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*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

June 29, 2011

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**Re: *City of Newport, Utilities Department, Water Division
Docket 4243***

Dear Ms. Massaro:

Enclosed please find an original and nine copies of Newport Water's Responses to the Portsmouth Water and Fire District's Data Request (Set 4).

Please note that an electronic copy of this document has been provided to the service list.

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough Jr.

JAK/kf
Enclosures

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 4**

PWFD 4-1: For each of the existing SRF loans please provide a summary of the use of the proceeds including:

- a. The total face value of the bonds
- b. The amount of proceeds if different from (a.)
- c. The amounts deposited in the debt service reserve fund
- d. The amount of closing costs
- e. Any other use of funds

Response:

1. The following information relates to the Series 2007A SRF Bonds for \$3,000,000:
 - a. The total face value of the bonds is \$3,000,000
 - b. The proceeds have all been drawn down and equal the face value of the bond
 - c. The required debt service reserve amount is \$212,633.20
 - d. Total closing costs equal \$52,087.71
 - e. There is no other use of funds
2. The following information relates to the Series 2008A SRF Bonds for \$5,900,000:
 - a. The total face value of the bonds is \$5,900,000
 - b. Funds of \$4,851,931.37 have been drawn down to date
 - c. The required debt service reserve amount is \$433,173.40
 - d. Total closing costs equal \$91,011.11
 - e. There is no other use of funds

**STATE OF RHODE ISLAND
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3. The following information relates to the Series 2009A SRF Bonds for \$3,300,000
 - a. The total face value of the bonds is \$3,300,000
 - b. Funds of \$2,253,825.68 have been drawn down to date
 - c. The required debt service reserve amount is \$181,313.30
 - d. Total closing costs equal \$63,676.63
 - e. There is no other use of funds

4. The following information relates to outstanding BANs of \$4,037,000
 - a. The total face value of the BAN is \$4,037,000
 - b. Funds of \$3,332,941.91 have been drawn down to date
 - c. There is no required debt service reserve amount yet on these borrowings
 - d. Total closing costs, including interest due upon rollover equals \$181,595.43
 - e. There is no other use of funds

Prepared by: Laura Sitrin

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 4**

PWFD 4-2: Please provide the average annual interest rate that NWD pays for each of the outstanding water department bonds. The question is looking for the actual (subsidized) rate paid, including any principal subsidy, not the market rate.

Response: The debt service schedules are attached for the three SRF bonds showing the subsidized interest rates as well as any principal subsidy.

Prepared by: Laura Sitrin

**Rhode Island Clean Water Finance Agency
Drinking Water Revolving Fund Revenue Bonds, Series 2007A**

**Loan Debt Service
Newport (A Rated Revenue Pledge) - \$3,000,000 Agency Loan**

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
03/07/07							
9/1/2007	1,000.00 (2)		17,757.37	2,893.28	20,650.65	21,650.65	21,650.65
3/1/2008			44,070.15	7,180.53	51,250.68	51,250.68	
9/1/2008	106,000.00	2.780%	46,030.90	7,497.50	53,528.40	159,528.40	210,779.08
3/1/2009			44,557.50	7,232.50	51,790.00	51,790.00	
9/1/2009	110,000.00	2.830%	44,557.50	7,232.50	51,790.00	161,790.00	213,580.00
3/1/2010			43,001.00	6,957.50	49,958.50	49,958.50	
9/1/2010	114,000.00	2.880%	43,001.00	6,957.50	49,958.50	163,958.50	213,917.00
3/1/2011			41,359.40	6,672.50	48,031.90	48,031.90	
9/1/2011	117,000.00	2.890%	41,359.40	6,672.50	48,031.90	165,031.90	213,063.80
3/1/2012			39,668.75	6,380.00	46,048.75	46,048.75	
9/1/2012	121,000.00	2.910%	39,668.75	6,380.00	46,048.75	167,048.75	213,097.50
3/1/2013			37,908.20	6,077.50	43,985.70	43,985.70	
9/1/2013	125,000.00	2.930%	37,908.20	6,077.50	43,985.70	168,985.70	212,971.40
3/1/2014			36,076.95	5,765.00	41,841.95	41,841.95	
9/1/2014	130,000.00	2.950%	36,076.95	5,765.00	41,841.95	171,841.95	213,683.90
3/1/2015			34,159.45	5,440.00	39,599.45	39,599.45	
9/1/2015	134,000.00	2.990%	34,159.45	5,440.00	39,599.45	173,599.45	213,198.90
3/1/2016			32,156.15	5,105.00	37,261.15	37,261.15	
9/1/2016	139,000.00	3.030%	32,156.15	5,105.00	37,261.15	176,261.15	213,522.30
3/1/2017			30,050.30	4,757.50	34,807.80	34,807.80	
9/1/2017	144,000.00	3.060%	30,050.30	4,757.50	34,807.80	178,807.80	213,615.60
3/1/2018			27,847.10	4,397.50	32,244.60	32,244.60	
9/1/2018	149,000.00	3.090%	27,847.10	4,397.50	32,244.60	181,244.60	213,489.20
3/1/2019			25,545.05	4,025.00	29,570.05	29,570.05	
9/1/2019	154,000.00	3.110%	25,545.05	4,025.00	29,570.05	183,570.05	213,140.10
3/1/2020			23,150.35	3,640.00	26,790.35	26,790.35	
9/1/2020	160,000.00	3.130%	23,150.35	3,640.00	26,790.35	186,790.35	213,580.70
3/1/2021			20,646.35	3,240.00	23,886.35	23,886.35	
9/1/2021	166,000.00	3.140%	20,646.35	3,240.00	23,886.35	189,886.35	213,772.70
3/1/2022			18,040.15	2,825.00	20,865.15	20,865.15	
9/1/2022	172,000.00	3.160%	18,040.15	2,825.00	20,865.15	192,865.15	213,730.30
3/1/2023			15,322.55	2,395.00	17,717.55	17,717.55	
9/1/2023	178,000.00	3.170%	15,322.55	2,395.00	17,717.55	195,717.55	213,435.10
3/1/2024			12,501.25	1,950.00	14,451.25	14,451.25	
9/1/2024	185,000.00	3.190%	12,501.25	1,950.00	14,451.25	199,451.25	213,902.50
3/1/2025			9,550.50	1,487.50	11,038.00	11,038.00	
9/1/2025	191,000.00	3.200%	9,550.50	1,487.50	11,038.00	202,038.00	213,076.00
3/1/2026			6,494.50	1,010.00	7,504.50	7,504.50	
9/1/2026	198,000.00	3.210%	6,494.50	1,010.00	7,504.50	205,504.50	213,009.00
3/1/2027			3,316.60	515.00	3,831.60	3,831.60	
9/1/2027	206,000.00	3.220%	3,316.60	515.00	3,831.60	209,331.60	213,663.20
	<u>3,000,000.00</u>		<u>1,110,562.63</u>	<u>177,316.31</u>	<u>1,287,878.94</u>	<u>4,287,878.94</u>	<u>4,287,878.94</u>

- (1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.069%.
(2) Represents sinking fund redemptions of 09/01/08 maturity.

**Rhode Island Clean Water Finance Agency
Drinking Water Revolving Fund Revenue Bonds, Series 2009A
Final Numbers**

Loan Debt Service

Newport \$3,300,000 REV A-Rated Federal Direct Loan plus ARRA Principal Forgiveness

Date	Principal	Loan Rate	(1) Less: Prin Forgiveness	Net Principal	(2) Interest	Net Fees @ 0.500%	Total Fees & Interest	Capitalized Interest	Net Fees, Capl, & Interest	Total Net Debt Service	Annual Net Debt Service & Fees
11/19/09											
3/1/2010					2,048.33	339.90	2,388.23	-	2,388.23	2,388.23	
9/1/2010	1,000.00	0.650%	(231.96)	768.04	15,057.26	2,498.71	17,555.97	-	17,555.97	18,324.01	20,712.24
3/1/2011					36,694.27	6,089.31	42,783.58	-	42,783.58	42,783.58	
9/1/2011	122,000.00	1.010%	(28,298.52)	93,701.48	38,182.45	6,334.45	44,516.90	-	44,516.90	138,218.38	181,001.96
3/1/2012					37,709.26	6,100.20	43,809.46	-	43,809.46	43,809.46	
9/1/2012	124,000.00	1.370%	(28,762.43)	95,237.57	37,709.26	6,100.20	43,809.46	-	43,809.46	139,047.03	182,856.49
3/1/2013					37,056.88	5,862.10	42,918.98	-	42,918.98	42,918.98	
9/1/2013	126,000.00	1.760%	(29,226.34)	96,773.66	37,056.88	5,862.10	42,918.98	-	42,918.98	139,692.64	182,611.62
3/1/2014					36,205.27	5,620.17	41,825.44	-	41,825.44	41,825.44	
9/1/2014	129,000.00	2.150%	(29,922.21)	99,077.79	36,205.27	5,620.17	41,825.44	-	41,825.44	140,903.23	182,728.67
3/1/2015					35,140.18	5,372.47	40,512.65	-	40,512.65	40,512.65	
9/1/2015	133,000.00	2.490%	(30,850.03)	102,149.97	35,140.18	5,372.47	40,512.65	-	40,512.65	142,662.62	183,175.27
3/1/2016					33,868.41	5,117.10	38,985.51	-	38,985.51	38,985.51	
9/1/2016	137,000.00	2.710%	(31,777.85)	105,222.15	33,868.41	5,117.10	38,985.51	-	38,985.51	144,207.66	183,193.17
3/1/2017					32,442.65	4,854.04	37,296.69	-	37,296.69	37,296.69	
9/1/2017	141,000.00	2.880%	(32,705.67)	108,294.33	32,442.65	4,854.04	37,296.69	-	37,296.69	145,591.02	182,887.71
3/1/2018					30,883.21	4,583.31	35,466.52	-	35,466.52	35,466.52	
9/1/2018	146,000.00	3.000%	(33,865.44)	112,134.56	30,883.21	4,583.31	35,466.52	-	35,466.52	147,601.08	183,067.60
3/1/2019					29,201.19	4,302.97	33,504.16	-	33,504.16	33,504.16	
9/1/2019	151,000.00	3.100%	(35,025.22)	115,974.78	29,201.19	4,302.97	33,504.16	-	33,504.16	149,478.94	182,983.10
3/1/2020					27,403.58	4,013.03	31,416.61	-	31,416.61	31,416.61	
9/1/2020	156,000.00	3.180%	(36,184.99)	119,815.01	27,403.58	4,013.03	31,416.61	-	31,416.61	151,231.62	182,648.23
3/1/2021					25,498.52	3,713.50	29,212.02	-	29,212.02	29,212.02	
9/1/2021	162,000.00	3.240%	(37,576.72)	124,423.28	25,498.52	3,713.50	29,212.02	-	29,212.02	153,635.30	182,847.32
3/1/2022					23,482.86	3,402.44	26,885.30	-	26,885.30	26,885.30	
9/1/2022	168,000.00	3.290%	(38,968.45)	129,031.55	23,482.86	3,402.44	26,885.30	-	26,885.30	155,916.85	182,802.15
3/1/2023					21,360.29	3,079.86	24,440.15	-	24,440.15	24,440.15	
9/1/2023	175,000.00	3.350%	(40,592.14)	134,407.86	21,360.29	3,079.86	24,440.15	-	24,440.15	158,848.01	183,288.16
3/1/2024					19,108.96	2,743.84	21,852.80	-	21,852.80	21,852.80	
9/1/2024	181,000.00	3.400%	(41,983.87)	139,016.13	19,108.96	2,743.84	21,852.80	-	21,852.80	160,868.93	182,721.73
3/1/2025					16,745.69	2,396.30	19,141.99	-	19,141.99	19,141.99	
9/1/2025	188,000.00	3.440%	(43,607.56)	144,392.44	16,745.69	2,396.30	19,141.99	-	19,141.99	163,534.43	182,676.42
3/1/2026					14,262.14	2,035.32	16,297.46	-	16,297.46	16,297.46	
9/1/2026	196,000.00	3.460%	(45,463.20)	150,536.80	14,262.14	2,035.32	16,297.46	-	16,297.46	166,834.26	183,131.72
3/1/2027					11,657.85	1,658.98	13,316.83	-	13,316.83	13,316.83	
9/1/2027	204,000.00	3.470%	(47,318.84)	156,681.16	11,657.85	1,658.98	13,316.83	-	13,316.83	169,997.99	183,314.82
3/1/2028					8,939.43	1,267.27	10,206.70	-	10,206.70	10,206.70	
9/1/2028	212,000.00	3.51%	(49,174.48)	162,825.52	8,939.43	1,267.27	10,206.70	-	10,206.70	173,032.22	183,238.92
3/1/2029					6,081.84	860.21	6,942.05	-	6,942.05	6,942.05	
9/1/2029	220,000.00	3.53%	(51,030.12)	168,969.88	6,081.84	860.21	6,942.05	-	6,942.05	175,911.93	182,853.98
3/1/2030					3,099.52	437.79	3,537.31	-	3,537.31	3,537.31	
9/1/2030	228,000.00	3.54%	(52,885.74)	175,114.26	3,099.52	437.79	3,537.31	-	3,537.31	178,651.57	182,188.88
	<u>3,300,000.00</u>		<u>(765,451.78)</u>	<u>2,534,548.22</u>	<u>992,277.77</u>	<u>150,104.17</u>	<u>1,142,381.94</u>	<u>-</u>	<u>1,142,381.94</u>	<u>3,676,930.16</u>	<u>3,676,930.16</u>

(1) Principal Forgiveness total is equal to 50% of the 2009 ARRA allotment received (\$9,750,000), representing approximately 23.2% of the total Series 2009A DW Agency, Direct, Federal Direct & ARRA Federal Direct loans to be funded and \$2,999,000 of additional loans funded by the Agency in 2009.

(2) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.013%.

Rhode Island Clean Water Finance Agency
Sinking Water Revolving Fund Revenue Bonds, Series 2008A
Revenue MMD Rates as of 05/19/08

Loan Debt Service

Newport (A Rated Revenue Pledge) - \$5,900,000 Federal Direct Loan

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	(3) Total Debt Service	Annual Debt Service
06/05/08							
9/1/2008	1,000.00 (2)	-	12,420.63	1,960.52	14,381.15	15,381.15	15,381.15
3/1/2009	-	-	45,267.01	7,145.04	52,412.05	52,412.05	
9/1/2009	1,000.00 (2)	-	62,216.13	9,820.32	72,036.45	73,036.45	125,448.50
3/1/2010	-	-	74,206.91	11,713.01	85,919.92	85,919.92	
9/1/2010	211,000.00	2.080%	83,404.92	13,164.87	96,569.79	305,569.79	391,489.71
3/1/2011	-	-	90,115.45	14,138.30	104,253.75	104,253.75	
9/1/2011	217,000.00	2.350%	91,252.50	14,222.50	105,475.00	322,475.00	426,728.75
3/1/2012	-	-	88,702.75	13,680.00	102,382.75	102,382.75	
9/1/2012	223,000.00	2.550%	88,702.75	13,680.00	102,382.75	325,382.75	427,765.50
3/1/2013	-	-	85,859.50	13,122.50	98,982.00	98,982.00	
9/1/2013	230,000.00	2.630%	85,859.50	13,122.50	98,982.00	328,982.00	427,964.00
3/1/2014	-	-	82,835.00*	12,547.50	95,382.50	95,382.50	
9/1/2014	238,000.00	2.710%	82,835.00	12,547.50	95,382.50	333,382.50	428,765.00
3/1/2015	-	-	79,610.10	11,952.50	91,562.60	91,562.60	
9/1/2015	245,000.00	2.810%	79,610.10	11,952.50	91,562.60	336,562.60	428,125.20
3/1/2016	-	-	76,167.85	11,340.00	87,507.85	87,507.85	
9/1/2016	253,000.00	2.890%	76,167.85	11,340.00	87,507.85	340,507.85	428,015.70
3/1/2017	-	-	72,512.00	10,707.50	83,219.50	83,219.50	
9/1/2017	261,000.00	2.980%	72,512.00	10,707.50	83,219.50	344,219.50	427,439.00
3/1/2018	-	-	68,623.10	10,055.00	78,678.10	78,678.10	
9/1/2018	270,000.00	3.070%	68,623.10	10,055.00	78,678.10	348,678.10	427,356.20
3/1/2019	-	-	64,478.60	9,380.00	73,858.60	73,858.60	
9/1/2019	280,000.00	3.150%	64,478.60	9,380.00	73,858.60	353,858.60	427,717.20
3/1/2020	-	-	60,068.60	8,680.00	68,748.60	68,748.60	
9/1/2020	291,000.00	3.220%	60,068.60	8,680.00	68,748.60	359,748.60	428,497.20
3/1/2021	-	-	55,383.50	7,952.50	63,336.00	63,336.00	
9/1/2021	301,000.00	3.290%	55,383.50	7,952.50	63,336.00	364,336.00	427,672.00
3/1/2022	-	-	50,432.05	7,200.00	57,632.05	57,632.05	
9/1/2022	312,000.00	3.340%	50,432.05	7,200.00	57,632.05	369,632.05	427,264.10
3/1/2023	-	-	45,221.65	6,420.00	51,641.65	51,641.65	
9/1/2023	325,000.00	3.400%	45,221.65	6,420.00	51,641.65	376,641.65	428,283.30
3/1/2024	-	-	39,696.65	5,607.50	45,304.15	45,304.15	
9/1/2024	337,000.00	3.440%	39,696.65	5,607.50	45,304.15	382,304.15	427,608.30
3/1/2025	-	-	33,900.25	4,765.00	38,665.25	38,665.25	
9/1/2025	350,000.00	3.480%	33,900.25	4,765.00	38,665.25	388,665.25	427,330.50
3/1/2026	-	-	27,810.25	3,890.00	31,700.25	31,700.25	
9/1/2026	365,000.00	3.520%	27,810.25	3,890.00	31,700.25	396,700.25	428,400.50
3/1/2027	-	-	21,386.25	2,977.50	24,363.75	24,363.75	
9/1/2027	379,000.00	3.550%	21,386.25	2,977.50	24,363.75	403,363.75	427,727.50
3/1/2028	-	-	14,659.00	2,030.00	16,689.00	16,689.00	
9/1/2028	394,000.00	3.590%	14,659.00	2,030.00	16,689.00	410,689.00	427,378.00
3/1/2029	-	-	7,586.70	1,045.00	8,631.70	8,631.70	
9/1/2029	418,000.00	3.630%	7,586.70	1,045.00	8,631.70	426,631.70	435,263.40
	<u>5,900,000.00</u>		<u>2,408,751.15</u>	<u>358,869.56</u>	<u>2,767,620.71</u>	<u>8,667,620.71</u>	<u>8,667,620.71</u>

- (1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.168%.
- (2) Represents sinking fund redemptions of 09/01/2010
- (3) 9/1/2010 total debt service adjusted for sinking fund redemptions.

**STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION
DOCKET NO. 4243
Response Of The City Of Newport,
Utilities Division, Water Department
To The Portsmouth Water and Fire District's
Data Requests
Set 4**

PWFD 4-3: Please provide all correspondence with the Clean Water Finance Agency and/or any of its advisors (including First Southwest) that took place prior to April 18, 2011 (the date of the filing) related to NWDs assumptions regarding:

- a. The assumption of full principal and interest payments in the year the bonds are issued (Smith testimony page 9), and
- b. The estimated interest rate of 6% (Smith testimony page 10)

Response: I am not aware of any correspondence with Rhode Island Clean Water Finance and/or any of its advisors prior to April 18, 2011 applicable to the question.

Prepared by: Laura Sitrin

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PWFD 4-4: If NWD has any correspondence with the Clean Water Finance Agency and/or any of its advisors (including First Southwest) that took place after April 18, 2011 related to the questions in PWFD 4-3 above, please provide those.

Response: Correspondence with the City's fiscal advisor, First Southwest, is attached.

Prepared by: Laura Sitrin

From: Sitrin, Laura
Sent: Tuesday, June 14, 2011 1:48 PM
To: Sitrin, Laura
Subject: FW: Water Bonds

Laura L. Sitrin, CPA
Director of Finance

From: Bill Fazioli [mailto:William.Fazioli@firstsw.com]
Sent: Tuesday, June 14, 2011 11:48 AM
To: Sitrin, Laura
Subject: RE: Water Bonds

After a very thorough analysis

We would recommend 6% for the open market bonds and 4.5% for the RICWFA bonds – 20 years each. The subsidy on the drinking water loans is only 25% plus you have to build in an annual admin fee into the rate

Let me know if this helps

Bill Fazioli
Senior Vice President
FirstSouthwest

direct 401.334.4726 cell 401.641.1039
12 Breakneck Hill Road, Suite 200, Lincoln, RI 02865

From: Sitrin, Laura [mailto:lsitrin@CityofNewport.com]
Sent: Monday, June 13, 2011 4:14 PM
To: Bill Fazioli
Cc: Harold Smith
Subject: Water Bonds

Bill,

please send me an estimate of what rates the City of Newport Water Department would pay on \$70M to \$80M of bonds through SRF funds and through market revenue bonds if not issued through RICWFA. This information is being requested as part of the rate filing. Thanks,

Laura L. Sitrin, CPA
Director of Finance

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Neither First Southwest Company nor any of its affiliates (collectively, "First Southwest") is responsible for any recommendation, solicitation, offer or agreement or any information about any transactions, customer account or account activity in this communication. Confidential or time-sensitive security-related communications should not be transmitted to First Southwest via the Internet as there can be no assurance of actual or timely delivery, receipt and/or confidentiality. Neither can there be any assurance that messages transmitted by electronic mail will not be corrupted, lost, deleted or modified. First Southwest reserves the right to refrain from processing or executing electronic mail until verification of the information is obtained in another format acceptable to First Southwest.
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Neither First Southwest Company nor any of its affiliates (collectively, "First Southwest") is responsible for any recommendation, solicitation, offer or agreement or any information about any transactions, customer account or account activity in this communication. Confidential or time-sensitive security-related communications should not be transmitted to First Southwest via the Internet as there can be no assurance of actual or timely delivery, receipt and/or confidentiality. Neither can there be any assurance that messages transmitted by electronic mail will not be corrupted, lost, deleted or modified. First Southwest reserves the right to refrain from processing or executing electronic mail until verification of the information is obtained in another format acceptable to First Southwest.
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PWFD 4-5: In light of the response to PWFD 1-6, for each existing bond issues listed on RFC Schedule C – Debt Service detail, please list the projects and approximate amounts that were funded from the existing:

- a. Revenue Bonds
- b. 2007 SRF A \$3.0 million
- c. 2008 SRF B \$5.9 million
- d. 2009 SRF A \$3.3 million

Response:

- a. The revenue bonds are the 2004 refunding bonds that were originally used to build the Newport Station 1 Treatment Plant.
- b. The 2007 SRF A Bonds of \$3M were used to pay for the Residual Management and St. Mary's Raw Water projects.
- c. The 2008 SRF B Bonds of \$5.9M were used to pay for
 - Goulart Lane Tank \$656,000
 - Lawton Valley Sedimentation Basin Improvements \$300,000
 - Design of Water Main Improvements \$250,000
 - Intake at Gardiner Pond Construction \$190,000
 - Lawton Valley Reservoir Aeration \$100,000
 - Construction of pH improvements at Lawton Valley and Station 1 \$818,000
 - Ammonia Feed System at Lawton Valley and Station 1 \$342,000
 - Remote Radio Read System and Installation \$2,800,000
- d. The 2009 SRF A Revenue Bonds of \$3.3M were used to pay for construction of water main improvements.

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PWFD 4-6: To the extent not included above, please provide a description of each existing bond issue to include source of funding, amount of original issue, date, interest rate, repayment terms, security pledged on borrowing, and other pertinent information as provided in Section 2.9(f) of the Commission's Rules of Practice and Procedure.

Response: The information as provided in Section 2.9(f) was filed in Newport Water's original Application to Increase Rates. This information was provided in the schedules attached to Harold Smith's testimony. In addition, please see responses to PWFD 4-1 and 4-2 for information on amount of original issue, date, interest rate, and repayment terms. All debt has been issued through RICWFA as SRF bonds, conduit bonds and/or BANs. All debt is secured by revenues of the Water Fund.

Prepared by: Laura Sitrin with assistance from Attorney Joseph A. Keough Jr.

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PWFD 4-7: For each of the existing bonds shown on RFC Schedule C, please provide the amount of principal and interest due for each payment on the outstanding bond issue showing the day, month, and year that the payments are due.

Response: Please see response to PWFD 4-2.

Prepared by: Laura Sitrin

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PWFD 4-8: As of May 31, 2011, what was the balance of the Debt Service fund (including all subsidiary funds such as Debt Service Account, the Stabilization Account, the City Loan Repayment Account and the Debt Service Assistance Account) as established by Newport's Trust Indenture. Note this is NOT the restricted debt service fund established by PUC order, rather the fund established in Section 502 (iv) of the Trust Indenture dated March 7, 2007 between the City of Newport and Wells Fargo Bank, N.A. Please provide the month end balance for this account for each of the prior 12 months, and for June 30, 2011 when it becomes available.

Response: There are five accounts held by Wells Fargo Bank, N.A. for the City of Newport Water Fund.

1. Water Revenue Bonds, 2007 Series A Debt Service Reserve Account. The balance in this account at May 31, 2011 and for each of the previous 12 months is \$212,633.20.
2. Water Revenue Bonds, 2008 Series A Debt Service Reserve Fund. The balance in this account at May 31, 2011 and for each of the previous 12 months is \$433,173.40.
3. City of Newport 2009A Water Rev Bonds Debt Service Reserve. The balance in this account at May 31, 2011 and for each of the previous 12 months is \$181,313.30.
4. Water Revenue Bonds, 2007 A Debt Service Account. This is the sinking fund account used by Wells Fargo to pay debt service. The balance in this account at the end of each of the last 12 months is:
 - 6/30/10 \$67.93
 - 7/31/10 \$74.73
 - 8/31/10 \$299,016.55
 - 9/30/10 \$1,775.07
 - 10/31/10 \$13.84
 - 11/30/10 \$20.87
 - 12/31/10 \$27.67
 - 1/31/11 \$56.18
 - 2/28/11 \$214,410.00
 - 3/31/11 \$6.34

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4/30/11 \$13.37

5/31/11 \$20.17

5. Water Revenue Bonds, 2007 Series A Stabilization Fund Account.
Note that this IS the PUC required restricted debt service account.
The balances in this account have been previously provided as
part of the quarterly reports.

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PWFD 4-9: In addition to the Debt Service fund, please provide the balance as of May 31, 2011, of each of the funds held by the Trustee as designated in Section 502 of the Trust Indenture dated March 7, 2007 between the City of Newport and Wells Fargo Bank, N.A. When available, please update to June 30, 2011.

Response: The only accounts held by the Trustee, Wells Fargo Bank, have been disclosed in PWFD 4-8 along with their balances.

Prepared by: Laura Sitrin

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PWFD 4-10: For the Capital Improvements Accounts of the Project Fund held by the City under Section 502 and 503 of the Trust Indenture dated March 7, 2007 between the City of Newport and Wells Fargo Bank, N.A., please provide the balance as of May 31, 2011. When available, please update to June 30, 2011.

Response: They City of Newport does not hold the Project Fund. This fund is held by the RICWFA. The City submits all bills to the RICWFA, and once they are approved, the RICWFA issues checks from the Project Fund. Thus, the City does not hold any Capital Improvements Accounts or Project Funds other than the PUC required restricted capital account.

Prepared by: Laura Sitrin

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PWFD 4-11: What is the balance as of May 31, 2011 in the Rate Case Account established within the Operating Fund under Section 505 of the Trust Indenture dated March 7, 2007 between the City of Newport and Wells Fargo Bank, N.A.. When available, please update to June 30, 2011.

Response: The Trust Indenture requires that the City establish restricted accounts as mandated by the PUC. Although a Rate Case Account is referenced in the Bond Indenture, the PUC does not require Newport to establish a restricted Rate Case Account. Thus, there is no separate Rate Case Account.

Prepared by: Laura Sitrin

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CERTIFICATION

I hereby certify that on June 29, 2011, I sent by electronic mail a copy of the within to Service List herein below, and mailed one original and nine copies to Luly Massaro, Clerk, Rhode Island Public Utilities Commission.

Parties/Address	E-mail Distribution	Phone/Fax
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