq.  
Vice Chairperson

Juan M. Pichardo  
Council President Pro Tempore

Oscar O. Vargas  
Councilperson

Sara Silveria  
Ex-Officio

Dr. Alma M. Guerrero Bready  
Member

Raphael O. Okelola  
Member

Carissa R. Richard  
Secretary

William E. O'Gara, Esq.  
Legal Advisor

WHEREAS, the Board desires to make certain improvements to the Board's distribution system and appurtenances thereto, including but not limited to the cleaning, relining, repair and replacement of water mains, transmission lines, service lines and valves (the "Project"); and

WHEREAS, it is the intent of the Board to borrow funds in an amount not to exceed twenty-one million dollars (\$21,000,000) for the Project.


NOW, THEREFORE, BE IT RESOLVED:

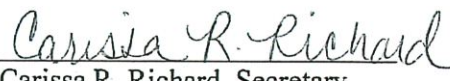
❖ This Resolution is an affirmative action of the Board towards the issuance of Bonds, Notes, or Loans through the RI Infrastructure Bank and/or other funding avenues. This resolution constitutes the Board's declaration of official intent pursuant to Treasury Regulation 1.150-2 to reimburse the Board's funds and accounts for certain infrastructure expenditures paid on or after the date which is sixty (60) days prior to the date of this resolution but prior to the issuance of the Bonds, Notes, or Loans.

❖ That the Board authorizes the General Manager to borrow through the Rhode Island Infrastructure Bank and/or any other funding avenues for the Project.

❖ This resolution shall take effect upon passage.

The above and foregoing was duly adopted and approved at a meeting of the City of Providence Water Supply Board as held on November 20, 2024, by vote of the members of the Providence Water Supply Board present.

  
\_\_\_\_\_  
Ateesh S. Chanda, Chairman  
Providence Water Supply Board

  
\_\_\_\_\_  
Carissa R. Richard, Secretary  
Providence Water Supply Board

**MEMBER**

Rhode Island Water Works Assn.  
New England Water Works Assn.  
American Water Works Assn.  
Water Research Foundation

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PROVIDENCE WATER  
Tap Water Delivers

**RESOLUTION  
OF THE  
PROVIDENCE WATER SUPPLY BOARD**

**The Hon. Brett P. Smiley**  
Mayor

**Ricky Caruolo**  
General Manager

A Resolution of the City of Providence Water Supply Board expressing the intention of the Board to reimburse expenditures from the proceeds of the Notes, Bonds, or Loans for certain Infrastructure Improvements and to provide an effective date.

WHEREAS, the City of Providence Water Supply Board (the "Board") is an agency of the City of Providence, Rhode Island and owns and operates a Water Supply system (the "System"); and

**BOARD OF DIRECTORS**

**Ateesh S. Chanda**  
Chairperson

**Cristen L. Raucci, Esq.**  
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Council President Pro Tempore

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**Sara Silveria**  
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**Dr. Alma M. Guerrero Bready**  
Member

**Raphael O. Okelola**  
Member

**Carissa R. Richard**  
Secretary

**William E. O'Gara, Esq.**  
Legal Advisor

WHEREAS, the Board desires to make certain improvements to the Board's distribution system and appurtenances thereto, including but not limited to the cleaning, relining, repair and replacement of water mains, transmission lines, service lines and valves (the "Project"); and

WHEREAS, it is the intent of the Board to obtain financing from the Rhode Island Infrastructure Bank (RIIB) in an amount not to exceed twenty-one million dollars (\$21,000,000) for the Project.

NOW, THEREFORE, BE IT RESOLVED:

- ❖ That the Board authorizes the General Manager to seek a bond ordinance from the City Council authorizing a borrowing and/or any other funding avenues for the Project.
- ❖ This resolution shall take effect upon passage.

The above and foregoing was duly adopted and approved at a meeting of the City of Providence Water Supply Board as held on November 20, 2024, by vote of the members of the Providence Water Supply Board present.

**MEMBER**

Rhode Island Water Works Assn.  
New England Water Works Assn.  
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Ateesh S. Chanda, Chairman  
Providence Water Supply Board

Carissa R. Richard, Secretary  
Providence Water Supply Board



**PROVIDENCE WATER  
CAPITALIZATION  
as of 6/30/2024**

		<b>Due</b>	<b>Interest Rate</b>	<b>Actual Outstanding (1)</b>	<b>Pro-Forma Amount</b>
<b>Long Term Debt:</b>					
Safe Drinking Water Revenue Bonds 2008A	(2)	9/1/2029	2.85%	13,050,000	13,050,000
ARRA Stimulus Bonds 2009	(3)	9/1/2030	.041 - 3.14%	3,939,250	3,939,250
Clean Water Watershed Bonds 2012	(4)	9/1/2032	.072 - 2.53%	1,524,000	1,524,000
Clean Water Watershed Bonds 2013	(5)	9/1/2033	.019 - 2.53%	2,328,000	2,328,000
Safe Drinking Water Revenue Bonds 2013	(6)	9/1/2034	.022 - 2.63%	15,162,000	15,162,000
Safe Drinking Water Revenue Bonds 2014	(7)	9/1/2034	3.29%	4,864,000	4,864,000
Safe Drinking Water Revenue Bonds 2015	(8)	9/1/2035	1.78%	20,454,000	20,454,000
Safe Drinking Water Revenue Bonds 2017	(9)	9/1/2036	1.56%	11,850,095	11,850,095
Safe Drinking Water Revenue Bonds 2019	(10)	9/1/2039	1.97%	12,189,000	12,189,000
Safe Drinking Water Revenue Bonds 2008 (ESWD)	(11)	9/1/2038	3.00%	60,000	60,000
Safe Drinking Water Revenue Bonds 2013A (ESWD)	(11)	9/1/2033	2.78%	346,000	346,000
Safe Drinking Water Revenue Bonds 2020 (PSLSR)	(12)	9/1/2030	0.00%	1,809,941	1,809,941
Safe Drinking Water Revenue Bonds 2020	(13)	9/1/2039	1.17%	16,359,000	16,359,000
Safe Drinking Water Revenue Bonds 2021	(14)	9/1/2040	1.45%	18,968,000	18,968,000
Efficient Buildings Fund Revenue Bonds 2023	(15)	9/1/1942	2.96%	5,164,000	5,164,000
Safe Drinking Water Revenue Bonds 2023	(16)	9/1/2042	2.09%	5,291,000	5,291,000
Safe Drinking Water Revenue Bonds 2023 #2	(17)	9/1/2043	0.00%	26,320,000	26,320,000
Safe Drinking Water Revenue Bonds 2025	(18)	9/1/2045	0.00%		26,300,000
Safe Drinking Water Revenue Bonds 2025	(19)	9/1/2045	2.47 - 3.52 %		21,000,000
<b>Total Bonds</b>				\$ 159,678,286	\$ 206,978,286
<b>Total Capitalization</b>				<u>\$ 159,678,286</u>	<u>\$ 206,978,286</u>
Total Assets	(20)			\$ 660,298,188	\$ 660,298,188
Debt/Total Assets				24.18%	31.35%
Net Utility Plant	(20)			\$ 545,511,566	\$ 545,511,566
Debt/Net Utility Plant				29.27%	37.94%

(1) Includes long term and current amounts as of June 30, 2024

(2) Borrowing 05/19/08 CWFA08a for Various IFR Projects from IFR Funds.

(3) Borrowing 9/09 CWFA09 for Various Projects from ARRA Stimulus Funds.

(4) Borrowing 6/12 CWFA for Watershed Acquisition paid from WQPF.

(5) Borrowing 6/12 CWFA for Watershed Acquisition paid from WQPF.

(6) Borrowing 05/06/13 CWFA13 for Main Replacements & Appurtenances.

(7) Borrowing 12/04/14 CWFA14 for Main Replacements & Appurtenances.

(8) Borrowing 12/02/2015 RIIB for Central Operations Facility.

(9) Borrowing 5/10/2017 RIIB for Water Main Rehabilitation / Replacement Project.

(10) Borrowing 6/27/2019 RIIB for Water Main Rehabilitation / Replacement Project.

(11) Borrowing by the East Smithfield Water District (ESWD) assumed by Providence

Water when ESWD merged with Providence Water Jan. 13, 2017.

(12) Borrowing for the Private Side Lead Service Replacement Loan Program.

(13) Borrowing 6/28/2020 RIIB for Main Replacements & Appurtenances.

(14) Borrowing 6/29/2021 RIIB for Main Replacements & Appurtenances.

(15) Borrowing 5/4/2023 RIIB for Energy Efficiency projects.

(16) Borrowing 5/23/2023 RIIB for Main Replacements & Appurtenances.

(17) Borrowing 12/19/2023 RIIB for Lead Service Replacement Loan Program.

(18) Borrowing Scheduled Approximately January 2025 RIIB for Lead Service Replacement Loan Program.

(19) Borrowing Scheduled Approximately May 2025 RIIB for Lead Service Replacement Loan Program.

(20) From Audited Balance Sheet Amounts as of 6/30/24

## EXHIBIT CM-3

<b>PROVIDENCE WATER</b>	
<b>Comparison of Interest Rates</b>	
	<b>Interest Rate \$21.0 Million</b>
Market Rate (AIC)	4.112%
Total Interest Payments	\$ 9,423,331
Below-Market Rate (AIC)	3.083%
Total Interest and Fee Payments <sup>1</sup>	\$ 7,744,041
<b>Savings:</b>	
Interest Rate	1.029%
Interest Payments	\$ 1,679,290
Interest Rate Savings/Market Rate	25.024%

*1. Represents RIIB's 0.30% Loan Servicing Fee*

***Prepared by HilltopSecurities***



275 Promenade Street, Suite 301  
 Providence, Rhode Island 02908  
 Rilib.org

March 25, 2025

Richard Caruolo  
 General Manager  
 Providence Water Supply Board  
 125 Dupont Drive  
 Providence, RI 02907

RE: Providence Water Supply Board - up to \$21,000,000 for Drinking Water State Revolving Fund Loan for Water Main Rehabilitation Projects

Dear Mr. Caruolo,

I am pleased to inform you that the Board of Directors of Rhode Island Infrastructure Bank (the "Bank"), pursuant to policies and procedures adopted in accordance with the Safe Drinking Water Act Amendments of 1996 and Chapter 46-12.8 of the Rhode Island General Laws, has approved the November 13, 2024 application of the Providence Water Supply Board (the "Borrower") at the Bank's March 24, 2025 Board Meeting. The Bank will provide financial aid in the form of a loan on the terms stated below, in an amount not to exceed \$21,000,000 for a term not to exceed 20 years after project completion (the "Loan"). Subject to the terms of this letter, the closing documents, and any revisions to the terms and conditions governing the award of Drinking Water State Revolving Fund (DWSRF) capitalization grants by the U.S. Environmental Protection Agency to the Bank, the Bank shall forgive up to twenty percent (20%) of the principal amount of the Loan (\$4,200,000). To the extent the source of funding for the Loan is from one or more DWSRF capitalization grants, the ability of the Bank to pay Borrower requisitions from federal funds is subject to the availability of the Bank to draw such funds. The amount of federal funds allocated to the Loan will be determined at closing.

This approval is subject to the Borrower meeting the following terms, that:

- 1) all projects to be funded appear on the Rhode Island Department of Health's ("RIDOH") Project Priority List and have Certificates of Approval ("COA") issued;
- 2) the Loan complies with all applicable Federal, State, RIDOH and Bank laws, rules and regulations;
- 3) the loan and debt service requirements be approved by any applicable regulatory agency;
- 4) a satisfactory loan agreement be signed by all parties to the transaction (the "Agreement");
- 5) the loan will be made subject to availability of funds as related to the Bank's capacity; and,
- 6) that the loan will be made subject to ranking on RIDOH's Project Priority List.

## TERMS AND CONDITIONS

### 1) Division of Public Utilities and Carriers

Prior to entering into the Agreement, the Borrower must receive approval from the Division of Public Utilities and Carriers to enter into long-term financing with the Bank, if such approval is required by law, rule, or regulation.

### 2) Certificate of Approval



Prior to disbursement of funds by the Bank, the Bank must be in receipt of COA by RIDOH of the Borrower's proposed project(s), pursuant to Title 46-12.8 of the Rhode Island General Laws, and any rules and regulations promulgated thereunder.

3) **Loan Agreement**

The Agreement shall outline the specific terms and conditions of the Bank's loan program, as more generally set forth below and in the Agreement, including the Loan to the Borrower. The Borrower's repayment obligation to the Bank under the Agreement will be evidenced by a Bond(s) of the Borrower outlining the Loan's specific terms and conditions (the "Bond(s)"). The Bonds shall be in fully marketable form, accompanied by documentation, in form and substance satisfactory to the Bank, and an opinion, in form and substance satisfactory to the Bank, of nationally recognized bond counsel satisfactory to the Bank as to its valid authorization, execution, delivery and enforceability. The general provisions of the Agreement, which will be more fully set forth prior to the time of the pricing of the loan by the Bank will include, without limitation, the following provisions:

(a) **Borrowing Rate**

The stated interest rate on the Bond, which is the Borrower's market rate (the "Market Rate"), is the prevailing market tax-exempt interest rate for issuers of comparable creditworthiness to the Borrower, as determined by the Bank on the advice of their financial advisor after consultation with the Borrower. The subsidized interest rate for the Loan is 25% off of the Market Rate (the "Subsidized Interest Rate"). The Borrower will be obligated by the Bond to pay the Market Rate but will be billed only for the Subsidized Interest Rate. If the Borrower or other borrowers of the Bank should default in timely payment of debt service on the Loan or on the loans to such other borrowers of the Bank, the Bank may require the Borrower to pay up to the Market Rate on the Bond.

Interest will be calculated based on a 360-day year and twelve thirty-day months, and may be capitalized during construction. Interest payments are semi-annually on March 1 and September 1.

(b) **Amortization**

Amortization will begin at a mutually agreed upon date, but in no case later than the September 1 following completion of the construction of the projects financed by the Loan. Principal payments shall be made annually on September 1 of each year and the schedule of payments will be structured to meet the debt service and financial assistance needs of the Borrower.

(c) **Final Maturity**

The Loan will mature up to twenty years after the completion of the funded projects.

(d) **Prepayments**



A Loan may be prepaid by the Borrower at any time but may be subject to a prepayment penalty based on the cost of reinvesting the prepayment, the cost of prepaying outstanding bonds of the Bank, or any other negative financial impact to the Bank.

(e) **Security**

The Loan will (a) have a pledge of general revenues, (b) have a pledge of water system user fee revenues, and (c) may be secured by any assets and upon such other terms and conditions the Bank and Borrower deem appropriate to protect the interests of the other participants in the loan programs of the Bank, bondholders, other creditors of the Bank, or the finances of the Bank.

4) **Construction Progress Payments**

Progress payments for each construction project will be made through the Construction Proceeds Fund ("CPF"). Loan proceeds will be transferred to the CPF for the benefit of the Borrower based upon approved requisition forms submitted to the Bank. Upon receipt of the requisition form, the Bank will verify: a) that a COA has been issued by RIDOH; b) that the vendor is identified in the contract; and c) that there is sufficient availability in the CPF to make the payment. Payments will be made directly to the vendor and/or the Borrower for reimbursements by the Bank, and a "paid" stamped copy of the requisition form will be sent to the Borrower and RIDOH.

The Borrower acknowledges that RIDOH may perform periodic project inspections to a) monitor construction progress; b) verify eligibility of construction costs under the program; and c) ensure that construction is in conformity with plans and specifications as submitted by the Borrower. RIDOH will perform periodic inspections to a) monitor construction progress; b) verify eligibility of construction costs under the program and c) ensure that construction is in conformity with Plans and Specifications. RIDOH will provide a copy of the inspection report to the Bank. Any adverse conditions will be reported to the Bank who will suspend further payments until the adverse conditions have been rectified. RIDOH will perform a final project inspection before the final payment is made by the Bank.

5) **Reporting Requirements**

The Borrower shall provide the following information to the Bank during the life of the Loan:

- (a) a copy of the annual audited financial statements of the Borrower's water system in accordance with Generally Accepted Government Accounting Standards, within 9 months of the end of each fiscal year.
- (b) unless included as a part of the audited financial statements furnished pursuant to item 5(a) or the annual budget furnished pursuant to item 5(c), an analysis of operating revenues and expenses, including without limitation, a description of the



status of all revenues securing the Bond and of any operating expenses in excess of budget, annually within 9 months of the end of fiscal year.

(c) a copy of the annual budget of the Borrower's water system, within fifteen days of its adoption.

(d) copies of reports submitted to RIDOH, the federal Environmental Protection Agency ("EPA") and any other regulatory agency relating to any project financed by the Loan, simultaneously with such submission.

(e) such other information or reports as and when the Bank may reasonably require.

**6) Compliance with State and Federal Law**

The Borrower must comply with all applicable state and federal laws and regulations, including but not limited to the federal Safe Drinking Water Act, as amended and regulations issued thereunder, Davis-Bacon prevailing wage requirements, the Infrastructure Investment and Jobs Act ("IIJA") which includes Build America, Buy America Act ("BABA") requirements, EPA Guidance on Use of American Iron and Steel, and all requirements related to the use of federal Lead Service Line Replacement ("LSLR") funding.

In addition, the Borrower must agree to take all action, or refrain from taking any action, that would cause interest on any obligations of the Bank to be included, for federal income tax purposes, in the gross income of the holders of such obligations.

**7) Fees**

An origination fee of the greater of \$1,000 or 1% of the principal amount of the Loan will be payable to the Bank by the Borrower at the time of the Loan's closing. All other costs incidental to the Borrower's role in the transaction (i.e., legal fees, financial advisory fees, bond insurance premiums and the like, shall be paid by the Borrower). The Bank will charge an annual service fee of 0.3% of the Loan's outstanding principal, payable semi-annually at each interest payment date. A late payment fee will be charged for every 15 days that a payment is late of 5% of the amount of the late payment.

**8) Modifications**

The Bank and the Borrower may waive or modify any provisions herein or agree to additional requirements as appropriate.

**9) Merger**

Once the Agreement, the Bond and all other closing documents, in form and substance satisfactory to the Bank, associated with the making of the Loan (collectively, the "Closing Documents") are executed, the terms of this letter shall be merged with those of the Closing Documents. The terms of the Closing Documents shall govern the extension of the Loan



to the Borrower. To the extent that any provisions contained in this letter are inconsistent with the definitive provisions contained in the Closing Documents, the terms of the Closing Documents shall control.

10) **Beneficiaries**

This letter shall constitute a binding commitment between the Bank and the Borrower. No third party shall have any rights arising hereunder. The Borrower shall indemnify and hold the Bank harmless from all claims arising from or in connection with this letter, the Loan or the project financed thereby. In any case, the Bank’s liability under this letter shall be limited to the amount held in the Borrower’s CPF from time to time.

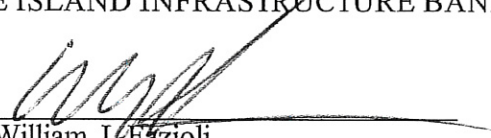
Please sign and return one original copy of this letter to the Bank at 275 Promenade Street, Suite 301, Providence, RI 02908 or via email.

I would like to take this opportunity to thank you for your participation in the Bank’s loan program. Please be assured that every effort will be made to get the lowest total cost for your long-term capital needs. If you have any questions, please do not hesitate to call me.

Very truly yours,

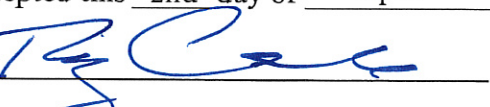
RHODE ISLAND INFRASTRUCTURE BANK

By:

  
William J. Fazioli  
Executive Director

Accepted this 2nd day of April, 2025

By:



Title:

General Manager, Providence Water  
Authorized Official

Name and Address of Legal Counsel and/or Bond Counsel to the Borrower

Karen Grande, Esq., Troutman Pepper Locke

One Financial Plaza, Suite 2800

Westminster Street, Providence RI 02903

Testimony

of

PETER R. LEPAGE

before the

RI DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN SUPPORT OF APPLICATION FOR AUTHORIZATION TO BORROW FROM THE

RI INFRASTRUCTURE BANK THE AMOUNT OF \$21,000,000

for

PROVIDENCE WATER

April 2025

Docket No. D-25- \_\_\_\_\_



1 **Q. Please state your name and your position.**

2 A. My name is Peter R. LePage. I am the Senior Director of Engineering for the Providence  
3 Water Supply Board. I am responsible for supporting the collection, treatment, transmission,  
4 and distribution functions with technical engineering expertise and assistance, and  
5 administration of the Infrastructure Replacement Program for Providence Water.

6

7 **Q. Please describe your educational background and work experience.**

8 A. I obtained a Bachelor of Science in Civil Engineering from New England College in 1987. I  
9 have worked for the Providence Water Supply Board for over 33 years, starting in 1992 as a  
10 Project Engineer. I have been promoted to several roles over the years, including Principal  
11 Engineer in 1999, Manager of Planning & Development in 2011, Senior Manager of  
12 Engineering in 2012, Director of Engineering in 2017, and most recently, I was promoted to  
13 Senior Director of Engineering in 2023. Throughout my tenure, I have worked on a variety of  
14 drinking water projects in both project engineering and project management capacities.

15

16 **Q. What specific projects will this borrowing fund?**

17 A. The funding from this borrowing will help pay for large distribution water main  
18 rehabilitation projects in the Trinity Square section and the Lower South Providence section  
19 of our distribution system in the City of Providence.

20

21 **Q. What are the expected benefits from these projects?**

22 A. The projects consist of relining existing (unlined) cast iron pipe with a cement mortar  
23 coating. The existing unlined cast iron pipes contribute to water quality (red water) issues

1 throughout the service area. By cleaning and lining the existing mains with a cement mortar,  
2 we aim to resolve these water quality issues going forward. In addition, the City of  
3 Providence Department of Public Works will be resurfacing the streets in the Trinity Square  
4 section, so Providence Water is taking advantage of this opportunity to rehab the mains in  
5 this area prior to the City's street resurfacing project, thereby reducing the street remediation  
6 costs that would otherwise be incurred by ratepayers in connection with this section of the  
7 water main rehabilitation project.

8  
9 **Q. Mr. LePage, does that conclude your testimony?**

10 **A.** Yes, it does.

Testimony

of

MATTHEW J. BLAIS

before the

RI DIVISION OF PUBLIC UTILITIES AND CARRIERS

IN SUPPORT OF APPLICATION FOR AUTHORIZATION TO BORROW FROM THE  
RHODE ISLAND INFRASTRUCTURE BANK  
IN AN AMOUNT NOT TO EXCEED \$21,000,000

for

PROVIDENCE WATER SUPPLY BOARD

April 2025

Docket No. D-25 \_\_\_\_\_

1 **Q: Please state your name and business address.**

2 A: My name is Matthew J. Blais, and I am a Vice President at Hilltop Securities Inc.  
3 (“HilltopSecurities”) in the Lincoln, Rhode Island office.

4  
5 **Q: Please state your duties at HilltopSecurities.**

6 A: I am a member of the firm’s public finance department serving as financial advisor  
7 in Rhode Island providing municipal advisory services to state, local and regional  
8 government agencies for infrastructure projects in the water, wastewater, general  
9 government, education and transportation sectors among others, primarily in Rhode  
10 Island and Maine. I have responsibility for HilltopSecurities’ involvement with  
11 borrowings by numerous public agencies and more than 25 Rhode Island agencies  
12 and municipalities. On average, our office assists Rhode Island clients with the  
13 origination of more than \$500 million in public financing issues annually.

14  
15 **Q: Please describe your qualifications and experience.**

16 A: I have approximately 12 years’ experience in the public finance field and hold a  
17 Bachelor of Science degree with a concentration in economics and political sciences  
18 from the University of Rhode Island. I am a registered Municipal Advisor with the  
19 Municipal Securities Rulemaking Board, holding the Series 52, Series 63, and the  
20 Series 50, Municipal Advisor Representative License.

21  
22 **Q: Have you previously testified before the Division of Public Utilities and  
23 Carriers and Public Utilities Commission?**

24 A: I have testified before the Division of Public Utilities and Carriers (“Division”) on  
25 behalf of Providence Water Supply Board (“Providence Water”). I have not  
26 testified before the Public Utilities Commission (“Commission”); however, I have  
27 assisted with several dockets which required testimony before the Commission.

28  
29 **Q: Please describe your role in this proceeding.**

30 A: I am assisting Providence Water Supply Board and its financing team with respect

1 to the issuance of debt through a borrowing from Rhode Island Infrastructure Bank  
2 (“RIIB”). I have been asked by Providence Water to provide information regarding  
3 the debt service requirements for its proposed borrowing, and to respond to related  
4 questions.

5  
6 **Q: Please discuss Providence Water’s financing plans.**

7 A. As set forth in its Application for Approval of Borrowing Authority, Providence  
8 Water seeks to obtain a loan in the amount of up to twenty-one million dollars  
9 (\$21,000,000). It is expected that the loan will be funded by RIIB’s Drinking Water  
10 State Revolving Fund (“DWSRF”) at below market rates equal to 25% off  
11 Providence Water’s market rate at the time of pricing. The funds will be used for  
12 water main rehabilitation. Peter LePage has described the project in his testimony,  
13 and I will provide the details of the financing for the project.

14  
15 **Q. Can you explain how the financing will work for the \$21,000,000 borrowing?**

16 A. Yes. Providence Water has borrowed from RIIB through the DWSRF in the past.  
17 This loan will be similar to those previously approved by the Division. In  
18 accordance with the Safe Drinking Water Act Amendments of 1996, the State of  
19 Rhode Island has created a DWSRF administered by RIIB to provide financial  
20 assistance to water suppliers. This fund uses federal capitalization grants and state  
21 matching funds to provide subsidized loans to water suppliers for qualifying  
22 projects listed on the Project Priority List maintained by the Department of Health.  
23 RIIB receives capitalization grants from the federal government and state matching  
24 funds and sells bonds in the public market to obtain capital to make loans to its  
25 drinking water borrowers pursuant to loan agreements. This project has been  
26 identified in Providence Water’s capital program and is listed on the Department of  
27 Health’s Project Priority List. Therefore, this project qualifies for subsidized  
28 DWSRF loans from RIIB.

29  
30 **Q: What is the term of this borrowing and the applicable interest rate?**

1 A. The term is approximately 20 years from the projected date of borrowing. RIIB's  
2 program requires that Providence Water and the City maintain contractual  
3 obligations to pay interest at the market rate, even though we expect to incur only  
4 the subsidized interest rate. The expected interest cost will reflect a 25% subsidized  
5 interest loan off the current market rates. Based upon market conditions as of March  
6 5, 2025, it is anticipated that the market interest rate on the loan will not exceed  
7 4.11%, which, with the 25% subsidy, would result in a projected subsidized rate of  
8 3.08%. For purposes of Division approval, we would recommend a not-to-exceed  
9 market rate of 5.00% and a subsidized rate of 4.00% to allow for market movement.

10

11 **Q: How will the funds from this borrowing be disbursed?**

12 A: Approximately \$19,240,400 will be available for project expenditures,  
13 approximately \$1,459,650 will be set aside in the debt service reserve fund, and  
14 approximately \$300,000 is allocated for costs of issuance, including rating agency  
15 fees, bond counsel, financial advisor and trustee fees, and the origination fee.

16

17 **Q: What are the applicable schedules and deadlines for this financing?**

18 A: This borrowing is anticipated to take place in May 2025. RIIB generally requires  
19 that all borrower approvals be in place and that all appeal periods expire prior to  
20 mailing the RIIB Preliminary Official Statement and pricing borrower loans.

21

22 **Q: What is the projected schedule of debt service for the contemplated new  
23 borrowings?**

24 A: The projected debt service for the new borrowings is displayed in Schedule MB-1.  
25 For the \$21,000,000 loan, average annual debt service is expected to be  
26 approximately \$1,464,000 per year, including the RIIB annual fee. This amount is  
27 subject to change based upon the actual project costs, draw schedule and actual  
28 interest rate subsidy at the time of borrowing. During the construction period,  
29 Providence Water is expected to pay interest based on the construction draw  
30 schedule. As stated previously, Providence Water needs Division approval to pay  
31 interest at the market rate estimated at 4.11%, and to accommodate market

1 movement between now and the Bonds price, we are recommending Division  
2 approval of a market rate not to exceed 5%.

3 **Q: Does this complete your testimony?**

4 A: Yes, it does.

MB-1

**Rhode Island Infrastructure Bank  
Drinking Water Loan, Series 2025  
Preliminary Numbers as of March 5, 2025 + 50bps**

**Loan Debt Service**

Providence WSB- \$21.0M DW Loan (AA Rated, Revenue Pledge)

Date	Principal	Loan Rate	(1) Interest	Net Fees @ 0.300%	Total Fees & Interest	Total Net Debt Service	Annual Net Debt Service & Fees
05/14/25							-
09/01/25	737,000.00	2.470%	181,008.33	18,725.00	199,733.33	936,733.33	936,733.33
03/01/26	-	-	295,621.00	30,394.50	326,015.50	326,015.50	-
09/01/26	812,000.00	2.350%	295,621.00	30,394.50	326,015.50	1,138,015.50	1,464,031.00
03/01/27	-	-	286,080.00	29,176.50	315,256.50	315,256.50	-
09/01/27	833,000.00	2.390%	286,080.00	29,176.50	315,256.50	1,148,256.50	1,463,513.00
03/01/28	-	-	276,125.65	27,927.00	304,052.65	304,052.65	-
09/01/28	855,000.00	2.440%	276,125.65	27,927.00	304,052.65	1,159,052.65	1,463,105.30
03/01/29	-	-	265,694.65	26,644.50	292,339.15	292,339.15	-
09/01/29	879,000.00	2.440%	265,694.65	26,644.50	292,339.15	1,171,339.15	1,463,678.30
03/01/30	-	-	254,970.85	25,326.00	280,296.85	280,296.85	-
09/01/30	903,000.00	2.480%	254,970.85	25,326.00	280,296.85	1,183,296.85	1,463,593.70
03/01/31	-	-	243,773.65	23,971.50	267,745.15	267,745.15	-
09/01/31	928,000.00	2.530%	243,773.65	23,971.50	267,745.15	1,195,745.15	1,463,490.30
03/01/32	-	-	232,034.45	22,579.50	254,613.95	254,613.95	-
09/01/32	954,000.00	2.590%	232,034.45	22,579.50	254,613.95	1,208,613.95	1,463,227.90
03/01/33	-	-	219,680.15	21,148.50	240,828.65	240,828.65	-
09/01/33	982,000.00	2.650%	219,680.15	21,148.50	240,828.65	1,222,828.65	1,463,657.30
03/01/34	-	-	206,668.65	19,675.50	226,344.15	226,344.15	-
09/01/34	1,011,000.00	2.710%	206,668.65	19,675.50	226,344.15	1,237,344.15	1,463,688.30
03/01/35	-	-	192,969.60	18,159.00	211,128.60	211,128.60	-
09/01/35	1,041,000.00	2.740%	192,969.60	18,159.00	211,128.60	1,252,128.60	1,463,257.20
03/01/36	-	-	178,707.90	16,597.50	195,305.40	195,305.40	-
09/01/36	1,073,000.00	2.840%	178,707.90	16,597.50	195,305.40	1,268,305.40	1,463,610.80
03/01/37	-	-	163,471.30	14,988.00	178,459.30	178,459.30	-
09/01/37	1,107,000.00	2.930%	163,471.30	14,988.00	178,459.30	1,285,459.30	1,463,918.60
03/01/38	-	-	147,253.75	13,327.50	160,581.25	160,581.25	-
09/01/38	1,142,000.00	3.010%	147,253.75	13,327.50	160,581.25	1,302,581.25	1,463,162.50
03/01/39	-	-	130,066.65	11,614.50	141,681.15	141,681.15	-
09/01/39	1,180,000.00	3.130%	130,066.65	11,614.50	141,681.15	1,321,681.15	1,463,362.30
03/01/40	-	-	111,599.65	9,844.50	121,444.15	121,444.15	-
09/01/40	1,221,000.00	3.250%	111,599.65	9,844.50	121,444.15	1,342,444.15	1,463,888.30
03/01/41	-	-	91,758.40	8,013.00	99,771.40	99,771.40	-
09/01/41	1,264,000.00	3.330%	91,758.40	8,013.00	99,771.40	1,363,771.40	1,463,542.80
03/01/42	-	-	70,712.80	6,117.00	76,829.80	76,829.80	-
09/01/42	1,310,000.00	3.410%	70,712.80	6,117.00	76,829.80	1,386,829.80	1,463,659.60
03/01/43	-	-	48,377.30	4,152.00	52,529.30	52,529.30	-
09/01/43	1,358,000.00	3.470%	48,377.30	4,152.00	52,529.30	1,410,529.30	1,463,058.60
03/01/44	-	-	24,816.00	2,115.00	26,931.00	26,931.00	-
09/01/44	1,410,000.00	3.520%	24,816.00	2,115.00	26,931.00	1,436,931.00	1,463,862.00
	<u>21,000,000.00</u>		<u>7,061,773.13</u>	<u>682,268.00</u>	<u>7,744,041.13</u>	<u>28,744,041.13</u>	<u>28,744,041.13</u>

(1) Interest during construction is calculated based on the timing of expected draws and the overall weighted average loan rate of 2.900%.