

KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
41 MENDON AVENUE
PAWTUCKET, RHODE ISLAND 02861
TELEPHONE (401) 724-3600
FACSIMILE (401) 724-9909
www.keoughsweeney.com

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
STACIL L. KOLB

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

RAYNHAM OFFICE:
90 NEW STATE HIGHWAY
RAYNHAM, MA 02109
TEL. (508) 822-2813
FAX (508) 822-2832

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

August 14, 2013

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

Re: *Newport Water - Docket 4243*

Dear Ms. Massaro:

Enclosed please find an original and nine (9) copies of the following documents:

1. City of Newport, Utilities Department, Water Division's Miscellaneous Petition for Relief;
2. Direct Testimony of Julia Forgue, P.E. in Support of the City of Newport, Utilities Department, Water Division's Miscellaneous Petition for Relief.

Please note that an electronic copy of these documents has been sent to the service list from Docket 4355, which was Newport Water's most recent filing with the Rhode Island Public Utilities Commission.

Thank you for your attention to these matters.

Sincerely,



Joseph A. Keough Jr.

JAK/kf
Enclosures
cc: Service List (via electronic mail)

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION

DOCKET NO: 4243

**CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION'S
MISCELLANEOUS PETITION FOR RELIEF**

I. INTRODUCTION

In Docket 4025, the City of Newport, Utilities Department, Water Division (“Newport Water or “Newport”) requested an increase for salary and wages. Newport Water estimated the necessary increase because its labor contracts had expired, and it did not know the exact increase it would ultimately negotiate. The Rhode Island Public Utilities Commission (“Commission”) granted Newport Water’s request for a salary and wages increase, but restricted the increase until Newport negotiated new labor contracts. The Commission continued this restriction in its Docket 4243 Order (No. 20636). Newport has now finalized its labor contracts and calculated the retroactive payments for its union employees. Thus, Newport Water requests permission to unrestrict funds in this account to cover the retroactive increases and also seeks to continue funding the restricted Salary Increase Account at a reduced level. In support of its Petition, Newport relies on the testimony of Julia Forgue, P.E., which is attached hereto and incorporated herein.

WHEREFORE, the City of Newport, Utilities Department, Water Division prays that the Rhode Island Public Utilities Commission grant the relief sought herein and all other relief it deems meet and just.

City of Newport,
Utilities Department,
Water Division,
By its attorney,



Joseph A. Keough, Jr. #4925
KEOUGH & SWEENEY, LTD.
41 Mendon Avenue
Pawtucket, RI 02861
(401) 724-3600 (phone)
(401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com

CERTIFICATION

I hereby certify that on August 14, 2013, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.¹

Parties/Address	E-mail Distribution	Phone
Julia Forgue, Director of Public Works Newport Water Department 70 Halsey St. Newport, RI 02840	jforgue@cityofnewport.com	401-845-5601
	crussell@cityofnewport.com	
	lsitrin@CityofNewport.com	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	401-222-2424
	sscialabba@ripuc.state.ri.us	
	psmith@ripuc.state.ri.us	
	dmacrae@riag.ri.gov jmunoz@riag.ri.gov	
Harold Smith Raftelis Financial Consulting, PA 511 East Blvd. Charlotte, NC 28203	Hsmith@raftelis.com	704-373-1199
Gerald Petros, Esq. Hinckley, Allen & Snyder 1500 Fleet Center Providence, RI 02903	gpetros@haslaw.com	401-274-2000
	aramos@haslaw.com	
	jmansolf@haslaw.com	
William McGlinn Portsmouth Water & Fire District 1944 East Main Rd. PO Box 99 Portsmouth, RI 02871	wmcglinn@portsmouthwater.org	401-683-2090 ext. 224
Ellen M. Evans Senior Trial Attorney Naval Facilities Engineering Command Litigation Office 720 Kennon St., Bldg. 36, Room 233 Washington Navy Yard, DC 20374-5051	ellen.evans@navy.mil	202-685-2235

¹ The service list is the one established in Newport's most recent PUC Filing, Docket 4355.

Dr. Kay Davoodi, P.E. Utility Rates and Studies Office NAVFACHQ- Building 33 1322 Patterson Ave SE Washington Navy Yard, D.C. 20374-5065	Khojasteh.davoodi@navy.mil	202-685-3319
	Larry.r.allen@navy.mil	
Maurice Brubaker Brubaker and Associates, Inc. PO Box 412000 St.Louis, MO 63141-2000	mbrubaker@consultbai.com	401-724-3600 401-724-9909
	bcollins@consultbai.com	
Thomas S. Catlin Exeter Associates, Inc. 10480 Little Patuxent Parkway, Suite 300 Columbia, MD 21044	tcatlin@exeterassociates.com	410-992-7500
	jmierzwa@exeterassociates.com	
Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough, MA 01532	Woodcock@w-a.com	508-393-3337
An original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us	401-780-2107
	cwilson@puc.state.ri.us	
	sccamara@puc.state.ri.us	



 Joseph A. Keough, Jr., Esquire # 4925
 KEOUGH & SWEENEY, LTD.
 41 Mendon Avenue
 Pawtucket, RI 02861
 (401) 724-3600 (phone)
 (401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com

IN RE: CITY OF NEWPORT, UTILITIES DEPARTMENT, WATER DIVISION

DOCKET NO. 4243

DIRECT TESTIMONY
OF
JULIA FORGUE, P.E.
IN SUPPORT OF
THE CITY OF NEWPORT, UTILITIES DEPARTMENT,
WATER DIVISION'S
MISCELLANEOUS PETITION FOR RELIEF

AUGUST 14, 2013

1 **I. INTRODUCTION**

2 **Q. Please provide your full name, title and business address for the record.**

3 A. Julia Forgue, P.E. I am employed by the City of Newport where I serve as Director of
4 Utilities. My business address is 70 Halsey Street, Newport, RI.

5

6 **Q. How long have you held this position?**

7 A. I began my employment with the City of Newport on March 12, 2001 as Director of
8 Public Works. While Director of Public Works, I also served as the General Manager of
9 the Water Division. The City of Newport finalized a reorganization of City Departments
10 in December 2007, and I am now the Director of Utilities.

11

12 **Q. What responsibilities do you have as Director of Utilities with regard to the**
13 **Newport Water System?**

14 A. I serve as general manager of the water and water pollution control divisions. I plan,
15 organize and direct the Water Division's activities. I direct and oversee the work of
16 supervisors on administrative and technical issues conforming to a policy framework
17 established by the City as well as State and Federal agencies.

18

19 **Q. Can you provide a brief description of your work experience?**

20 A. Prior to working for the City of Newport, I was employed by the City of East
21 Providence, Rhode Island for fourteen years. In the last eleven years I managed the
22 water division as Director of Public Works. The City of East Providence purchases water
23 wholesale from Providence Water and operates and maintains its own transmission and
24 distribution system with approximately 15,000 services. Before working for the City of
25 East Providence, I was a project engineer at consulting firms in Colorado and New
26 Hampshire.

1 **Q. What is your educational background?**

2 A. I received a B.S. in Civil Engineering from Northeastern University in 1981 and a M.S.
3 in Civil Engineering from the University of Colorado at Boulder in 1982. I am a registered
4 Professional Engineer in Rhode Island and New Hampshire.

5

6 **Q. Do you have any professional affiliations?**

7 A. Yes, I am a member of the American Water Works Association, New England
8 Waterworks Association and the Rhode Island Waterworks Association. I served as
9 President of the RIWWA from December 2001 to December 2003. I am also a member
10 of the Water Environment Association.

11

12 **Q Please describe your role in this proceeding?**

13 A. To support Newport Water's Miscellaneous Petition For Relief in Docket 4243.

14

15 **Q. Please provide an overview of why Newport is filing the Miscellaneous Petition?**

16 A. In Docket 4025, the City of Newport, Utilities Department, Water Division ("Newport
17 Water or "Newport") requested an increase for salary and wages. Newport Water
18 estimated the necessary increase because its labor contracts had expired, and it did not
19 know the exact salary increase it would ultimately negotiate. The Rhode Island Public
20 Utilities Commission ("Commission") granted Newport Water's request for a salary and
21 wages increase, but restricted the increase until Newport negotiated new labor
22 contracts.

23

24 In Docket 4243, the parties reached a Settlement Agreement that continued this
25 restricted account. However, the parties agreed to reduce the annual funding from

1 \$91,214 to \$80,931. The Commission approved this Settlement Agreement and ordered
2 Newport to continue funding the restricted Salary Increase Account.

3

4 At this time, Newport has finalized its labor contracts, we know the amount of the salary
5 and wage increase for FY14 and we can calculate the retroactive payments and
6 prospective salaries for our union employees. Thus, Newport Water seeks to reduce the
7 funding for this account.

8

9 **II. MISCELANEOUS PETITION**

10 **Q. Can you summarize Newport's new labor contracts?**

11 A. Yes. As the Commission knows, Newport Water has labor contracts with two unions –
12 NEA and AFSCME. The new contracts with both unions cover FY 10 thru FY 15 and the
13 applicable terms are as follows:

- 14 • Both contracts provide for no salary increases for FY 10, 11, or 12.
- 15 • Both contracts require a one-time stipend payment that varies based on
16 individual employees' status and ranges from \$500 to \$2500, net of required
17 withholdings.
- 18 • Both contracts provide for a 3% COLA retroactive to July 1, 2012 for FY 2013.
- 19 • Under both contracts, there are no step increases for FY 10, FY 11 or FY 12. Step
20 increases resume starting in FY13.
- 21 • Both contracts provide for potential pay increases in FY14 and FY15. Union
22 employees will receive the same COLA or pay increase provided to non-union,
23 supervisory employees. If the non-union, supervisory employees do not receive a
24 COLA or pay increase, then the union employees will not either.

25

26

1 **Q. How much did Newport Water have to pay the Unions retroactively?**

2 A. Newport had to make payments of \$22,075.90 to the NEA employees on October 11,
3 2012 and \$154,634.86 to AFSCME employees on January 3, 2013. These payments were
4 made out of Newport Water's operating account, and Newport requests that it be
5 allowed to unrestrict these amounts to reimburse the operating account.

6

7 **Q. What was the balance in the restricted salary and wages account after these**
8 **payments?**

9 A. Once the amount for the retroactive payouts is released, the account balance will be
10 \$172,374.01 as of June 30, 2013.

11

12 **Q. Does Newport propose to continue funding this restricted account, and if so why?**

13 A. Yes. On June 26, 2013, the Newport City Council granted Newport's non-union,
14 supervisory employees a 1.8% a salary increase for FY14. As such, union employees will
15 receive an equivalent increase. The total salary and wage payment requirement for FY
16 13 was \$2,149,014.83. With the 1.8% increase, effective July 1, 2013 for FY14, Newport
17 Water's salary and wage payments will be \$2,188,830.00. The salary and wage
18 allowance granted by the Commission in Docket 4243 was \$2,224,547 (which included
19 two vacancies). Newport proposes to restrict this monthly difference of \$2,976.42
20 (along with the existing balance) through, at least, the end of FY14.

21

22 At the end of FY14, Newport proposes to file a further petition with the Commission. At
23 that time the balance in the restricted account (approximately \$208,000) can be used in
24 for various purposes as approved by the Commission:

25 1. A portion can be used to retroactively cover any step increases earned by
26 employees in FY14. During FY 2014, certain employees are eligible to receive

1 step increases. By the end of FY14, Newport will know which employees earned
2 step increases and the corresponding amounts. The maximum amount of step
3 increases that Newport will have to pay in FY14 is \$39,515.60.

4 2. A portion can be used to cover any salary and step increases for FY15. By June
5 30, 2014, Newport should know the amount of increases, if there are any, for
6 FY15 pursuant to the terms of the union contract.

7 3. A portion can be released to cover other expenses as approved by the
8 Commission.

9

10 **III. CONCLUSION**

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

12 A. Yes it does.

CERTIFICATION

I hereby certify that on August 14, 2013, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.¹

Parties/Address	E-mail Distribution	Phone
Julia Forgue, Director of Public Works Newport Water Department 70 Halsey St. Newport, RI 02840	jforgue@cityofnewport.com	401-845-5601
	crussell@cityofnewport.com	
	lsitrin@CityofNewport.com	
Karen Lyons, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	klyons@riag.ri.gov	401-222-2424
	sscialabba@ripuc.state.ri.us	
	psmith@ripuc.state.ri.us	
	dmacrae@riag.ri.gov	
Harold Smith Raftelis Financial Consulting, PA 511 East Blvd. Charlotte, NC 28203	Hsmith@raftelis.com	704-373-1199
Gerald Petros, Esq. Hinckley, Allen & Snyder 1500 Fleet Center Providence, RI 02903	gpetros@haslaw.com	401-274-2000
	aramos@haslaw.com	
	jmansolf@haslaw.com	
William McGlinn Portsmouth Water & Fire District 1944 East Main Rd. PO Box 99 Portsmouth, RI 02871	wmcglinn@portsmouthwater.org	401-683-2090 ext. 224
Ellen M. Evans Senior Trial Attorney Naval Facilities Engineering Command Litigation Office 720 Kennon St., Bldg. 36, Room 233 Washington Navy Yard, DC 20374-5051	ellen.evans@navy.mil	202-685-2235

¹ The service list is the one established in Newport's most recent PUC Filing, Docket 4355.

Dr. Kay Davoodi, P.E. Utility Rates and Studies Office NAVFACHQ- Building 33 1322 Patterson Ave SE Washington Navy Yard, D.C. 20374-5065	Khojasteh.davoodi@navy.mil	202-685-3319
	Larry.r.allen@navy.mil	
Maurice Brubaker Brubaker and Associates, Inc. PO Box 412000 St.Louis, MO 63141-2000	mbrubaker@consultbai.com	401-724-3600 401-724-9909
	bcollins@consultbai.com	
Thomas S. Catlin Exeter Associates, Inc. 10480 Little Patuxent Parkway, Suite 300 Columbia, MD 21044	tcatlin@exeterassociates.com	410-992-7500
	jmierzwa@exeterassociates.com	
Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough, MA 01532	Woodcock@w-a.com	508-393-3337
An original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	lmassaro@puc.state.ri.us	401-780-2107
	cwilson@puc.state.ri.us	
	sccamara@puc.state.ri.us	



 Joseph A. Keough, Jr., Esquire # 4925
 KEOUGH & SWEENEY, LTD.
 41 Mendon Avenue
 Pawtucket, RI 02861
 (401) 724-3600 (phone)
 (401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com