Data Requests of the
Division of Public Utilities and Carriers
Set 1

DIV 1-28. Please provide the actual number of employees for each month in 2014, 2015 and 2016 to date, and the estimated number of employees for each month of 2016 through 2017.

Response. Please see the attached worksheet showing the number of employees for each month in FY2014, FY2015, and FY2016 to date, and the estimated number of employees for FY2017.

PROVIDENCE WATER SUPPLY BOARD
Actual Number of Employees per Month FY2014, FY2015, FY2016
Estimated Number of Employees per Month FY2017

Actual Number of Employees Fiscal Year 2014				
Month	Permanent	Part - Time	Temporary	Total
July	236	11	5	252
August	235	11	5	251
September	241	11	1	253
October	243	11	0	254
November	243	11	0	254
December	242	11	0	253
January	242	11	0	253
February	240	11	0	251
March	242	11	0	253
April	242	11	0	253
May	240	11	0	251
June	242	11	8	261

Actual Number of Employees Fiscal Year 2015				
Month	Permanent	Part - Time	Temporary	Total
July	239	11	8	258
August	239	11	8	258
September	237	11	3	251
October	240	11	0	251
November	240	11	0	251
December	240	11	0	251
January	237	11	0	248
February	237	11	0	248
March	241	11	0	252
April	240	11	0	251
May	238	11	0	249
June	237	11	8	256

Actual Number of Employees Fiscal Year 2016				
Month	Permanent	Part - Time	Temporary	Total
July	236	11	8	255
August	235	11	1	247
September	233	11	0	244
October	232	11	0	243
November	233	11	0	244
December	232	11	0	243
January	233	11	0	244
February	231	11	0	242
March	231	11	0	242
April	231	11	0	242
May	232	11	0	243
June	229	11	0	240

Estimated Number of Employees Fiscal Year 2017				
Month	Permanent	Part - Time	Temporary	Total
July	245	11	0	256
August	245	11	0	256
September	245	11	0	256
October	245	11	0	256
November	245	11	0	256
December	245	11	0	256
January	245	11	0	256
February	245	11	0	256
March	245	11	0	256
April	245	11	0	256
May	245	11	0	256
June	245	11	0	256

Data Requests of the
Division of Public Utilities and Carriers
Set 1

Div 1-29. Refer to Schedule NEP-9.

a. Please identify and provide contracts for each item listed on that schedule.

b. Please identify and provide invoices received to-date for each item listed on the schedule.

Response. a. Please see attached Board of Contract Awards and or contracts/bids for items listed on Schedule NEP-9.

1. Legal Services-Schacht & McElroy
2. Rate Filing Consultant-Raftelis Financial Consultants
3. Plant Account Review-Marcum Accountants and Advisors

b. Invoices are attached for Marcum and Raftelis for Dk 4618 to date.
Please note invoices for Schacht & McElroy are attorney/client privilege and are not subject to the Public Records Act.

As for all other invoices for Dk 4571 and the test year, they are numerous and burdensome to pull and copy. However, if a detailed review of individual invoices is required, they are available for your review at our Cranston Office.
See the attached two spreadsheets that will provide detail on the cost of Docket 4571 for Schacht & McElroy, Raftelis and the Division, and details for the test year expense of $358,983 for McElroy, Raftelis, the Division and the Commission.

Div 1-29(A) 1
Legal Services

City of Providence

Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 1, 2015

TO: Purchasing Director

SUBJECT: **LEGAL SERVICES FOR REGULATORY MATTERS (BLANKET 2014-2017) – WATER SUPPLY BOARD**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director be authorized to engage Schacht & McElroy, 21 Dryden Lane, PO Box 6721, Providence, RI 02940, sole bidder, for Legal Services for Regulatory Matters (Blanket 2014-2017), in a total amount not to exceed One Hundred Ninety ($190,000.00) Dollars a year for three years, all in accordance with the offer of said firm submitted on May 18, 2015.

cc: Pur.Dir.
Contr
WSB
File

Lori L. Hagen
City Clerk

CITY OF PROVIDENCE
STATE OF RHODE ISLAND
BOARD OF CONTRACT AND SUPPLY

BIDDERS BLANK

Name of Company:	Michael R. McElroy, Esq.
Agrees to bid on: Items(s) to be bid	LEGAL SERVICES FOR REGULATORY MATTERS FOR THE PROVIDENCE WATER SUPPLY BOARD (BLANKET 2014-2017)
Date of Award	December 15, 2014
Total Amount in Writing:	Two Hundred and Ninety Five Dollars per hour
Total Amount in Figures:	$295 per hour

Additional Bidding Details (Use Additional Pages if Necessary)

MINORITY PARTICIPATION 0 (See Waiver) %

UPON ON SIGNING AND SUVBMITTING OF THIS BVID THE PERSON ACKNOWLEDGES THAT HE/SHE READ AND AGREES TO ABIDE BY ALL THE TERMS & CONDITIONS STATED IN THE ATTACHED SPECIFICATIONS

Federal ID# or Social Security #:	05-0409786
Signature:	Michael R McElroy
Title of Person signing:	Partner
Firm Name:	Schacht & McElroy
Address:	21 Dryden Lane, PO Box 6721, Providence, RI 02940
Phone #:	(401) 351-4100
Delivery Date:	immediately
Name of Surety Company	A surety bond is not required. My legal malpractice insurance is with Liberty Insurance (copy enclosed).

Schacht & McElroy

Michael R. McElroy
Robert M. Schacht (retired)

Members of Rhode Island and Massachusetts Bars

Attorneys at Law

21 Dryden Lane
Post Office Box 6721
Providence, RI 02940-6721

(401) 351-4100
fax (401) 421-5696

www.McElroyLawOffice.com
Michael@McElroyLawOffice.com

December 10, 2014

HAND DELIVERED

Board of Contract & Supply
Department City Clerk
City Hall
25 Dorrance Street – Room 311
Providence, RI 02903

Re: Legal Service for Regulatory Matters for the Providence Water Supply Board (Blanket 2014-2017) BID TO BE OPENED DECEMBER 15, 2014

Dear Sir or Madam:

Please accept this as my **$295 (two hundred and ninety-five dollars)** per hour proposal to provide legal services to the Providence Water Supply Board for regulatory matters, which I understand are primarily before the Rhode Island Public Utilities Commission (PUC) and the Division of Public Utilities and Carriers of the State of Rhode Island (DPUC). This price quote is firm from January 1, 2015 to December 31, 2017.

My name is Michael R. McElroy, Esq. My office address is 21 Dryden Lane, Post Office Box 6721, Providence, RI 02940-6721. My home address is 345 Sharon Street, Providence, RI 02908. My telephone number is (401) 351-4100, my fax number is (401) 421-5696, my email address is Michael@McElroyLawOffice.com, and the name of my firm is Schacht & McElroy. I am the only attorney in my firm who will work on this assignment.

I am licensed to practice law in the State of Rhode Island. I am also licensed to practice law in the Commonwealth of Massachusetts and the State of Tennessee. I have practiced extensively before the PUC and the DPUC continuously since 1981.

1. From 1976 to 1981, I was a staff attorney for the Tennessee Valley Authority (TVA), the largest electric utility in the United States.

2. In 1981, I was a Special Attorney General under Attorney General Dennis Roberts II, serving as counsel to the Rhode Island PUC. In that capacity, I represented the PUC and

Div 1-29(A)
Full Rate &
Filing Consultant

City of Providence

Rhode Island

Department of City Clerk

MEMORANDUM

DATE: November 30, 2015

TO: Purchasing Director

SUBJECT: **APPROVAL OF A ONE-YEAR EXTENSION WITH RAFTELIS FINANCIAL CONSULTANTS INC. (RFC) EXTENDING THE CONTRACT TO DECEMBER 31, 2016 – WATER SUPPLY BOARD**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director hereby authorizes approval of a one-year extension, with Raftelis Financial Consultants Inc. (RFC), extending the contract to December 31, 2016, RFC provides financial services relating to filings for rate increases that are made with the Public Utilities Commission, at no additional cost, all in accordance with the request of Ricky Caruolo, General Manager, in communication dated November 24, 2015.

cc: Pur.Dir.
Contr.
WSB
File

City Clerk

CITY OF PROVIDENCE
STATE OF RHODE ISLAND
BOARD OF CONTRACT AND SUPPLY

BIDDERS BLANK

Name of Company:	Raftelis Financial Consultants, Inc.
Agrees to bid on: Items(s) to be bid	ACCOUNTING SERVICES FOR RATE AND OTHER FILINGS BEFORE THE PUC AND THE DIVISION OF PUBLIC UTILITIES OF RI FOR THE PROVIDENCE WATER SUPPLY BOARD (BLANKET 2012-2015)
Date of Award	
Total Amount in Writing:	See Bidders Blank on following page
Total Amount in Figures:	See Bidders Blank on following page

Additional Bidding Details (Use Additional Pages if Necessary)

Minority Participation 0 %

Federal ID# or Social Security #:	20-1054069
Signature:	
Title of Person signing:	Vice President
Firm Name:	Raftelis Financial Consultants, Inc.
Address:	1031 S. Caldwell Street, Suite 100, Charlotte, NC 28203
Phone #:	704-373-1199
Delivery Date:	July 30, 2012
Name of Surety Company	Not Applicable

Request for Proposal
Providence Water Supply Board
Rate Filing Services

BIDDER'S BLANK

PREPARATION of the following alternatives;		Team Hourly Rate	Not to Exceed Amount
1.	Full Rate Filing:		
	Conservation Rate option (Test and Rate Year).......	$ 246.00	$ 84,035
	Monthly Billing Rate option (Test and Rate Year)...	$ 246.00	$ 77,435
	Cost of Service (Test and Rate Year)........................	$ 246.00	$ 23,000
	Cost Allocation and Rate Design..............................	$ 246.00	$ 88,000
	City Service Analysis (Test and Rate Year)..............	$ 246.00	$ 18,000
2.	Abbreviated Rate Filing:		
	Cost of Service (Test and Rate Year)........................	$ 246.00	$ 23,000
3.	Surcharge Filing:...	$ 246.00	$ 20,000
4.	Terms and Conditions...............	$ 246.00	$ 7,500

REVIEW of the following alternative if prepared by Providence Water in-house staff:

5.	Full Rate Filing:		
	Conservation Rate option (Test and Rate Year).......	$ 246.00	$ 50,400
	Monthly Billing Rate option (Test and Rate Year)....	$ 246.00	$ 46,450
	Cost of Service (Test and Rate Year).........................	$ 246.00	$ 13,800
	Cost Allocation and Rate Design..............................	$ 246.00	$ 22,800
	City Service Analysis (Test and Rate Year)...............	$ 246.00	$ 9,000
6.	Abbreviated Rate Filing:		
	Cost of Service (Test and Rate Year).........................	$ 246.00	$ 11,000
7.	Surcharge Filing:..	$ 246.00	$ 11,000
8.	Terms and Conditions...............	$ 246.00	$ 5,000

Other Items:

9.	Attendance at Open Meetings...................................Per Hour	$ 255.00
10.	Attendance at Hearings and/or Compliance Hearings ....Per Hour	$ 255.00

11. Hourly rate for Other Services..................................Please attach complete list of titles/services & hourly rate(s).

Vendor Name: Raftelis Financial Consultants, Inc. Tel No: 704-373-1199

Address: 1031 S. Caldwell Street, Suite 100 Fax No: 704-373-1113

City, State: Charlotte, NC Zip 28203

E-mail Address: hsmith@raftelis.com

PROVIDENCE WATER RESERVES THE RIGHT TO REQUIRE ALL OR ANY COMBINATION OF THE ALTERNATIVES LISTED ABOVE.

Each bidder must supply a complete list of all classifications for all work which may be required. Each classification must include an hourly rate for additional work as deemed necessary by Providence Water.

Div 1-29(A)
Marcum 3
Plant Review

City of Providence

Rhode Island

Department of City Clerk

MEMORANDUM

DATE: February 8, 2016

TO: Purchasing Director

SUBJECT: **APPROVAL OF A CONTRACT WITH MARCUM ACCOUNTANTS & ADVISORS FOR AUDIT SERVICES FOR ANNUAL FISCAL YEAR AUDITS – WATER SUPPLY BOARD**

CONSIDERED BY: Board of Contract and Supply

DISPOSITION: VOTED: that the Purchasing Director hereby authorizes approval of a contract, with Marcum Accountants & Advisors, for Audit Services, for annual fiscal year audits, the Public Utilities Commission (PUC) issued an order in the last general rate filing that requires Providence Water to have an independent consultant to verify the accuracy of plant accounts, Marcum will be able to perform the work in the timeliest fashion and at a minimal cost for such professional services by a CPA firm, in a total amount not to exceed Thirty Thousand ($30,000.00) Dollars, all in accordance with the request of Ricky Caruolo, General Manager, in communication dated January 29, 2016.

cc: Pur.Dir.
Contr.
WSB
File

Lori L. Hagen
City Clerk

MARCUM
ACCOUNTANTS ▲ ADVISORS

February 26, 2016

Thomas Massaro
Providence Water Supply Board
552 Academy Avenue
Providence, RI 02908

Re: Engagement of Marcum LLP

We are pleased to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services Marcum LLP ("Marcum," the "Firm," "we," "us" or "our") will provide for the July 1, 2009 through June 30, 2015.

Examination and Related Report

We will examine the asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, of Providence Water Supply Board (the "Board," "you" or "your") for the fiscal years beginning July 1, 2009 through June 30, 2015. Our examination will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion as to whether your asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, are presented, in all material respects, in conformity with the terms and conditions of the settlement entered into by Providence Water Supply Board during the 2013 General Rate Filing (Dockett 4406).

Our responsibility is to form and express an opinion about whether the asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, of Providence Water Supply Board that have been prepared by management are presented fairly, in all material respects in conformity with terms and conditions of the settlement entered into by Providence Water Supply Board during the 2013 General Rate Filing (Dockett 4406). At the conclusion of our engagement, we will submit to you a report containing our opinion as to whether the asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, of Providence Water Supply Board, are presented fairly, in all material respects in conformity with the terms and conditions of the settlement entered into by Providence Water Supply Board during the 2013 General Rate Filing (Dockett 4406). If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement. If, in our professional judgment, the circumstances require us to do so, we may resign from the engagement prior to completion.

Management Responsibilities and Representations

The asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, of Providence Water Supply Board referred to above are the responsibility of the management of the Board.

We understand that you will provide us with the basic information required for our examination and that you are responsible for the accuracy and completeness of that information. We may advise you about appropriate criteria or assist in the development of the subject matter but the responsibility for the subject matter remains yours.

At the conclusion of our engagement, we will request certain written representations from you that, among other things, will confirm management's responsibility for the preparation of asset records and corresponding accumulated depreciation amounts, including contributions in aid of construction accounting and postings, of Providence Water Supply Board in accordance with the settlement entered into by Providence Water Supply Board during the 2013 General Rate Filing (Dockett 4406) and determining that such criteria are appropriate for your purposes, and attesting to the completeness and truthfulness of representations and disclosures made to us during the course of our work, The management representation letter must be signed and returned to us before we will release our auditors' report. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing the engagement as defined in this letter.

Reproduction of Examination Report

If you intend to publish or otherwise reproduce the examination report and make reference to our Firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed. In addition, to avoid unnecessary delay or misunderstanding, it is important that you give us timely notice of your intention to issue any such document.

Assistance By Your Personnel

We will ask that your personnel, to the extent possible, prepare required schedules and analyses, provide other required documents available to our staff. This assistance by your personnel will serve to facilitate the progress of our work and minimize our time requirements.

You acknowledge that your confidential information may be transmitted to us through an information portal or delivery system established by us or on our behalf. You shall notify us in writing of your employees, representatives, or other agents to be provided access to such portal or system; upon the termination of such status, you shall immediately notify us in writing. You acknowledge that you are responsible for the actions of your current and former employees, representatives, or other agents in connection with the transmission of your information.

Background Checks

As a matter of our Firm policy, we perform background checks, which may require out-of-pocket expenses, on potential clients and/or on existing clients, on an as-determined basis. The terms and conditions of this engagement are expressly contingent upon the satisfactory completion of our investigatory procedures and we reserve the right to withdraw from any relationship should information which we deem to be adverse come to our attention. The results of all background checks and other investigatory procedures are submitted to, and reviewed by, our Firm's Client Acceptance Committee.

Detection of Errors and Irregularities

Our engagement cannot be relied upon to disclose errors, irregularities or illegal acts, including fraud or defalcations that may exist. We will inform the appropriate level of management of any material errors that come to our attention and any irregularities or illegal acts that come to our attention, unless they are clearly inconsequential. However, we strongly urge you to obtain insurance protection against such risks.

Independence

Professional standards require that a firm and its members maintain independence throughout the duration of the professional relationship with a client. In order to preserve the integrity of our relationship, no offer of employment shall be discussed with any Marcum professionals assigned to the engagement, including within the one year period prior to the commencement of the engagement. Should such an offer of employment be made, or employment commences during the indicated time period, we will consider this an indication that our independence has been compromised. As such, we may be required to recall our report due to our lack of independence. In the event additional work is required to satisfy independence requirements, such work will be billed at our standard hourly rates. Furthermore, we strive to staff your engagement with quality, superbly trained professionals. In recognition of the extensive investment we have made to recruit and develop our personnel, we ask that you agree to the following. In the event that any of our employees accepts a position of employment with your Board, or any of its related parties at any time while we are performing services for you or within one year thereafter, you agree to pay us a placement fee equal to the employee's annual compensation in effect on the date such employment was contracted. Such fee is payable when the employee accepts such a position.

If you need a permanent employee and would like assistance in locating this type of individual, we can provide personnel search assistance to help you locate and hire a qualified individual.

Access to Working Papers

The working papers prepared in conjunction with our engagement are the property of Marcum and constitute confidential information. These working papers will be retained by us in accordance with applicable laws and with our Firm's policies and procedures. However, we may be required, by law or regulation, to make certain working papers available to regulatory authorities for their review, and upon request, we may be required to provide such authorities with photocopies of selected working papers.

The Firm is required to undergo a "Peer Review" every three years. During the course of a Peer Review engagement, selected working papers and financial reports, on a sample basis, will be inspected by an outside party on a confidential basis. Consequently, the accounting and/or auditing work we performed for you may be selected. Your signing this letter represents your acknowledgement and permission to allow such access should your engagement be selected for review.

As a result of our prior or future services to you, we may be required or requested to provide information or documents to you or a third-party in connection with a legal or administrative proceeding (including a grand jury investigation) in which we are not a party. If this occurs, we shall be entitled to compensation for our time and reimbursement for our reasonable out-of-pocket expenditures (including legal fees) in complying with such request or demand. This is not intended, however, to relieve us of our duty to observe the confidentiality requirements of our profession.

Third-Party Service Providers

The Firm may, from time to time, and depending on the circumstances, use third-party service providers to assist us with the engagement as defined in this letter. We may share confidential information about you with the third-party service providers, but remain committed to maintaining the confidentiality of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your information. Furthermore, the Firm will remain responsible for the work performed by such third-party service providers.

Dispute Resolution Procedure, Waiver of Jury Trial and Jurisdiction and Venue for Any and All Disputes Under This Engagement Letter and Governing Law.

AS A MATERIAL INDUCEMENT FOR US TO ACCEPT THIS ENGAGEMENT AND/OR RENDER THE SERVICES TO THE CLIENT IN ACCORDANCE WITH THE PROVISIONS OF THIS ENGAGEMENT LETTER:

The Firm and the Client each hereby knowingly, voluntarily and intentionally waive any right either may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this engagement letter and/or the services provided hereunder, or any course of conduct, course of dealing, statements (whether

verbal or written) or actions of either party. The Firm and the Client each expressly agree and acknowledge that the Supreme Court of the State of New York, County of New York, Commercial Division, and the United States District Court for the Southern District of New York, Manhattan Courthouse, shall each have exclusive and sole jurisdiction and venue for any respective state or federal actions arising from, relating to or in connection with this engagement letter, or any course of conduct, course of dealing, statement or actions of either party. If and only if the action does not satisfy the damage prerequisite for jurisdiction in the County of New York Commercial Division, then any such state court action shall be brought in the County of Suffolk, Commercial Division.

The terms and provisions of this engagement letter, any course of conduct, course of dealing and/or action of the Firm and/or the Client and our relationship with you shall be governed by the laws of the State of New York to the extent said laws are not inconsistent with the Federal Securities Laws and Rules, Regulations and Standards thereunder. In any litigation brought by either the Firm or the Client, the prevailing party shall be entitled to an award of its reasonable attorneys' fees and costs incurred, including through all appeals.

We acknowledge your right to terminate our services at any time, and you acknowledge our right to resign at any time (including instances where in our judgment, our independence has been impaired or we can no longer rely on the integrity of management), subject in either case to our right to payment for all direct and indirect charges including out-of-pocket expenses incurred through the date of termination or resignation or thereafter as circumstances and this agreement may require, plus applicable interest, costs, fees and attorney's fees.

You agree that our liability arising out of our services provided shall not exceed the total amount paid for the services described herein. This shall be your exclusive remedy.

No action, regardless of form, arising out of the services under this agreement may be brought by either party more than one year after the date of the last services are provided under this agreement.

The Board hereby indemnifies Marcum and its partners, principals, and employees, and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a known misrepresentation by a member of the Board's management, regardless of whether such person was acting in the Board's interest. This indemnification will survive termination of this letter of engagement.

Timeline

We expect to begin our examination within approximately two days of signing and returning this engagement letter to us.

Our engagement ends on delivery of our examination report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

Fees

Our fee for these services will be based on the actual time spent at our standard hourly rates not to exceed $25,000. Our standard hourly rates vary according to the level of the personnel assigned to your engagement. You will also be billed for travel and other out-of-pocket costs as incurred, as well as an administrative fee of 3% of our professional fees as an allocation of overhead expenses that are not billed as direct reimbursable expenses. We will inform you if at any time we anticipate that our administrative and other fees will exceed 10% of our stated engagement fee. Our invoices for these fees will be rendered as the work progresses, and are due and payable upon presentation. In the event that you dispute any of the fees or expenses on a specific invoice, you agree to notify us within twenty (20) days of receipt of the invoice of such dispute. If you fail to notify us within the twenty (20) day period, your right to dispute such invoice will be waived. Prior to the commencement of the services described above, any past due balances are required to be paid in full. In accordance with our Firm policies, should any invoice remain unpaid for more than thirty days, we reserve the right to defer providing any additional services until all outstanding invoices are paid in full. Amounts past due 60 days from the invoice date will incur a finance charge of 1% per month. Nothing herein shall be construed as extending the due date of payments required under this agreement, and you agree that we are not responsible for the impact on the Board of any delay that results from such non-payment by you.

Agreement

This letter comprises the complete and exclusive statement of the agreement between the parties, superseding all proposals oral or written and all other communications between the parties. If any provision of this letter is determined to be unenforceable, all other provisions shall remain in force.

It is hereby understood and agreed that this engagement is being undertaken solely for the benefit of the Board and that no other person or entity shall be authorized to enforce the terms of this engagement.

Please sign this PDF version of the engagement letter and return it to us and we will send you an executed original.

James Prescott, CPA is the Engagement Partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know.

Very truly yours,

Marcum LLP

James Prescott, CPA

JP/cm

ACCEPTED

This letter correctly sets forth the agreement of Providence Water Supply Board.

Officer's signature: Thomas Gassaro

Title: Senior Manager, Finance

Date signed: 2/29/16

APPENDIX A

Providence Water Supply Board
Circumstances Affecting Timing and Fee Estimate

The estimated fee is based on certain assumptions. Circumstances may arise during the engagement that may significantly affect the targeted completion dates and our fee estimate. As a result, additional fees may be necessary. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at your request. Changes to the timing of the engagement usually require reassignment of personnel used by Marcum in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, Marcum may incur significant unanticipated costs.

2. All requested schedules are not (a) provided by the accounting personnel on the date requested, (b) completed in a format acceptable to Marcum (c) mathematically correct, or (d) in agreement with the appropriate underlying records (e.g., general ledger accounts). Marcum will provide the accounting personnel with a separate listing of required schedules and deadlines.

3. Weaknesses in the internal control structure.

4. Significant new issues or unforeseen circumstances as follows:

   a. New accounting issues that require an unusual amount of time to resolve.

   b. Changes or transactions that occur prior to the issuance of our report.

   c. Changes in the Board's accounting personnel, their responsibilities, or their availability.

   d. Changes in examination requirements set by regulators.

5. Significant delays in the accounting personnel's assistance in the engagement or delays by them in reconciling variances as requested by Marcum. All invoices, contracts and other documents which we will identify for the Board, are not located by the accounting personnel or made ready for our easy access.

6. Changes in examination scope.

7. Untimely payment of our invoices as they are rendered.

Div 1-29(B)

MARCUM
ACCOUNTANTS ▲ ADVISORS

Invoice Date: 04/30/2016
Payment Terms: Due Upon Receipt

Invoice #: 101034672
Engagement #: 10122795
Client #: 144790

Send Payment To: Marcum LLP
155 South Main Street, Suite 100
Providence, RI 02903
Please refer to invoice number with your payment

Providence Water Supply

25 Dorrance Street
Providence, RI 02903

Wire & ACH only: TD Bank
855 Franklin Ave
Garden City, NY 11530

ABA #: 026013673 *Account #:*7915750397
Please reference invoice number

Please return top portion with remittance.

Amount enclosed $ ____________________

Billing for Agreed Upon Procedure on PUC rate hearing	25,000.00
Total New Charges	25,000.00
Administrative Fee	750.00
New Charges	$ 25,750.00

Amounts past due 60 days from the invoice date will incur a finance charge of 1% per month.

MARCUMGROUP
MEMBER

Marcum LLP * 155 South Main Street, Suite 100 * Providence, RI 02903 ***Phone** 401.457.6700 ***Fax** 401.457.6701

Mary

RAFTELIS
FINANCIAL CONSULTANTS, INC.

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704 . 373 . 1199
Fax 704 . 373 . 1113

www.raftelis.com

PO#

June 9, 2016
Invoice No: PRRI1504-12.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from May 1, 2016 to May 31, 2016

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	11.00	255.00	2,805.00	
Consultant				
Drat, Collin	1.00	160.00	160.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	12.50		2,997.50	
Total Professional Fees				**2,997.50**
Technology & Communications Charge			125.00	
			125.00	~~125.00~~
		Total this Invoice		$3,122.50

OK to pay
MDU
6/13/16

Outstanding Invoices

Number	Date	Balance
PRRI1504-08.	2/15/2016	1,860.00
PRRI1504-10.	4/7/2016	2,090.00
PRRI1504-11.	5/10/2016	11,520.00
Total		**15,470.00**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	3,122.50	68,803.97	71,926.47	53,333.97	18,592.50

RECEIVED
JUN 14 2016
FINANCE

Mary

RAFTELIS FINANCIAL CONSULTANTS, INC

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704 . 373 . 1199
Fax 704 . 373 . 1113

www.raftelis.com

PO# 36195

May 10, 2016

Invoice No: PRRI1504-11.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from April 1, 2016 to April 30, 2016

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	30.50	255.00	7,777.50	
Consultant				
Drat, Collin	20.00	160.00	3,200.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	51.00		11,010.00	
Total Professional Fees				11,010.00

Technology & Communications Charge	510.00	
	510.00	510.00
Total this Invoice		**$11,520.00**

Outstanding Invoices

Number	Date	Balance
PRRI1504-08.	2/15/2016	1,860.00
PRRI1504-10.	4/7/2016	2,090.00
Total		3,950.00

OK to Pay MDW 5/18/16

	Current	Prior	Total	Received	A/R Balance
Billings to Date	11,520.00	57,283.97	68,803.97	53,333.97	15,470.00

RECEIVED
MAY 16 2016
FINANCE

RAFTELIS
FINANCIAL CONSULTANTS, INC.

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704.373.1199
Fax 704.373.1113

www.raftelis.com

April 7, 2016

Invoice No: PRRI1504-10.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

PO # 36195

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from March 1, 2016 to March 31, 2016

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	5.50	255.00	1,402.50	
Consultant				
Drat, Collin	3.50	160.00	560.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	9.50		1,995.00	
Total Professional Fees				1,995.00
Technology & Communications Charge			95.00	
			95.00	95.00
		Total this Invoice		$2,090.00

OK to pay
MDW 5/18/16

Outstanding Invoices

Number	Date	Balance
1	12/15/2015	5,730.00
PRRI1504-08.	2/15/2016	1,860.00
PRRI1504-09.	3/10/2016	8,610.00
Total		**16,200.00**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,090.00	55,193.97	57,283.97	38,993.97	18,290.00

RAFTELIS
FINANCIAL CONSULTANTS, INC.

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704.373.1199
Fax 704.373.1113

www.raftelis.com

March 10, 2016
Invoice No: PRRI1504-09.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from February 1, 2016 to February 29, 2016

Professional Personnel

	Hours	Rate	Amount	
Vice President				
Smith, Harold	11.50	255.00	2,932.50	
Consultant				
Diaz, Collin	32.50	160.00	5,200.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	44.50		8,165.00	
Total Professional Fees				8,165.00
Technology & Communications Charge			445.00	
			445.00	445.00
		Total this Invoice		$8,610.00

OK to pay
3/18/16

Outstanding Invoices

Number	Date	Balance
1	12/15/2015	5,730.00
PRRI1504-08	2/15/2016	1,860.00
Total		7,590.00

	Current	Prior	Total	Received	A/R Balance
Billings to Date	8,610.00	46,583.97	55,193.97	38,993.97	16,200.00

P.O.# 35974

RAFTELIS
FINANCIAL CONSULTANTS, INC.

Hold

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704.373.1199
Fax 704.373.1113

www.raftelis.com

P.O# 36195

February 15, 2016
Invoice No: PRRI1504-08.

BOC

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from January 1, 2016 to January 31, 2016

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	4.00	255.00	1,020.00	
Consultant				
Drat, Collin	4.50	160.00	720.00	
Administrative				
Jackson, Matt	.50	60.00	30.00	
Totals	9.00		1,770.00	
Total Professional Fees				**1,770.00**
Technology & Communications Charge			90.00	
			90.00	**90.00**
		Total this Invoice		**$1,860.00**

OK to Pay MDM 3/15/16

Outstanding Invoices

Number	Date	Balance
1	12/15/2015	5,730.00
PRRI1504-07.	1/15/2016	2,522.50
Total		**8,252.50**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	**1,860.00**	**44,723.97**	**46,583.97**	**36,471.47**	**10,112.50**

RAFTELIS
FINANCIAL CONSULTANTS, INC.

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704.373.1199
Fax 704.373.1113

www.raftelis.com

RF 2016 DK?

January 15, 2016
Invoice No: PRRI1504-07.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from December 1, 2015 to December 31, 2015

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	2.00	255.00	510.00	
Consultant				
Drat, Collin	11.50	160.00	1,840.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	14.00		2,382.50	
Total Professional Fees				**2,382.50**
Technology & Communications Charge			140.00	
			140.00	140.00
		Total this Invoice		**$2,522.50**

Outstanding Invoices

Number	Date	Balance
1	12/15/2015	5,730.00
Total		**5,730.00**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	2,522.50	42,201.47	44,723.97	36,471.47	8,252.50

OK to Pay
MDU
1/26/16

P.O. #35433

Mary

RAFTELIS
FINANCIAL CONSULTANTS, INC.

227 W. Trade Street
Suite 1400
Charlotte, NC 28202

Phone 704.373.1199
Fax 704.373.1113

www.raftelis.com

December 15, 2015
Invoice No: 1

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

P.O

Professional Services from November 1, 2015 to November 30, 2015

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	4.00	255.00	1,020.00	
Consultant				
Drat, Collin	27.25	160.00	4,360.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	31.75		5,412.50	
Total Professional Fees				**5,412.50**
Technology & Communications Charge			317.50	
			317.50	**317.50**
		Total this Invoice		**$5,730.00**

Outstanding Invoices

Number	Date	Balance
PRRI1504-06.	11/13/2015	1,540.00
Total		**1,540.00**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	5,730.00	36,471.47	42,201.47	34,931.47	7,270.00

RECEIVED
DEC 22 2015
FINANCE

OK to Pay
MDG
1/15/16.

P.O. 35433

RAFTELIS
FINANCIAL CONSULTANTS, INC.

1031 S. Caldwell Street
Suite 100
Charlotte, NC 28203

Phone 704 . 373 . 1199
Fax 704 . 373 . 1113

www.raftelis.com

Rate filing 2016 ? OK ?

November 13, 2015
Invoice No: PRRI1504-06.

Thomas Massaro
Providence Water Supply Board
Accounts Payable Department
552 Academy Avenue
Providence, RI 02908

Project R-PRRI1504.00 R-PRRI1504.00 Providence Rate Filing Services 2015

Professional Services from October 1, 2015 to October 31, 2015

Professional Personnel

	Hours	Rate	Amount	
Vice-President				
Smith, Harold	1.50	255.00	382.50	
Consultant				
Drat, Collin	6.50	160.00	1,040.00	
Administrative				
Williams, Bonnie	.50	65.00	32.50	
Totals	8.50		1,455.00	
Total Professional Fees				1,455.00
Technology & Communications Charge			85.00	
			85.00	85.00
		Total this Invoice		**$1,540.00**

	Current	Prior	Total	Received	A/R Balance
Billings to Date	1,540.00	34,931.47	36,471.47	34,931.47	1,540.00

P.O. 35433 OK to Pay MD

Division 1-29(A)

Providence Water
Docket 4571
Analysis of Costs

Description	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total
Raftelis	2,430.00	11,992.50	6,292.50	6,845.00	7,371.47			34,931.47
McElroy	418.90		1,501.55	13,504.15	33,014.90	3,179.20		51,618.70
Providence Journal								-
Printing Cost	-	-	-	-	-	53.74	-	53.74
Sub-total PW Cost	2,848.90	11,992.50	7,794.05	$ 20,349.15	$ 40,386.37	$ 3,232.94	$ -	$ 86,603.91
Exeter Associates	-				1,260.00		407.10	1,667.10
A-1 Court Reporters	-				2,189.20		2,990.93	5,180.13
Providence Journal	-						930.00	930.00
Other DK 15-116						1,872.60	739.39	2,611.99
Indirect cost divison	-	-	-	-	140.00	-	563.05	703.05
Sub-Total Division	-	-	-	-	3,589.20	1,872.60	5,630.47	$ 11,092.27
Total Dk 4571 Cost	$ 2,848.90	$ 11,992.50	$ 7,794.05	$ 20,349.15	$ 43,975.57	$ 5,105.54	$ 5,630.47	$ 97,696.18

Div 1-29(B)
Test year Expenses

Name of Respondent	This Report is:	Date of Report (Mo, Da, Yr)	Year of Report
Providence Water Supply Board	(1) _x_ An Original (2) ___ A Resubmission	4/4/16 0:00	06/30/15

REGULATORY EXPENSE AND RATE CASE COSTS (53200)

1. Please provide detail for rate case and regulatory expense for prior 5 years.
2. If there are any open cases before the Commission or Division, they should be noted as such and total costs estimated.
3. Use explanation page to expand description or special circumstances.

Line	Description of Rate Case (a)	Docket Number (b)	Requested Amount (c)	Granted Amount (d)	Effective Date (e)	Accounting Fees (f)	Counsel Fees (g)	Source of Cost Matrix: Outside Consultant (h)	Source of Cost Matrix: Other (i)	Source of Cost Matrix: Total Cost (j)	Allocation and Distribution: Expensed To Cost Centers (k)	Allocation and Distribution: Commission Allowed In Rates (l)	Allocation and Distribution: Reserve Bal. if Any Col (j) - (k) (m)
11										0			0
13	Full Filling Filed 3/29/13	DK 4406				20,715	9,181	1,500	29	31,425			0
14										0			0
15	Division share of expences-Exeter Assoc.	DK 4406						1,855		1,855			0
16										0			0
17										0			0
18										0			0
19										0			0
20										0			0
21										0			0
22	Proportional Share of PUC Expenses								268,875	268,875			0
23										0			0
24	Regulatory Legal Matters:									0			0
25	General Matters						2,816			2,816			0
26	Cyber Security						246			246			0
27	Bond Refunding/Other Bonds									0			0
28	Prision Account						1,283			1,283			0
29	Customer Disputes	Various					18,223			18,223			0
30	New Headquarters						√33,451			33,451			0
31	Street Permits									0			0
32	Lead Services									0			0
33	Credit Card Dk									0			0
34	Miscellaneous various legal matters						810			810			0
35										0			0
36										0			0
37										0			0
38										0			0
39	**Totals**		0	0		20,715	66,008	3,355	268,904	358,983	0	0	0

Data Requests of the
Division of Public Utilities and Carriers
Set 1

DIV 1-30 : Refer to Schedule NEP-10.

c. Please identify and provide contracts for each item listed on that schedule.
d. Please identify and provide invoices received to-date for each item listed on the schedule.
e. What are the City Services for?
f. What is the Pilot?
g. How were the 0.5% and 1.5% revenue reserve and operating reserve percentages derived?

RESPONSE :

c. and d. These appear to be copied from 1-29 as there are no items on NEP-10 that have any contracts associated with them.

e. City Service expenditures are reimbursement to the City of Providence for work processes that are performed in support of Providence Water. There are several City departments that are included in the definition of City Services. They are as follows:

Mayor's Office, City Council, City Council Administration, City Clerk, Legal, Finance, Controller, Retirement, Data Processing, Treasurer, Purchasing, Personnel/Human Resources, Internal Audit, and Archives.

Because Providence Water is an enterprise fund of the City of Providence, the Mayor's Office, City Council and its administration, City Clerk, and Legal departments all have an oversight role for the operation of Providence Water. By City Charter, the City Treasurer has control over the monies collected and expended by Providence Water. Finance, the Controller, and the Internal Auditor perform an important control function. Although Providence Water processes its own payables and payroll, the City's financial offices perform a review and create the actual checks. Because Providence Water is a department within the City, Personnel and Retirement are included as Providence Water employees are City employees. All Providence Water contracts are issued through the Board of Contracts with the City's Purchasing department aiding in all bids. Providence Water uses the City's accounting system, Lawson, which the City's Data Processing Department has the responsibility of maintaining the software and licenses for the system.

Data Requests of the
Division of Public Utilities and Carriers
Set 1

RESPONSE : (continued)

f. PILOT is the acronym for "Payment In Lieu Of Taxes". The definition a PILOT is a payment in lieu of taxes made to compensate a local government for some or all of the tax revenue that it loses because of the nature of the ownership or use of a particular piece of real property. Usually it relates to the foregone property tax revenue.

Providence Water is looking for authorization to fund a PILOT in the amount of $326,000. Please see the response to item 1-13.

(As defined by encyclopedia.thefreedictionary.com)

g. The total percentage of the reserves prior to Docket 4406 was 3%. It was reduced through the settlement in Docket 4406 to 2% with 1.5% designated to the Operating Reserve and .5% designated to the Revenue Reserve.

Data Requests of the
Division of Public Utilities and Carriers
Set 1

DIV 1-31: Refer to Schedule NEP-3. Identify and provide the source for these items:

a. Inflation of 2.33%
b. Union benefits and pension
c. EE cash payment
d. OPEB report
e. Segal report.

Also provide the two most current invoices for these benefit items:

f. Educational classes
g. Blue Cross
h. Delta Dental

RESPONSE :

a. Providence Water used the Consumer Price Index – All Urban Users (CPI-U). Please see NEP – B filed with direct testimony.
b. See attached DIV 1-31a – pages 27-40: Article XVIII, Health and Welfare of the Collective Bargaining Agreement between the City of Providence and the Public Employees' Local Union 1033.
c. See page 31, Section 1 (D) of DIV 1-31a.
d. See the attached Segal Report As of June 30, 2014, DIV 1-31b. This is the most recent report available. This is provided to Providence Water from The City of Providence.
e. See DIV 1-31b.
f. See attached DIV 1-31c. Local Union 1033 holds classes periodically for which the members that attend are paid for their participation through the payroll system at the City level. The Memorandum of Agreement to the Collective Bargaining Agreement between the City and Local 1033 dated December 7, 1998, 2a supports this educational expense.
   Also attached are examples of the invoices for professional development seminars/conferences that Providence Water employees have taken advantage of in the months of April and May of 2016. See DIV 1-31d,e,f, g and h.
g. Providence Water is not invoiced for health benefits. Providence Water is notified by the City as to the new annual working rates at the beginning of each fiscal year that will be assessed to our employees. A schedule of the current working rates is attached. See DIV 1-31i.
h. See response above.

Section 2. The Union has submitted to the Employer a list of designated Union stewards who shall be recognized as such by the Employer in the departments and divisions indicated in the submission. Hereafter, in no event shall the total number stewards exceed fifty (50), nor shall any one department or division have more than three (3) stewards. The Union shall furnish the Employer and appropriate Department Heads with a list of stewards, and shall, as soon as possible, notify said appropriate Employer officials in writing of any changes thereto. Only those who are officers and stewards shall be recognized by the Employer for the purpose of meetings.

The Union may also be represented by representatives of Local Union 1033, International Representatives, and Representatives of the Rhode Island Laborers' District Council with Legal Counsel.

Section 3. There shall be no deduction of pay from a grievant and/or Union officer or steward for time spent directly involved in meetings with department heads during working hours.

Section 4. Designated stewards or Union representatives shall be allowed to visit all job areas, department offices and buildings during working hours, provided that prior permission of the Employer is obtained, which permission shall not be unreasonably withheld.

Section 5. Elected Union officials and members of the Union Executive Board [not to exceed a total of six (6) in number] shall be granted time off with pay to attend (A) all scheduled Local Union meetings, (B) all meetings of the Rhode Island Laborers' District Council, and (C) as delegates for International LIUNA, Regional and State AFLCIO conventions.

ARTICLE XVIII

HEALTH AND WELFARE

Section 1(A). The Employer shall provide all permanent employees who are covered by this agreement and their eligible family members with health care coverage as follows:

LOCAL UNION 1033
HEALTH CARE PLAN

COVERAGE LEVELS:

In network - Full coverage from a broad network of hospitals, PCP'S, and specialists. Members will not be billed for charges beyond Blue Cross allowance. The network shall be equivalent to the Blue Cross Coast-to-Coast Network existing at the time of the execution of this Agreement.

Out of network - Members may also choose to see any other non-participating provider and still receive coverage at 80% of the in network allowance after an annual deductible of $100 per individual - $300 per family; $1,000/$3,000 maximum out of pocket (Regional allowance).

PARTICIPATING PROVIDERS:

Includes the carrier's broad-based Local, Regional and National network of hospitals and primary care physicians, plus specialized networks for eye care, lab & x-ray services, DME, chiropractic, home care, mental health/substance abuse.

PRE-AUTHORIZATION:

Authorization is obtained by participating providers. Members are responsible only when using non-participating providers.

DEDUCTIBLES:

$100 per individual - $300 per family; $1,000/$3,000 maximum out of pocket.

ANNUAL MAXIMUM EXPENSE:

Out of network benefit increased to full coverage after maximum expense of $1,000 per individual; $3,000 per family.

LIFETIME MAXIMUMS:

Unlimited.

DEPENDENT COVERAGE:

Spouse and children through the end of the month in which the child turns age 26.

OUTPATIENT SERVICES

PREVENTIVE CARE:

Including Well-baby visits - $15 co-payment; pap smears and mammograms covered in full.

OFFICE VISITS:

Routine and non-routine - $15 co-payment ($20 allergist & dermatologist).

EYE EXAMS:

$15 co-payment for one routine exam per year at participating providers.

OUTPATIENT SURGERY:

Covered in full. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

DIAGNOSTIC LAB & X-RAY:

Covered in full at network lab and x-ray facilities.

CHIROPRACTIC CARE:

Office visits (12 per year) - $20 co-payment; lab tests & x-rays in full.

WISDOM TEETH:

Covered in full, when medically necessary (bone impacted requiring service at hospital).

INPATIENT SERVICES

HOSPITAL ROOM & BOARD:

Unlimited days of care in a semiprivate room. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

SURGICAL-MEDICAL:

Covered in full. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

EMERGENCY ROOM:

$100 co-payment for treatment of accident or life threatening medical emergency within 24 hours of onset of symptoms (co-payment waived if admitted).

MATERNITY:

Covered in full. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

ORGAN TRANSPLANT:

Covered for eligible costs associated with kidney, liver, lung, heart, cornea and homologous bone marrow transplants. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

MENTAL HEALTH & SUBSTANCE ABUSE (MHSA)

INPATIENT MH:

45 days of care in a participating hospital, when arranged by the Care Manager. 50% at out-of-area non-participating providers. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

OUTPATIENT MH:

$20 per individual session; $10 per group session; $1,000 annual maximum, when arranged by the Care Manager; 50% after deductible at non-participating providers.

INPATIENT SA:

Detoxification - 3 admissions per year or 21 days, whichever comes first, when arranged by the Care Manager.

Rehabilitation - 30 days in any 12-month period; lifetime limit of 90 days per member; when arranged by the Care Manager. 50% coverage at out-of-area non-participating providers. $100.00 per inpatient and outpatient hospitalization occurrence deductible with $200 individual/$300 family out-of-pocket maximum per year.

OUTPATIENT SA:

30 hours per patient, 20 hours for family members, per 12-month period. $20 per individual session; $10 per group session, when arranged by the Care Manager. 50% at out-of-area non-participating providers.

<u>ADDITIONAL SERVICES:</u>

RX and VISION CARE HARDWARE: - by the Rhode Island Public Employees' Health Services Fund.

SELF ADMINISTERED INNOCULATIONS: 80% coverage; administered by the City of Providence's Prescription Benefits Manager.

PHYSICAL, SPEECH & OCCUPATIONAL THERAPY - OUTPATIENT: - 80% coverage.

PRIVATE DUTY NURSING & AMBULANCE: - 80% coverage. Does not include Air Ambulance.

DURABLE MEDICAL EQUIPMENT: - 80% coverage. No dollar maximum.

HOME & HOSPICE CARE: - $20 co-payment. Includes doctor, nurse, health aide visits and home infusion therapy.

SKILLED NURSING CARE: - $20 co-payment.

Section 1(B). The Employer also agrees to furnish as an alternative to the foregoing, substantially equivalent coverage under United Healthcare of New England or such other plan(s) agreed to by the parties.

Section 1(C). Notwithstanding the foregoing, with thirty (30) days' prior notice to the Union, the Employer shall have the right at any time during this Agreement to provide substantially equal medical insurance benefits under a different plan than those specified in Section 1 and in lieu thereof.

Section 1 (D). Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, employees eligible for paid City Blue or United Healthcare of New England insurance under this agreement may choose not to be covered under the Employer's group health insurance policies. Eligible employees enrolled in a family plan making this choice shall receive $1,500.00 for each full contract year in which they are not covered for family coverage and for those dropping individual coverage, the compensation shall be $750.00 for each full contract year of non-coverage by a City plan. The parties understand and agree that employees whose spouses are employed by the City and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the employee opts out under this Section, he shall receive no coverage pursuant to this Article, except that employees may opt back into the Plan in the event of a major life event causing loss of alternative and/or equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage and/or equivalent coverage may be required by the Employer before the employee is re-enrolled.

Payments to employees under this provision shall be made at the end of each year, in arrears, for the period of July to June with payment made in June. If an employee has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this Section for that year.

Section 1 (E). Prior to the effective date of this Agreement, all permanent employees shall co-share in the cost of healthcare benefits provided in this Article through pre-tax weekly payroll deduction (if permissible by law) as follows:

Employees with annual base wages of \$50,000.00 or more shall co-share in the cost of healthcare insurance benefits provided in this Article through pre-tax weekly payroll deduction by the payment of 20% of the negotiated working rate. Employees with annual base wages that are less than \$50,000.00 shall co-share in the cost of healthcare insurance benefits provided in this Article through pre-tax weekly payroll deduction by the payment of 15% of the negotiated working rate.

It is acknowledged that the premium/working rate for the purpose of computing the employee co-payment shall be as determined annually by a consultant selected by the parties, shall include utilization and paid claims, and shall not increase by more than 9.5% annually.

Section 1 (F). The Employer also agrees to continue health coverage for retirees and retirees' spouses for life for employees who retired on or after July 1, 1982, and prior to September 3, 1995. The plan of coverage shall be the plan elected by the individual on the date of retirement. Said coverage shall be converted to Plan 65 coverage upon attainment of the age of 65 or, at the option of the retiree, a Medicare approved HMO with a benefit plan substantially equivalent to that existing at the time this Agreement is executed with all premium payments for said plan borne by the Employer.

The Employer shall furnish health care coverage, on an individual basis only, to employees who retire(d) on or after September 3, 1995. Said coverage shall be of the same plan in effect when the retiree was an active employee up to age 65. Upon attainment of age 65 or at such age as to qualify for Medicare, said coverage shall convert to Plan 65 or, at the option of the retiree, a Medicare approved HMO with a benefit plan substantially equivalent to that existing at the time this Agreement is executed with all premium payments for said plan borne by the Employer. This coverage shall be for life. The Employer also agrees to provide this coverage to the retiree's spouse upon the death of the retiree.

Additionally, all permanent employees hired on or after July 1, 1992, must be actually employed by the City of Providence for at least ten (10) years and receiving retirement benefits under the City of Providence Employees' Retirement System prior to qualifying for Retiree Medical Care Coverage.

The premium payments of the above described coverage for active employees shall be borne solely by the employer through September 30, 2004, and for all retirees who retire prior to January 1, 2005.

Individuals retiring shall co-share at the individual rate, as stated above and as in effect on the last day worked through pre-tax monthly pension payroll deduction (if permissible by law) and shall receive the Individual Plan until becoming Medicare eligible at which time the retiree shall receive Plan 65 or a Medicare approved HMO (with a benefit plan substantially equivalent to that existing at the time this Agreement is executed) with all premium payments for said plan borne by the Employer.

Employees hired on and after July 1, 2008, shall no longer receive Retiree Post Medicare health benefits paid for by the employer; but the employer shall allow said employees to purchase Post Medicare eligible healthcare at the retiree's cost and at the employer's group rate. Said employees shall be required to participate in a Designated Savings Account or other savings vehicle approved by the City and the Union at a rate of five cents ($.05) per hour with the funds being used for said Retiree Post Medicare healthcare.

Section 1 (G). Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, retirees eligible for paid health insurance under this Agreement may choose not to be covered under the Employer's group health insurance policies. Eligible retirees enrolled in a plan making this choice shall receive $750.00 for each full contract year of non-coverage by an Employer plan. The parties understand and agree that retirees whose spouses are employed by the Employer and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the retiree opts out under this section, he shall receive no coverage pursuant to this Article, except that retirees may opt back into the Plan in the event of a major life event causing loss of alternative and equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage or equivalent coverage may be required by the Employer before the retiree is re-enrolled. Payments to retirees under this provision shall be made at the end of each year, in arrears for the period of July to June with payment made in June. If a retiree has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this section for that year. When a retiree opts back into coverage or receives post retirement coverage under this Article, said retire shall be afforded the opportunity to purchase all supplemental coverage heretofore existing including spousal coverage, RX, and dental coverage, under all of the conditions that existed on the retiree's initial retirement date.

Section 1 (H). Effective January 1, 2012, and in lieu of Section 1 (G) above, the City's obligation to provide retiree healthcare coverage to a specific retiree shall be suspended in the event that the retiree is eligible for medical insurance under any health care plan, including that made available through the retiree's spouse, providing that said plan is equivalent in coverage and cost. If coverage is not equivalent or if the plan's cost exceeds the cost to the retiree of a City Plan, then the City shall have the option of providing payment to make the cost equal and/or providing only such coverage as to make the plans equivalent or maintaining the City Plan for the retiree, all pursuant to all provisions contained herein for retirees on said retirement date. At the request of the City, the retiree shall be obligated to provide proof that he or she is not eligible to receive healthcare coverage from another source or that coverage is not otherwise equivalent coverage pursuant to this agreement. Subsequent to retirement, should a retiree whose healthcare coverage is suspended in accordance with this provision, lose alternate coverage from an alternate source, the City shall restore coverage on the first day of the month after notice has been received under the same terms as those that existed at the retiree's date of retirement.

Section 2. Any employee having an application for Accidental Disability Retirement benefits pending before the Retirement Board shall have the right to appear before the Board and may be represented by Counsel, or by the Union Representative, prior to the Board's action upon the application.

Section 3. Any employee who sustained an on-the-job injury prior to July 1, 1981, having an application for Temporary Disability Benefits, shall have right to appear before the Commission on Relief of Injured Employees, and may be represented by Counsel, or by Union Representative, prior to the Commission's action upon the application. Said employee shall be entitled to Temporary Disability benefits as outlined in the City of Providence Injured Employees' Act. In addition, the Department Head shall forward any accident report to the Commission within forty-eight (48) hours of the report being filed by the employee.

Any employee who sustains an on-the-job injury as of July 1, 1981, shall be entitled to Workers' Compensation benefits in accordance with the General Laws of the State of Rhode Island, Title 28, Chapters 29 to 38 inclusive.

Section 4. Coordination of Benefits: The City's obligation to provide healthcare coverage to a specific member's eligible spouse shall be suspended in the event that the spouse is eligible for medical insurance under any healthcare plan which is equivalent in all aspects of coverage and cost to the City plan. If said spouse's other available healthcare plan coverage is not equivalent to the City plan or if the Plan's cost exceeds the cost of the City plan, then the City shall have the option of: (a) providing payment to the member to make the cost equal, (b) and/or providing only such coverage as to make the plans equivalent, or (c) maintaining the City plan for the spouse. At the request of the City, the member shall be obligated to provide proof that his or her spouse is not eligible to receive healthcare coverage from another source or that such coverage is not otherwise equivalent coverage pursuant to this agreement. Should the spouse lose the alternate coverage from an alternate source, the City shall restore spousal healthcare coverage on the first day of the month after notice has been received. The aforementioned healthcare coordination of benefits for Active Members' spousal coverage will not reduce the members' healthcare benefits or increase the co-payments/co-shares or costs paid by members or their spouses if such spouses become covered by another healthcare plan through coverage and benefits. Members' spouses will be no longer eligible to decline healthcare benefits in return for the receipt of "buyback" stipends.

ARTICLE XIX

DENTAL BENEFITS

Section 1. For the purpose of providing employees covered by this Agreement with Dental benefits, individual coverage and family coverage as appropriate, the parties agree as follows.

a.) The City of Providence shall continue to provide all existing Dental benefit coverage to employees employed by both the City and the Providence School District and who are covered under Collective Bargaining Agreements with the Union as the exclusive representative through December 31, 2015. Effective January 1, 2016, the obligation to provide Dental benefit coverage shall be assumed by the Rhode Island Public Employees' Health Services Fund. The obligation of the City shall be to contribute to the Rhode Island Public Employees' Benefit

Funds such additional amount of money on the existing monthly contribution schedule that is equal to the total of the City and School District's December 2015 Delta Dental of Rhode Island premium for its City 1033 and PPSD 1033 Groups minus $4444.44, on a per capita bases, commutated on the number of employee subscribers.1

This additional contribution allocated to provide Dental benefits shall remain fixed and shall not increase through June 30, 2019. Furthermore, the Union agrees that for the purpose of establish a premium/working rate for all of the City/PPSD groups, the utilization experience of the group(s) administered by the Rhode Island Public Employees' Health Services Fund may be applied through June 30, 2018.

b.) The Rhode Island Public Employees' Health Services Fund shall make a one-time payment to the City of Providence of $26,700 within fifteen days of ratification of this agreement by all parties. This payment shall be utilized by the City to support wellness and preventive medicine programs for the Unions' bargaining units.

Section 2. Upon presentation of proof of alternative dental care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, employees eligible for paid dental benefits under this Agreement may choose not to be covered under the Employer's group dental insurance policy. Eligible employees enrolled in a family plan making this choice shall receive $500.00 for each full contract year in which they are not covered for family coverage and for those dropping individual coverage, the compensation shall be $250.00 for each full contract year of non-coverage by an Employer plan. The parties understand and agree that employees whose spouses are employed by the Employer and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the employee opts out under this section, he shall receive no coverage pursuant to this

[1] For example, if the December premium for City1033 and PSD 1033 equals 130,000 and covers 1575 employees, the additional monthly contribution commencing January 2016 shall be 130000-4444.44 = 125555.56/1575 =$79.72 per employee, per month.

Article, except that employees may opt back into the Plan in the event of a major life event causing loss of alternative and equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage or equivalent coverage may be required by the Employer before the employee is re-enrolled. Payments to employees under this provision shall be made at the end of each year, in arrears for the period of October to September with payment made in September. If an employee has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this section for that year. Effective January 1, 2016, the aforementioned buyback shall be eliminated.

ARTICLE XX

UNION BENEFIT TRUST FUNDS

Section 1. In order to provide each employee covered by this Agreement and their dependents with the benefits described below and which are provided through Union Benefit Trust Funds, the Employer agrees to contribute $3.42 per hour for each straight-time hour each employee covered by this Agreement is paid. The above language notwithstanding, the Employer's contribution shall be paid for the full day [seven (7) or eight (8) hours] for every day that the employee receives pay, including days of holiday and leave, or a contribution is otherwise due under Section 3 below. Of said $3.42 per hour, $1.70 shall be paid to the LIUNA National (Industrial) Pension Fund and $1.72 per hour shall be paid the RI Public Employees' Benefits Fund.

Effective July 1, 2011, the parties elected to participate in the preferred schedule as codified in the Funding Rehabilitation Plan of the Laborers' International Union of North America National (Industrial) Pension Fund and the Employer's contributions to the LIUNA National (Industrial) Pension Fund shall be increased according to said Preferred Schedule. The Employer's contribution to the RI Public Employees' Benefits Fund shall remain at $1.72 per straight-time hour that each employee covered by this Agreement is paid through June 30, 2017.

Effective July 1, 2017, said contribution to the to the RI Public Employees' Benefits Fund shall be increased by $.09 to $1.81 per straight-time hour that each employee covered by this Agreement is paid.

Section 2. Said contributions will be paid to the Fund no later than the fifteenth (15th) day of each month and shall be based on the preceding month's payroll.

Section 3. An employee receiving Workers' Compensation benefits shall be considered to be working his normal and regular workweek.

Section 4. In addition to all other Employer contributions required herein, the Employer shall also pay to the Rhode Island Public Employees' Health Services Fund, no later than January 15, an amount equal to the one-half (½%) percent wage assignment as required in the parties' May 26, 1994, Memorandum of Agreement. The parties acknowledge that this amount is not an additional Employer contribution but rather is an assignment of a portion of the July 1, 1994, wage increase. The contribution due January 2004 shall be paid January 2009.

Section 5. Each employee covered by this Agreement and their dependents shall be provided prescription drug benefits, vision care benefits, life insurance, and a Wellness Benefit Program from the "Rhode Island Public Employees' Health Services Fund", established by Declaration of Trust dated July 1, 1979. Said fund shall be administered by a Board of Trustees selected and appointed under the provisions of the Trust Agreement executed by the Union.

Section 6. Each employee covered by this Agreement shall receive retirement benefits from the Laborers' International Union of North America National (INDUSTRIAL) Pension Fund based upon the Trust Fund document and Rules and Regulations of said Fund. The Union and the Employer have signed an Agreement and Declaration of Trust of the Laborers' International Union of North America National (INDUSTRIAL) Pension Fund.

Section 7. Each employee covered by this Agreement and their dependents shall be provided with assistance in defraying the cost of legal counsel through the "Rhode Island Public

Service Employees' Legal Services Fund", established by a Declaration of Trust dated September 20, 1974. The Fund is administered by a Board of Trustees selected and appointed under the provisions of the Trust Agreement executed by the Union. The Fund shall not be used to provide benefits which defray any expenses for disputes, grievances, or legal proceedings between employee-participant, his spouse, or dependents and the Employer, the Union or any of its members, their agents, or any legal entity of which they are a part.

Section 8(A). Employees covered by this Agreement shall be offered necessary educational, vocational, specialty and safety related training through the "Rhode Island Public Service Employees' Training Fund", established by a Declaration of Trust executed by the Union and from the New England Health and Safety Fund.

Section 8(B). The Employer shall establish a bargaining unit position of Training Coordinator, the primary duty of which shall be designating required training for employees covered by this Agreement and coordinating the development and implementation of said training with the aforestated Funds. Said position shall enjoy wage parity with the position of Employee Benefits Coordinator. This position shall be staffed by an individual nominated by the Rhode Island Public Service Employees' Training Fund.

ARTICLE XXI

GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. Grievances. It is mutually understood and agreed that all grievances of employees or the Union arising out of the provision of this contract shall be filed and processed as follows:

Section 2. The employee's Union stewards shall be guaranteed sufficient time off during working hours to seek to settle grievances without loss of pay. An aggrieved employee shall have the right to Union representation, during the grievance procedure.

City of Providence

Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2014 in accordance with GASB Statements No. 43 and No. 45

Segal Consulting

DIV 1-31b

Segal Consulting
116 Huntington Avenue 8th Floor Boston, MA 02116-5744
T 617.424.7300 www.segalco.com

December 15, 2015

Mr. Lawrence J. Mancini
Director, Finance Department
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Dear Mr. Mancini:

We are pleased to submit this report on our actuarial valuation of postemployment welfare benefits as of June 30, 2014 under Governmental Accounting Standards Board (GASB) Statements Number 43 and 45. It establishes the liabilities of the postemployment welfare benefit plan in accordance with GASB Statements Number 43 and 45 for the fiscal year beginning July 1, 2014 and summarizes the actuarial data.

This report is based on information received from the City. The actuarial projections were based on the assumptions and methods described in Exhibit II and on the plan of benefits as summarized in Exhibit III.

We look forward to discussing this with you at your convenience.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By:
Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

Daniel J. Rhodes, FSA, MAAA
Vice President and Consulting Actuary

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SECTION 1

EXECUTIVE SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

VALUATION DETAILS

SECTION 4

SUPPORTING INFORMATION

IMPORTANT INFORMATION ABOUT ACTUARIAL VALUATIONS

An actuarial valuation is an estimate of future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

- **Plan of benefits** Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinate with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the City to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
- **Participant data** An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
- **Actuarial assumptions** In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premium, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved the plan's assets, or if there are no assets, a rate of return on the assets of the employer. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the City. It includes information for compliance with accounting standards. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience and health care cost trend, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The City should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the City upon delivery and review. The City should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

PURPOSE

This report presents the results of our actuarial valuation of the City of Providence (the "City" or the "Employer") postemployment welfare benefit plan as of June 30, 2014. The results are in accordance with the Governmental Accounting Standards, which prescribe an accrual methodology for accumulating the value of other postemployment benefits (OPEB) over participants' active working lifetimes. The accounting standard supplements cash accounting, under which the expense for postemployment benefits is equal to benefit and administrative costs paid on behalf of retirees and their dependents (*i.e.*, a pay-as-you-go basis).

HIGHLIGHTS OF THE VALUATION

During the fiscal year ending June 30, 2015, we project the City will pay benefits (net of retiree contributions) on behalf of retired employees of about $32,326,000. This amount is less than the annual "cost" (the "Annual Required Contribution," or ARC) of approximately $62,189,000.

The GASB statements provide the method for selecting the investment return assumption (discount rate). If the benefits are fully funded, the discount rate should be based on the estimated long-term investment yield on the investments expected to be used to finance the payment of benefits. If financing continues to be pay-as-you-go, the discount rate should be based on the expected yield on the assets of the employer. If the benefits are partially funded, a blended discount rate can be used that reflects the proportionate amounts of plan and employer assets expected to be used. We have used a 4.0% pay-as-you-go discount rate.

To determine the amortization payment on the unfunded actuarial accrued liability (UAAL), an amortization period and amortization method must be selected. We have used a 30-year open amortization of the UAAL (the maximum permitted by the GASB statements), with payments increasing at 3.5% per year. The GASB statements allow for either an open or closed amortization period. In open amortization, the period is reset to the initial value every year and the UAAL is reamortized, while under a closed amortization, the remaining period decreases and the UAAL is eventually "paid off."

Assets set aside to fund OPEB liabilities must be held in a trust or equivalent arrangement, through which assets are accumulated and benefits are paid as they come due. Employer contributions to the plan are irrevocable, plan assets are dedicated to providing benefits to retirees and their spouses in accordance with the terms of the plan, and plan assets are legally protected from creditors of the employer.

GASB guidelines prohibit the offset of OPEB obligations by the future value of Medicare Part D subsidies. Therefore, these calculations do not include an estimate for retiree prescription drug plan federal subsidies that the Employer may be eligible to receive for plan years beginning in 2006.

Employer decisions regarding plan design, cost sharing between the Employer and its retirees, actuarial cost method, amortization techniques, and integration with Medicare are just some of the decisions that affect the magnitude of OPEB obligations. We are available to assist you with any investigation of such options you may wish to undertake.

This valuation does not include the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 other than the excise tax on high cost health plans beginning in 2018 and those previously adopted as of the valuation date.

DATA USED

This valuation was performed using employee and retiree census data provided by the City that included the plan in which the employee or retiree is currently enrolled, the cost of the plan, and the employee's or retiree's contribution toward that plan. Spouses were identified by status code, marriage code or a coverage code. Access only spouses were identified based on our understanding of the coverage rules. No liability is included for access only spouses or access only benefits. Assumptions we made regarding missing information are outlined in Exhibit II of Section 4.

Segal Consulting did not audit the data, although it was reviewed for reasonability. The results of the valuation are dependent on the accuracy of the data. While the data resulted in uncertainties, we did not feel that the data could not be used for the purpose of this analysis.

A summary of the eligibility requirements and cost sharing provisions of the retiree health plan was not available. Our understanding of the available benefits and cost sharing provisions is based on the documentation we received (primarily collective bargaining agreements) and our discussions with the City. A summary of our understanding of the plan of benefits is provided in Exhibit III of Section 4.

KEY VALUATION RESULTS

- The **unfunded actuarial accrued liability (UAAL)** as of June 30, 2014 is $980,674,000. Going forward, net unfunded plan obligations will be expected to change due to normal plan operations, which consist of continuing accruals for active members, plus interest on the unfunded actuarial accrued liability, less contributions. Future valuations will analyze the difference between actual and expected unfunded actuarial accrued liabilities.
  - As of June 30, 2014 the ratio of assets to the AAL (the funded ratio) is 0.00%.
- The **Annual Required Contribution (ARC)** for fiscal year 2015 is $62,189,000. The ARC is expected to remain relatively level as a percentage of payroll, as long as the ARC is fully funded each year. If the ARC is not fully funded, it may be expected to increase as a percentage of payroll over time.

The unfunded actuarial accrued liability of $980,674,000 as of June 30, 2014 represents a decrease of $52,213,000 from $1,032,887,000 as shown in the June 30, 2013 valuation.

The unfunded actuarial accrued liability had been expected to increase $37,533,000 due to normal plan operations, which consist of continuing accruals for active members, plus interest on the unfunded actuarial accrued liability, less contributions. The decrease was the net effect of the following;

- An **actuarial experience gain** decreased obligations by $13,749,000. This was the net result of gains and losses due to demographic changes.
- **Valuation assumption and plan changes** decreased obligations by $75,997,000. This was the net result of *decreases* in obligations due to 1) valuation year per capita health costs not increasing as much as projected, 2) revising the trend on Medicare Part B penalty amounts and 3) changes in the demographic assumptions as described in Exhibit II, Section 4 partially offset by *increases* in obligations due to 4) revising the future trend on prescription drug costs, and 5) revising the excise tax on high cost health plans beginning in 2018. The complete set of assumptions is shown in Exhibit II.

ACCOUNTING REQUIREMENTS

The Governmental Accounting Standards Board (GASB) issued Statement Number 43 -- *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* and Statement Number 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* Under these statements, all state and local governmental entities that provide other post employment benefits (OPEB) are required to report the cost of these benefits on their financial statements.

The statements cover postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are *not* offered as part of a pension plan; and long-term disability insurance for employees. These benefits, referred to as OPEB, are typically financed on a pay-as-you-go basis. The new standard introduces an accrual-basis accounting requirement; thereby recognizing the employer cost of postemployment benefits over an employee's career. The standards also introduce a consistent accounting requirement for both pension and non-pension benefits.

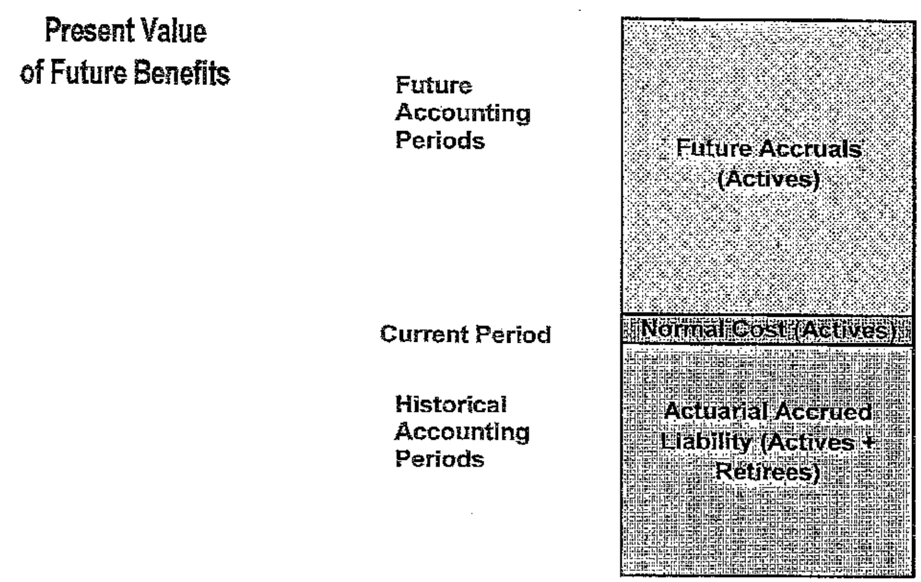
The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

Once the UAAL is determined, the Annual Required Contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) must be reported, including historical information about the UAAL and the progress in funding the Plan.

The benefits valued in this report are limited to those described in Exhibit III of Section 4.

This graph shows how the actuarial present value of the total projected benefits (APB) is broken down and allocated to various accounting periods. The exact breakdown depends on the actuarial cost method and amortization methods selected by the employer.

GASB 43/45 Measurement



Normal Cost
+
30 Years Amortization
of Unfunded Actuarial Accrued Liability
Annual Required Contribution (ARC)

Net OPEB Obligation = $ARC_1 + ARC_2 + ARC_3 + \ldots\ldots$
$- Contribution_1 - Contribution_2 - Contribution_3 - \ldots\ldots$

Actuarial computations under GASB statements are for purposes of fulfilling certain welfare plan accounting requirements. The calculations shown in this report have been made on a basis consistent with our understanding of GASB. Determinations for purposes other than meeting the financial accounting requirements of GASB may differ significantly from the results reported here.

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

Actuarial calculations reflect a long-term perspective, and the methods and assumptions use techniques designed to reduce short term volatility in accrued liabilities and the actuarial value of assets, if any.

The calculation of an accounting obligation does not, in and of itself, imply that there is any legal liability to provide the benefits valued, nor is there any implication that the Employer is required to implement a funding policy to satisfy the projected expense.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and the actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The key results for the current and prior valuation are shown on a pay-as-you-go basis.

SUMMARY OF VALUATION RESULTS
ALL DEPARTMENTS

	Pay-as-you-go (4.0% interest rate)	
	June 30, 2014	**June 30, 2013**
Actuarial Accrued Liability by Participant Category		
1. Current retirees, beneficiaries and dependents	$585,940,515	$610,839,557
2. Current active members	394,733,845	422,047,411
3. Total: (1) + (2)	$980,674,360	$1,032,886,967
4. Actuarial value of assets	0	0
5. Unfunded actuarial accrued liability (UAAL): (3) – (4)	$980,674,360	$1,032,886,967
Annual Required Contribution for Fiscal Year Ending June 30, 2015 and June 30, 2014		
6. Normal cost as of July 1, 2014 and 2013	$25,957,078	$27,054,186
7. Adjustment for timing	514,053	535,779
8. Normal cost adjusted for timing: (6) + (7)	$26,471,131	$27,589,965
9. 30-year amortization (increasing 3.5% per year) of the UAAL	35,024,677	36,889,446
10. Adjustment for timing	693,627	730,555
11. Amortization payment adjusted for timing: (9) + (10)	$35,718,304	$37,620,001
12. Total Annual Required Contribution (ARC): (8) + (11)	62,189,435	65,209,966
13. Projected benefit payments	$32,325,783	$31,298,650

Notes: Assumes payment in the middle of the fiscal year.

10-YEAR PROJECTION OF ARC

30 Years Open (4.0% discount rate)

Fiscal Year Ended June 30	(1) Projected Benefit Payments	(2) Normal Cost	(3) Amortization of UAAL	(4) ARC (2) + (3)	(5) Funding	(6) Assets at End of Year	(7) AAL at End of Year	(8) UAAL at End of Year (7) – (6)
2015	$32,325,783	$26,471,131	$35,718,304	$62,189,435	--	--	$1,013,930,737	$1,013,930,737
2016	35,014,469	27,794,688	36,929,573	64,724,261	--	--	1,047,125,206	1,047,125,206
2017	37,999,558	29,184,422	38,138,588	67,323,010	--	--	1,080,020,504	1,080,020,504
2018	40,983,318	30,643,643	39,336,707	69,980,350	--	--	1,112,676,883	1,112,676,883
2019	43,737,383	32,175,825	40,526,123	72,701,948	--	--	1,145,393,436	1,145,393,436
2020	46,266,477	33,784,616	41,717,732	75,502,348	--	--	1,178,480,123	1,178,480,123
2021	48,173,682	35,473,847	42,922,821	78,396,668	--	--	1,212,667,987	1,212,667,987
2022	50,126,308	37,247,539	44,168,018	81,415,557	--	--	1,248,040,888	1,248,040,888
2023	52,058,847	39,109,916	45,456,376	84,566,292	--	--	1,284,757,153	1,284,757,153
2024	54,206,103	41,065,412	46,793,663	87,859,075	--	--	1,322,746,511	1,322,746,511

Notes: Assumes payment in the middle of the fiscal year.
Amortization payments calculated to increase 3.5% per year.

DEPARTMENT RESULTS

Actuarial Accrued Liability (AAL) and Annual Required Contribution Pay-As-You-Go (4.0%)

	General						
	Class A	Police	Fire	Subtotal	School	Water	Total
Actuarial Accrued Liability by Participant Category							
1. Current retirees, beneficiaries and dependents	$83,600,847	$205,379,595	$186,970,054	$475,950,496	$94,524,730	$15,465,289	$585,940,515
2. Current active members	34,785,196	107,608,492	112,002,716	254,396,404	129,206,219	11,131,222	394,733,845
3. Total as of June 30, 2014: (1) + (2)	$118,386,043	$312,988,087	$298,972,770	$730,346,900	$223,730,949	$26,596,511	$980,674,360
4. Actuarial value of assets as of June 30, 2014	0	0	0	0	0	0	0
5. Unfunded actuarial accrued liability (UAAL) as of June 30, 2014: (3) – (4)	$118,386,043	$312,988,087	$298,972,770	$730,346,900	$223,730,949	$26,596,511	$980,674,360
Annual Required Contribution for Fiscal Year Ending June 30, 2015							
6. Normal cost as of July 1, 2014	$2,727,024	$6,893,518	$6,811,668	$16,432,210	$8,734,940	$789,928	$25,957,078
7. Adjustment for timing	54,006	136,519	134,898	325,423	172,986	15,644	514,053
8. Normal cost adjusted for timing: (6) + (7)	$2,781,030	$7,030,037	$6,946,566	$16,757,633	$8,907,926	$805,572	$26,471,131
9. 30-year amortization (increasing 3.5% per year) of the UAAL as of June 30, 2014	4,228,145	11,178,335	10,677,780	26,084,260	7,990,526	949,891	35,024,677
10. Adjustment for timing	83,734	221,375	211,462	516,571	158,244	18,812	693,627
11. Amortization payment adjusted for timing: (9) + (10)	$4,311,879	$11,399,710	$10,889,242	$26,600,831	$8,148,770	$968,703	$35,718,304
12. Total Annual Required Contribution (ARC): (8) + (11)	7,092,909	18,429,747	17,835,808	43,358,464	17,056,696	1,774,275	62,189,435
13. Projected benefit payments	$6,302,598	$9,317,794	$8,799,736	$24,420,128	$6,769,062	$1,136,593	$32,325,783

Note: Assumes payment in the middle of the fiscal year.

December 15, 2015

ACTUARIAL CERTIFICATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. has conducted an actuarial valuation of certain benefit obligations of the City of Providence other postemployment benefit programs as of June 30, 2014, in accordance with generally accepted actuarial principles and practices. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of GASB Statements Number 43 and 45 for the determination of the liability for postemployment benefits other than pensions.

The actuarial valuation is based on the plan of benefits verified by the City and on participant, premium data and claims experience provided by the City or from vendors employed by the City. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security at termination or adequacy of funding an ongoing plan.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the information necessary to comply with GASB Statements Number 43 and 45 with respect to the benefit obligations addressed. The signing actuaries are members of the Society of Actuaries, the American Academy of Actuaries, and other professional actuarial organizations and collectively meet their "General Qualification Standards for Statements of Actuarial Opinion" to render the actuarial opinion contained herein. Further, in our opinion, the assumptions as approved by the City are reasonably related to the experience and expectations of the postemployment benefit programs.

Kathleen A. Riley, FSA, MAAA, EA
Senior Vice President and Actuary

Daniel J. Rhodes, FSA, MAAA
Vice President and Consulting Actuary

CHART 1

Required Supplementary Information – Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual OPEB Costs	Actual Contributions	Percentage Contributed
2008	$40,447,000	$35,660,000	88.2%
2009	43,282,000	35,022,000	80.9%
2010	79,947,000	39,011,000	36.3%
2011	64,437,000	30,009,000	46.6%
2012	70,635,000	33,843,000	47.9%
2013	74,246,000	36,175,000	48.7%
2014	65,830,000	29,620,000	45.0%
2015	62,938,000	29,134,000	46.3%

Note: 2008 - 2014 information as shown in the City's financial statements.

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CHART 2
Required Supplementary Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
07/01/2007	$0	$542,413,000	$542,413,000	0.00%	$256,157,000	211.75%
07/01/2008	1,035,000	593,903,000	592,868,000	0.17%	274,827,000	215.72%
07/01/2009	1,040,000	1,498,491,000	1,497,451,000	0.07%	268,871,000	556.94%
07/01/2010	1,040,000	1,212,615,000	1,211,575,000	0.09%	267,593,000	452.77%
07/01/2011	0	1,149,115,000	1,149,115,000	0.00%	266,731,000	430.81%
07/01/2012	0	1,190,552,000	1,190,552,000	0.00%	260,546,000	456.95%
07/01/2013	0	1,032,886,967	1,032,886,967	0.00%	267,341,000	386.36%
07/01/2014	0	980,674,360	980,674,360	0.00%	—	—

Notes: Enter covered payroll for fiscal 2015.
2007 – 2013 information as shown in the City's financial statement.

CHART 3

Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA)

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
2008	$9,600,000	$0	$30,847,000	$40,447,000	$35,660,000	$4,787,000	$4,787,000
2009	43,147,000	407,000	(272,000)	43,282,000	35,022,000	8,260,000	13,047,000
2010	79,580,000	1,109,000	(742,000)	79,947,000	39,011,000	40,936,000	63,980,000
2011	63,906,000	2,559,000	(2,028,000)	64,437,000	30,009,000	34,428,000	98,408,000
2012	70,354,000	3,936,000	(3,655,000)	70,635,000	33,843,000	36,792,000	135,200,000
2013	73,860,000	5,408,000	(5,022,000)	74,246,000	36,175,000	38,071,000	173,271,000
2014	65,210,000	6,931,000	(6,311,000)	65,830,000	29,620,000	36,210,000	209,481,000
2015	62,189,000	8,379,000	(7,630,000)	62,938,000	29,134,000	33,804,000	243,285,000

Note: 2008 - 2014 information as shown in the City's financial statements.

CHART 3

Required Supplementary Information – Net OPEB Obligation/(Asset) (NOO/NOA) – by Department

Fiscal Year Ended June 30,	Annual Required Contribution (a)	Interest on Existing NOO (b)	ARC Adjustment (c)	Annual OPEB Cost (a) + (b) + (c) (d)	Actual Contribution Amount (e)	Net Increase in NOO (d) - (e) (f)	NOO as of Following Date (g)
General							
2013	--	--	--	--	--	--	$124,144,000
2014	$42,869,580	$4,965,760	$(4,521,596)	$43,313,744	$21,464,814	$21,848,930	145,992,930
2015	43,358,000	5,834,000	(5,318,000)	43,880,000	22,413,000	21,467,000	167,460,000
School							
2013	--	--	--	--	--	--	$45,074,000
2014	$20,585,029	$1,802,960	$(1,641,694)	$20,746,295	$7,717,388	$13,028,907	58,102,907
2015	17,057,000	2,324,000	(2,116,000)	17,265,000	6,214,000	11,051,000	69,154,000
Water							
2013	--	--	--	--	--	--	$4,053,000
2014	$1,755,357	$162,120	$(147,618)	$1,769,859	$437,598	$1,332,261	5,385,261
2015	1,774,000	215,000	(196,000)	1,793,000	507,000	1,286,000	6,671,000

CHART 4
Summary of Required Supplementary Information

Valuation date	June 30, 2014
Actuarial cost method	Projected Unit Credit
Amortization method	Payments increasing at 3.5% per year
Remaining amortization period	30 years open
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	4.0%
Inflation rate	3.5%
Medical cost trend rate	7.5% decreasing by 0.5% per year to an ultimate rate of 5.0% per year
Drug cost trend rate	11.0% decreasing by 1.0% per year to an ultimate rate of 5.0% per year
Part B trend rate	0.0% for 2 years, then 5.0% per year thereafter
Administrative cost trend rate	3.0%
Plan membership:	
Current retirees	4,499
Current active participants	4,765
Total	9,264

This exhibit summarizes the participant data used for the current and prior valuations.

EXHIBIT I

Summary of Participant Data

	July 1, 2014	July 1, 2013
Active employees covered for medical benefits		
Number of employees		
Male	2,115	2,047
Female	2,650	2,641
Total	4,765	4,688
Average age	46.8	46.9
Average service	13.7	13.7
Average age at hire	33.1	33.2
Retired employees covered for medical benefits		
Number	4,499	4,139
Average age	69.9	69.7

Note: Retired employees reflects the number of individual and family policies. The number excludes access only spouses.

EXHIBIT I (Continued)
Summary of Participant Data

	General					
	Class A	Police	Fire	School	Water	Total
Active employees covered for medical benefits						
Male	436	413	436	667	163	2,115
Female	300	34	16	2,247	53	2,650
Total	736	447	452	2,914	216	4,765
Average age	47.8	42.4	42.7	47.7	47.6	46.8
Average service	12.1	14.6	15.3	13.7	13.2	13.7
Average age at hire	35.7	27.8	27.4	34.0	34.4	33.1
Retired employees covered for medical benefits						
Number of individuals	1,112	672	629	1,914	172	4,499
Average age	71.0	66.7	67.3	71.7	66.3	69.9

Note: Retired employees reflects the number of individual and family policies. The number excludes access only spouses.

EXHIBIT II

Actuarial Assumptions and Actuarial Cost Method

Data: Detailed census data, claims, premium rates and administrative fees for postemployment welfare benefits were provided by the City of Providence.

Actuarial Cost Method: Projected Unit Credit. For active employees, benefits are allocated from date of hire to assumed retirement age.

Per Capita Cost Development:

Insured plans (Blue Cross Blue Shield Plan 65, Blue Chip for Medicare and Blue Medicare Rx)

Per capita costs were based on the fully insured premium rates effective July 1, 2014 for Plan 65 and January 1, 2014 and January 1, 2015 for Blue Chip for Medicare and Blue Medicare Rx, respectively. Costs were trended to the midpoint of the valuation year at assumed trend rates. For Plan 65 that is not community rated, actuarial factors were applied to the premium to estimate individual retiree and spouse costs by age and by gender.

Self-Funded plans (Blue Cross Blue Shield Classic and Healthmate Coast to Coast, Caremark Rx including Post 65 Plan for Police and Fire)

Per capita claims costs were based on the monthly paid claims experience by participant group for the period July 1, 2012 through June 30, 2014. Claims were separated into two 12-month periods and adjusted as follows:

- paid claims were multiplied by a factor to yield an estimate of incurred claims,
- total claims were divided by the number of adult members to yield a per capita claim cost, and
- the per capita claim cost was trended to the midpoint of the valuation year at assumed trend rates.

Taking a weighted average, per capita claims for the two periods were combined. The weights used in this average account for a number of factors including each plan year's volatility of claims experience and distance to the valuation year. Actuarial factors were then applied to the weighted average cost to estimate individual retiree and spouse costs by age and by gender.

Measurement Date:	June 30, 2014
Discount Rate:	4.0% pay-as-you-go
Pre-Retirement Mortality Rates:	
Class A Healthy:	RP-2000 Combined Healthy Mortality Table projected 21 years with Scale AA
Class B Healthy:	RP-2000 Combined Healthy Blue Collar Mortality Table projected 21 years with Scale AA
Teachers	50% of the RP-2000 Combined Tables with White Collar Adjustment
Postetirement Mortality Rates (if different):	
Disabled Retiree (Non-Teachers):	RP-2000 Combined Healthy Mortality Table set forward 3 years
Teachers	
*Healthy Male**	RP-2000 Healthy Annuitant with Large Benefit Amount Adjustment Mortality Table for males set back one year and projected generationally with Scale AA
*Healthy Female**	RP-2000 Healthy Annuitant with Large Benefit Amount Adjustment Mortality Table for females set back three years and projected generationally with Scale AA
Disabled Retiree	60% of the PBGC Mortality Table Va for males and VIa for females for Disabled Lives Receiving Social Security Benefits
	The above mortality assumptions were determined to contain provisions appropriate to reasonably reflect future mortality improvements.

* *These tables are intended to approximate the Gabriel, Roeder Smith & Company (GRS) tables used in the Employees' Retirement System of Rhode Island Actuarial Valuation Report as of June 30, 2014, dated December 17, 2014 completed by Gabriel, Roeder Smith & Company.*

Termination Rates before Retirement:

Class A – Rate (%)

	Mortality		
Age	**Male**	**Female**	**Disability**
20	0.02	0.01	0.02
25	0.03	0.02	0.03
30	0.04	0.02	0.05
35	0.07	0.04	0.08
40	0.09	0.05	0.10
45	0.11	0.08	0.18
50	0.15	0.12	0.22
55	0.24	0.23	0.28
60	0.48	0.46	0.36

Note: 33.33% of the disability rates shown represent accidental disability.

Class B – Rate (%)

	Mortality		
Age	**Male**	**Female**	**Disability**
20	0.02	0.01	0.08
25	0.03	0.02	0.13
30	0.07	0.02	0.19
35	0.10	0.04	0.25
40	0.12	0.06	0.37
45	0.14	0.10	0.66
50	0.16	0.14	1.14
55	0.28	0.24	1.64
60	0.59	0.45	2.28

Note: 90% of the disability rates shown represent accidental disability.

	Teachers - Rate (%)					
	Mortality		Ordinary Disability			Accidental Disability
			Current		Previous	
Age	Male	Female	Male	Female	All	
25	0.02	0.01	0.27	0.23	0.23	0.04
30	0.02	0.01	0.33	0.28	0.28	0.04
35	0.03	0.02	0.45	0.38	0.38	0.06
40	0.04	0.03	0.66	0.55	0.55	0.09
45	0.07	0.05	1.08	0.90	0.90	0.14
50	0.10	0.08	1.83	1.53	1.53	0.24
55	0.17	0.13	3.03	2.53	2.53	0.40
60	0.28	0.23	4.23	3.53	3.53	0.56

Withdrawal Rates:

Rate (%)			
Age	Class A	Age	Class B
20	14.00	20	2.50
25	11.50	25	1.90
30	9.00	30	1.40
35	6.50	35	0.90
40	5.00	40	0.55
45	3.75	45	0.35
50	2.50	50	0.15
55	1.25	55	0.00
60	0.00	60	0.00

Teachers - Rate (%)

Current		Previous		
Service	All	Service	Male	Female
0	18.00	0	17.00	8.90
1	12.00	1	9.00	7.78
2	8.00	2	5.62	6.81
3	6.48	3	4.55	5.95
4	4.82	4	3.64	5.21
5	3.83	5	2.89	4.55
6	3.17	6	2.29	3.98
7	2.70	7	1.81	3.48
8	2.36	8	1.45	3.05
9	2.09	9	1.20	2.66
10	1.87	10	1.20	2.33
11	1.70	11	1.20	2.04
12	1.55	12	1.20	1.78
13	1.43	13	1.20	1.56
14	1.32	14	1.20	1.36
15	1.23	15	1.20	1.19
16	1.15	16	1.20	1.04
17	1.08	17	1.20	0.91
18	1.02	18	1.20	0.80
19	0.96	19	1.20	0.70
20	0.91	20	0.94	0.61
21	0.87	21	0.94	0.53
22	0.83	22	0.94	0.47
23	0.79	23	0.94	0.41
24	0.76	24	0.94	0.36

Retirement Rates:

Age	Rate (%) Class A: Fewer than 10 Years of Service	Rate (%) Class A: 10 Years of Service or More	Rate (%) Class B
40	2.00	4.50	5.50
41	2.25	5.00	5.50
42	2.50	5.50	5.50
43	2.75	6.00	5.50
44	3.00	6.50	5.50
45	3.25	7.00	5.75
46	3.50	7.50	6.00
47	3.75	8.00	6.25
48	4.00	8.50	6.50
49	4.25	9.00	6.75
50	4.50	9.50	7.00
51	5.00	10.00	7.25
52	5.50	10.50	7.50
53	6.00	11.00	7.75
54	6.50	11.50	8.00
55	7.00	12.00	10.00
56	7.00	12.00	12.50
57	7.00	12.00	15.00
58	7.00	12.00	17.50
59	7.00	12.00	25.00
60	10.00	12.50	100.00
61	11.00	13.50	- -
62	12.00	14.50	- -

Retirement Rates:

	Rate (%)		
Age	Class A		Class B
	Fewer than 10 Years of Service	10 Years of Service or More	
63	13.00	16.00	--
64	14.00	17.50	--
65	15.00	20.00	--
66 – 74	15.00	20.00	--
75	100.00	100.00	--

Teachers

A flat 25% per year retirement probability for members eligible for unreduced retirement until age 74, then 100% at age 75. A 60% retirement probability at first eligibility will only be applied if the member has reached age 65 or has at least 25 years of service.

Rates based on the years from Normal Retirement Age for Teachers eligible for a reduced retirement benefit.

Years from Normal Retirement Age	Rate (%)
5	2%
4	2%
3	2%
2	3%
1	4%

Previously,

Teachers – Rate (%)

Service (00/28)			Age (60/10)		
Service	Male	Female	Age	Male	Female
28	25.00	20.00	60	20.00	20.00
29	15.00	15.00	61	15.00	15.00
30-31	20.00	20.00	62	30.00	25.00
32-33	30.00	30.00	63	25.00	20.00
34	40.00	35.00	64	10.00	20.00
35	55.00	50.00	65	25.00	35.00
36-39	40.00	40.00	66-74	25.00	25.00
40	100.00	100.00	75	100.00	100.00

Dependents:

Demographic data was available for most of the spouses of current retirees, except School retirees and Local 1033 retirees. For future Class A and teacher retirees and current Class A and Teacher retirees missing spousal information, husbands were assumed to be three years older than their wives. For future Class B retirees and Class B retirees missing spousal information, husbands were assumed to be the same age as their wives. For future retirees who elect to continue their health coverage at retirement, 80% of retirees with employer-paid spouse coverage were assumed to have an eligible spouse who also opts for health coverage at that time.

Per Capita Health Costs:

Fiscal 2014 - 2015 medical and prescription drug claims costs are shown in the table below for retirees and for spouses at selected ages. These costs are net of deductibles and other benefit plan cost sharing provisions.

Self-Insured Non-Medicare Plans

	Medical				Prescription Drug			
	Retiree		Spouse		Retiree		Spouse	
Age	Male	Female	Male	Female	Male	Female	Male	Female
45	$5,398	$6,772	$3,348	$5,055	$1,791	$2,246	$1,111	$1,677
50	6,407	7,298	4,475	5,860	2,125	2,421	1,485	1,944
55	7,609	7,856	5,988	6,783	2,524	2,606	1,986	2,250
60	9,036	8,468	8,017	7,867	2,998	2,809	2,659	2,609
65	10,732	9,122	10,732	9,122	3,560	3,026	3,560	3,026
70	12,438	9,831	12,438	9,831	4,126	3,261	4,126	3,261
75	13,404	10,582	13,404	10,582	4,446	3,510	4,446	3,510
80	14,435	11,408	14,435	11,408	4,788	3,784	4,788	3,784

	Plan 65				Post 65 Plan for Police and Fire			
	Retiree		Spouse		Retiree		Spouse	
Age	Male	Female	Male	Female	Male	Female	Male	Female
45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
55	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
65	1,779	1,512	1,779	1,512	2,764	2,349	2,764	2,349
70	2,062	1,630	2,062	1,630	3,203	2,532	3,203	2,532
75	2,222	1,754	2,222	1,754	3,452	2,725	3,452	2,725
80	2,393	1,891	2,393	1,891	3,718	2,938	3,718	2,938

Blue Chip: $1,836

Blue Medicare Rx (PDP) $2,316 if enrolled in the Post 65 Plan for Police and Fire

Annual Medicare Part B Penalty Reimbursement: $1,154

Health Care Cost Trend Rates: Health care trend measures the anticipated overall rate at which health plan costs are expected to increase in future years. The rates shown below are "net" and are applied to the net per capita costs shown above. The trend shown for a particular plan year is the rate that is applied to that year's cost to yield the next year's projected cost.

Year Ending June 30	Medical	Prescription Drug	Part B	Administration
2015	7.5%	11.0%	0.0%	3.0%
2016	7.0%	10.0%	0.0%	3.0%
2017	6.5%	9.0%	5.0%	3.0%
2018	6.0%	8.0%	5.0%	3.0%
2019	5.5%	7.0%	5.0%	3.0%
2020	5.0%	6.0%	5.0%	3.0%
2021 or later	5.0%	5.0%	5.0%	3.0%

Retiree Contribution Increase Rate: Contributions do not increase after retirement. Local 1033 and Teacher contributions increase with trend until benefits commence.

Administrative Expenses: Based on current vendor contracted rates and fees, an administrative expense load of $334 per participant for the self-insured plans increasing at 3.0% per year was added for projected incurred self-insured claim costs in developing the benefit obligations.

Participation and Coverage Election: 100% of active employees with coverage are assumed to elect retiree coverage.

100% of retirees over age 65 are assumed to remain with their current medical plan for life.

For current retirees under age 65 and future retirees, 100% are assumed to be eligible for Medicare and are assumed to enroll in Plan 65 upon reaching age 65, or, if Class B, to enroll in the Post 65 Plan for Police and Fire that coordinates with Medicare upon reaching age 65.

Plan Design: Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit III.

Missing Participant Data: A missing census item for a given participant was assumed to equal the average value of that item over all other participants of the same status for whom the item is known.

Health Care Reform Assumption:	This valuation does not include the potential impact of any future changes due to the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act (HCERA) of 2010 other than the excise tax on high cost health plans beginning in 2018 (reflected with this valuation) and those previously adopted as of the valuation date. The addition of the excise tax in this valuation increased the actuarial accrued liability by 2.9% and normal cost by 5.1%.
Medicare Part D Subsidy Assumption:	GASB guidelines prohibit the offset of OPEB obligations by the future value of Medicare Part D subsidies. Therefore, these calculations do not include an estimate for retiree prescription drug plan federal subsidies that the Employer may be eligible to receive for plan years beginning in 2006.
Demographic Assumptions:	The demographic assumptions used in this valuation are the same as used in The Employee Retirement System of the City of Providence Actuarial Valuation and Review as of July 1, 2014, dated April 24, 2015 completed by Segal Consulting for non-teachers and the Employees' Retirement System of Rhode Island Actuarial Valuation Report as of June 30, 2014, dated December 17, 2014, completed by Gabriel, Roeder Smith & Company for teachers. As noted earlier, the mortality assumption for healthy retired teachers used in this valuation is an approximation of the assumption used in the ERSRI valuation. A review of the demographic assumptions is beyond the scope of this assignment, however, we have no reason to doubt the reasonableness of the assumptions.

Assumption Changes since Prior Valuation:

- The per capita health costs were updated to reflect current experience.
- The prescription drug and Part B Penalty trend assumptions were revised to reflect current experience.
- The turnover, disability and retirement assumptions for teachers were changed to match the assumptions used in the Employees' Retirement System of Rhode Island Actuarial Valuation Report as of June 30, 2014, dated December 17, 2014, completed by Gabriel, Roeder Smith & Company.
- Retiree contributions were updated as described in Section 4, Exhibit III on page 35.
- The excise tax on high cost health plans beginning in 2018 was revised in this valuation, resulting in a 2.9% increase in the actuarial accrued liability and a 5.1% increase in the normal cost.

EXHIBIT III
Summary of Plan

This exhibit summarizes the major benefit provisions as included in the valuation. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Eligibility:

The following groups of retirees receiving a pension from The Employee Retirement System of the City of Providence or The Employees' Retirement System of Rhode Island are first eligible for postretirement medical benefits:

Class A:

- Members hired prior to July 1, 1995: Age 55 and 10 years of service or the age at which 25 years of service are completed, if earlier.
- Members hired between July 1, 1995 and June 30, 2004: Age 55 and 10 years of service or the age at which 30 years of service are completed, if earlier.
- Members hired on or after July 1, 2004: Age 55 with 10 years of service or the age at which 30 years of service are completed, if earlier.

Class B:

- Members hired prior to July 1, 2004: Age 55 and 10 years of service or the age at which 20 years of service are completed, if earlier.
- Members of the Police Department hired between July 1, 2004 and June 30, 2011 and members of the Fire Department hired between July 1, 2004 and June 30, 2012: Age 55 and 10 years of service or the age at which 23 years of service are completed, if earlier.
- Members of the Police Department hired on or after July 1, 2011 and members of the Fire Department hired on or after July 1, 2012: Age 55 and 10 years of service or the age at which 25 years of service are completed, if earlier.

Teachers:

- Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age, with 10 years of service.
- Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's Article 7 Retirement Date and the member's Social Security normal retirement age. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's Article 7 Retirement Date. The minimum retirement age is 59.
- Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their Article 7 Retirement Date if they continue to work and contribute until that date.
- A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time.
- Article 7 Retirement Date (member's retirement date as of September 30, 2009):
  - Article 7 Retirement Date – Grandfathered Schedule A members – members with at least 10 years of contributory service as June 30, 2005 and eligible for retirement at September 30, 2009 – are eligible to retire on or after age 60 if they have credit for 10 years of service or at any age if they have credit for 28 years of service.
  - Article 7 Retirement Date – Schedule B members – members with less than 10 years of contributory service as June 30, 2005 and members hired on or after that date – are eligible to retire on or after age 65 if they have credit for 10 years of service, or on or after age 62 if they have credit for 20 years of service.
  - Article 7 Retirement Date – Schedule A members who are not grandfathered, *i.e.*, members who had at least 10 years of creditable service at June 30, 2005 but who were not eligible to retire on September 30, 2009, will be eligible for retirement at an individually determined age. This age is a result of

interpolating between the retirement age under the rules applicable to Grandfathered Schedule A members and the retirement age applicable to Schedule B members. The interpolation is based on service as of September 30, 2009 divided by projected service at the retirement age for Grandfathered Schedule A members.

Disability: Accidental (job-related) Disability has no age or service requirement. Ordinary (non-job related) Disability has no age requirement but requires 10 years of creditable service.

Pre-Retirement Death: Surviving spouses of members who die in active service are eligible for subsidized benefits. The benefit summary beginning on page 32 describes which spouses are eligible for subsidized benefits.

Post-Retirement Death: Surviving spouse is eligible. The benefit summary beginning on page 36 describes which spouses are eligible for subsidized benefits.

Benefit Types: Medical and prescription drug benefits are provided to all eligible retirees through plans offered by Blue Cross Blue Shield of Rhode Island and CVS Caremark. Prescription drug benefits are paid by the retiree, except for Class B retirees. The Medicare Part B Penalty is paid for by the City for 403 retirees and spouses. Vision and dental benefits are offered but are 100% retiree paid. Any benefit that is 100% paid by the retiree has no impact on this valuation and has been excluded.

Duration of Coverage: Lifetime.

Dependent Coverage: Certain married and surviving spouses are eligible to receive subsidized medical coverage. A description of these rules can be found in the benefit summary on page 36.

Medicare Integration Rule (Police and Fire only): Carve-out method in which the plan benefit is first determined without regard to Medicare payments, and is then reduced by the amount of such payments.

Retiree Contributions for Future Retirees:

Local 1033:

- Pre-65 (20%, effective July 1, 2014) — $1,607
- Plan 65
  - Local 1033 hired before June 30, 2008 — $0
  - Local 1033 hired after June 30, 2008 — $1,884

Teachers:

- Pre-65 — $1,086
- Plan 65 — $0

Other Class A:

- Pre-65 — $0
- Plan 65 — $0

Class B:

- Pre-65
  - Fire — $0
  - Police — $600
- Post 65 Plan for Police and Fire (assuming all opted into settlement and will not pay for coverage)
  - Fire — $0
  - Police — $0

Notes: Contributions for current retirees are reported in the data.
The portion of the contribution attributable to access only benefits is excluded.
Contributions do not increase after retirement. Local 1033 and Teacher contributions increase with trend until benefits commence.
The Teacher pre-65 retiree contribution amount of $1,086 is based on the September 1, 2011 – August 31, 2014 agreement between the Providence Teachers Union AFL Local 958, AFL-CIO and the City of Providence. It does not reflect any subsequent changes from the new agreement which is still being finalized.

Benefit Summary:

Key: A = Employer Paid
B = Retiree Paid/Access Only
C = Co-share

	Medical*	
	Under 65	**Over 65**
Local 1033		
Current Retirees (using contribution from data)		
Future Retirees		
Retiree	C	A, if hired before July 1, 2008, otherwise B
Spouse	B	B
Surviving Spouse	C	A, if hired before July 1, 2008, otherwise B
Teachers		
Current Retirees (using contribution from data)		
Future Retirees		
Retiree	C	A
Spouse	B	B
Surviving Spouse	C	A
Other Class A		
Current Retirees (using contribution from data)		
Future Retirees		
Retiree	A	A
Spouse	B	B
Surviving Spouse	A	A

* *For Police and Fire, also includes prescription drug coverage.*

	Medical*	
	Under 65	Over 65
	Key:	A = Employer Paid B = Retiree Paid/Access Only C = Co-share
Police		
Current Retirees (using contribution from data)		
Future Retirees		
Retiree	C	A
Spouse	A, if hired before July 1, 1998, otherwise B	A, if hired before July 1, 1998, otherwise B
Surviving Spouse	C	A
Fire		
Current Retirees (using contribution from data)		
Future Retirees		
Retiree	A	A
Spouse	A, if hired before July 1, 1996, otherwise B	A, if hired before July 1, 1996, otherwise B
Surviving Spouse	A	A

* *For Police and Fire, also includes prescription drug coverage.*

8279451v1/13959.002

DIV 1-31c

RECEIVED
DEC - 8 1998
WATER SUPPLY BOA

Public Service Employees'
Local Union 1033

410 South Main Street
Providence, Rhode Island 02903-7124
Tel. (401) 331-1033
Fax (401) 421-0244

RECEIVED
DEC - 8 1998
PWSB PERSONNEL

December 7, 1998

Mr. Richard O. Rafanovic, P.E.
Chief Engineer and General Manager
Water Supply Board
552 Academy Avenue
Providence, RI 02908

Subject: Memorandum of Agreement - Water Treatment Operators

Dear Chief Rafanovic:

I herein enclose two (2) original copies of the above-cited agreement. Please process the necessary change in Status Forms to implement the same.

As always, thank you for your assistance.

DONALD S. IANNAZZI, ESQ.
Legal Counsel

DSI/lc

Enclosure

cc: Tim Walsh

originals to K Moretti ROR

MOA file
cc: Mike Covellone

Effective date? 7/1/98?
for those (5) grandfathered ees
10/21/98? per ROR
Prepare paperwork

MEMORANDUM OF AGREEMENT
(WATER TREATMENT OPERATORS)

ENTERED into this 21st day of October, 1998, by and between the City of Providence on behalf of its Providence Water Supply Board (PWSB) and the Rhode Island Laborers' District Council, on behalf of Local Union 1033 (Union);

WHEREAS, the parties hereto are desirous of assisting bargaining unit employees assigned as Water Treatment Operators in obtaining legally mandated Certification and achieving and maintaining mandated training and continuing education requirements; and

WHEREAS, the parties hereto recognize that such assistance to bargaining unit employees shall enhance the quality of services to the citizenry; and

WHEREAS, the parties hereto, recognizing that both legally mandated obligations and mutually agreed to obligations of bargaining unit employees have resulted in changes in the terms and conditions of employment for bargaining unit employees assigned as Water Treatment Operators;

THEREFOR, the parties, following discussion and negotiation, hereby AGREE

1. The five (5) senior Water Treatment Operators will select fixed shifts by seniority. The remaining Water Treatment Operators will be required to accept flexible shift assignments, as determined by Providence Water. Except for emergencies, or to cover unplanned absences, these individuals subject to shift work will be required to work flexible shifts with two (2) weeks' written notice. All new employees will be required to work flexible schedules to meet operational requirements by seniority and except for emergencies, or to cover unplanned absences, these individuals subject to shift work will be required to work flexible shifts with two (2) weeks' written notice. Employees subject to flexible shift assignments shall be afforded preference by seniority.

2. All Water Treatment Operators must participate in continuing education to maintain certification, ', which includes attendance at classes taken in preparation for certification testing. Water Treatment Operators will be compensated for educational participation as follows:

   a) In the event that training falls outside the employee's work shift, compensation will be made at the rate of $50 for each ½ day of training attended, which includes reasonable travel or $80 for each full day, which includes reasonable travel. There will be no additional allowance for travel time or other out-of-pocket expenses.

b) If training falls within the work shift, employees will be allowed to attend for the duration of training, , which includes reasonable travel, and will be paid straight time for time worked in lieu of the training stipend not to exceed 8 hours per day.

c) If employees are scheduled for training during their work shift and another employee substitutes for them on their regular work shift, the employee attending training will only be paid the educational allotment listed in (a) above and will not be paid straight time plus educational allotment.

3. Members of the bargaining unit without certification bidding for the position of Water Treatment Plant Operator, as well as new hires into this classification, will be paid an hourly wage of $13.53.

4. a) Employees successfully passing "Class I-Treatment Operator" certification will, upon notification by DOH, be paid an hourly rate of $14.65.

b) Employees successfully passing "Class II-Treatment Operator" certification will, upon notification by DOH, be paid an hourly rate of $15.65.

c) Employees successfully passing "Class III-Treatment Operator" certification will, upon notification by DOH, be paid an hourly rate of $16.65.

5. New employees, i.e., not bargaining unit members, without certification will have twelve (12) months from the date of hire to pass the Class I-Treatment Operator test; failure to pass the test will result in termination from employment without recourse to grievance.

6. New employees having successfully passed the Class I-Treatment Operator test within the initial twelve (12) month period will be required to obtain a Class III-Treatment Operator certification within an aggregate of thirty (30) months from the employee's initial date of hire. Employees failing to obtain the Class III-Treatment Operator certification within thirty (30) months from the date of hire or taking the Treatment Operator position will be terminated from employment.

7. Notification from the RIDOH that an operator successfully passes any Class Treatment Operator test either fully or has received a Treatment Operator in Training status, that operator will be paid that Class's rate of pay as of the first (1st) Monday after the written notification is received by Providence Water.

8. Existing bargaining unit members, which does not include temporary employees, competing and filling a Treatment Operator position, will be subject to the requirements and time lines specified herein, except if certification is not obtained as Class I-Treatment Operator within twelve (12) months, they will be returned to their previous position at that position's rate of pay, if it is still available. If there are no vacancies for their prior position, they will be reassigned to the next lower paying position for which a vacancy exists at the grade and pay for that lower position. If in turn, after having achieved Class I-Treatment Operator Certification such employees are not able to obtain the Class III-Treatment Operator Certification within an aggregate of thirty (30) months, they will be returned to their previous position at that position's rate of pay, if it is still available. If there are no vacancies for their prior position, they will be reassigned to the next lower paying position for which a vacancy exists at the grade and pay for that lower position.

9. The parties agree to terms and conditions of the Job Specification for Water Treatment Operator as provided for in the enclosed Job Specification.

10. The parties hereto acknowledge and agree that this Agreement does not constitute an admission of liability on the part of any party, does not constitute a practice or precedent of the parties and shall not be used in any future legal proceeding for any purpose whatsoever except to enforce the provisions of this Agreement as contained herein.

CITY OF PROVIDENCE, BY

RICHARD O. RAFANOVIC, P.E.
GENERAL MANAGER AND
CHIEF ENGINEER

RHODE ISLAND LABORERS'
DISTRICT COUNCIL, BY

RONALD M. COIA
BUSINESS MANAGER

LOCAL UNION 1033, BY

JOSEPH VIRGILIO
PRESIDENT

DONALD S. IANNAZZI, ESQ.
LEGAL COUNSEL

A:\Water Treatment Ops.wpd

125 Hopping Brook Road
Holliston, MA 01746-1471
T 508.893.7979
F 508.893.9898
www.newwa.org

New England Water Works Association
A Section of the American Water Works Association

Events Invoice

April 15, 2016
Invoice No: 00044075
Course Code: DPD316AT
PO#

Sam Ware
Providence Water Supply Board
552 Academy Avenue
Providence, RI 02908

OK to PAY
Amt. $1075.00
P.O.# 35188

Invoice for NEWWA Seminar
"CONCEPTS AND PRACTICES OF DRINKING WATER DISTRIBUTION"

4/18/16

HELD: Holliston, MA
3/3/2016

TOTAL DUE: **$1075**

Credit Card: [ ]VISA [ ]MC [ ]AMEX#________________________

Exp________________ Signature________________________

Thank you for your continued support.

Please detach the bottom half and send in with payment to assure proper posting to your account.

EVENTS PAYMENT

Sam Ware
Providence Water Supply Board
552 Academy Avenue
Providence, RI 02908

Invoice No: 00044075
Course Code: DPD316AT
PO#

Invoice for NEWWA Seminar
"CONCEPTS AND PRACTICES OF DRINKING WATER DISTRIBUTION"

TOTAL DUE: $1075

Credit Card: [ ]VISA [ ]MC [ ]AMEX#________________________Exp. Date ____________

Signature________________________

Please make checks payable to NEWWA and send to New England Water Works Association
125 Hopping Brook Road, Holliston, MA 01746-1471

DIV 1-31e

PayPal

Systemetrics, Inc.
95 Sockanosset Crossroad,
Suite 109,
Cranston, RI 02920
United States
Phone: 401-275-2200
Email: systemetrics@systemetricsinc.com

Date and time: Mar 16, 2016 9:04:12 AM PDT
Transaction ID: 7M35791679313904V

Payment Information
Card type: Visa
Card number: XXXXXXXXXXXX4596

Billing Information
Lauren Deruisseau

Shipping Information
None provided

Invoice No.	Description	Amount
43322	PC Training	$398.00 USD
	Total	$398.00 USD

Thanks for your purchase.

POH
35928

DIV 1-31f

— Lauren

Atlantic States Rural Water & Wastewater Association
11 High Street, Suite 204
Suffield, CT 06078

Invoice

Date	Invoice #
5/4/2016	13598

Bill To

PROVIDENCE WATER SUPPLY BOARD
~~Chris Nocera~~ Yvette C. JAQUEZ
552 ACADEMY AVE
PROVIDENCE RI 02908

Ship To

P.O. No.	Terms
	Net 30

Item	Description	Invoiced	Rate	Amount
Registration	RI Conference Registration including lunch - May 4, 2016 - Kevin DiNobile	1	110.00	110.00
Registration	RI Conference Registration including lunch - May 4, 2016 - Kaitlyn Dowdell	1	110.00	110.00
Registration	RI Conference Registration including lunch - May 4, 2016 - Tony Fernandes	1	110.00	110.00
Registration	RI Conference Registration including lunch - May 4, 2016 - Steve Gianfrocco	1	110.00	110.00
Registration	RI Conference Registration including lunch - May 4, 2016 - Frank Healy	1	110.00	110.00
Registration	RI Conference Registration including lunch - May 4, 2016 - Deb Lindstrom	1	110.00	110.00

O.K. to pay
Amt. $ 660.00
PO # 36109
Yvette C. Jaquez
5/26/16

RECEIVED
MAY 26 2016
FINANCE

Total	$660.00
Payments/Credits	$0.00
Balance Due	$660.00

DIV 1-31g

Invoice

Rhode Island Water Works

PO Box 216
West Kingston RI 02892

Date	Invoice #
5/19/2016	1

Bill To
Prov Water

O.K. to pay
5/19/16
Amt. $160.00
PO# 36126
Yvette R. Jacquez

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
4	May 12th Quarterly Meeting	40.00	160.00

Total	$160.00

DIV 1-31h

BOSCH · JURID · NGK · ACTION AUTO PARTS · Bendix · Intermotor · WAGNER

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Prt :PRT016
User:fred
Loc : 3
Page: 1

PROVIDENCE WATER SUPPLY-ACADEM Cust: 1920-0
552 ACADEMY AVE
PROVIDENCE RI 02908

P/O :AUTOMOTIVE
Ph:521-6300 x7118

CHARGE INVOICE:590887
Codes: R REPRINT
01/25/2016 3:57PM

QUANTITY	LINE	PART NUMBER	DESCRIPTION	CORE	LIST EACH	YOUR COST	EXTENSION	TAX
1	MIS	2016TP	(1)		599.99	599.99	599.99	X
	(1) 2016 TECH TRAINING PROGRA							
1	MIS	2016TP	(1)		599.99	399.99	399.99	X
	(1) 2016 TECH TRAINING PROGRA							
	*PRICE REFLECTS DISCOUNT ON 2ND PACKAGE							
	A/R CHARGE		999.98					
	Terms:NET 10TH			ON30				

TOTAL UNITS	FREIGHT	LABOR	MISC.	CORE TOTAL	LIST TOTAL	NON-TAXABLE	TAXABLE	TOTAL TAX
					1199.98	999.98		

We offer - Machine shop services, loaner tools, custom pipe bending. MITCHELL Step by Step Procedures Available

Customer Copy

PAY THIS AMOUNT 999.98

OK to pay
Amt. $999.98
PO# 35866
[signature] 5/9/16

ALL GOODS RETURNED MUST BE ACCOMPANIED BY THIS INVOICE

Acct Unit #001-020
Acct # 52700

Providence Water
Analysis of Healthcare Deductions & Co-pays
Fiscal Year Ending 6/30/2015

For Div 1-31 (G & H)	Bi weekly Company Deduction	Bi Weekly Employee Deduction	Total Company and Employee Deduction	Annual Company Expense	Annual Employee Expense	Total Company and Employee expense	Employee /Total
Non-Union Family	$ 561.84	$ 140.46	$ 702.30	$ 14,607.84	$ 3,651.96	$ 18,259.80	20%
Non-Union Individual	$ 225.98	$ 56.50	$ 282.48	$ 5,875.48	$ 1,469.00	$ 7,344.48	20%
Non-Bargaining Family	$ 479.54	$ 119.89	$ 599.43	$ 12,468.04	$ 3,117.14	$ 15,585.18	20%
Non-Bargaining Individual	$ 191.41	$ 47.85	$ 239.26	$ 4,976.66	$ 1,244.10	$ 6,220.76	20%
Union Family	$ 499.02	$ 88.06	$ 587.08	$ 12,974.52	$ 2,289.56	$ 15,264.08	15%
Union Individual	$ 199.29	$ 35.71	$ 235.00	$ 5,181.54	$ 928.46	$ 6,110.00	15%
Union Family (Base salary >= $50,000/yr)	$ 469.66	$ 117.42	$ 587.08	$ 12,211.16	$ 3,052.92	$ 15,264.08	20%
Union Individual (Base salary >= $50,000/yr)	$ 187.57	$ 46.89	$ 234.46	$ 4,876.82	$ 1,219.14	$ 6,095.96	20%
Delta Dental Family	$ 52.25	$ -	$ 52.25	$ 1,358.50	$ -	$ 1,358.50	0%
Delta Dental Individual	$ 16.48	$ -	$ 16.48	428.48	$ -	$ 428.48	0%

Notes:
Non-Union = Management
Non-Bargaining = Management that were in the Union prior to Management

Management Health insurance co-pay rate is 20%
Union Health insurance co-pay rate is 15% for union employees with annual base wages of < $50,000
Union Health insurance co-pay rate is 20% for union employees with annual base wages of >= $50,000. PW has very few employees in this category.