

Rebuttal Testimony  
of  
NANCY E. PARRILLO  
before the  
PUBLIC UTILITIES COMMISSION

for

PROVIDENCE WATER

DOCKET# 4618

December 9, 2016

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

2    A.     Nancy E. Parrillo, Senior Manager – Finance for the Providence Water Supply Board  
3            (Providence Water, PW).

4    **Q.     How long have you been employed by Providence Water?**

5    A.     I have been employed since April of 2015 or 1.5 years.

6    **Q.     Would you please state your education, background, and professional associations?**

7    A.     I have a Master's Degree in Business Administration with a concentration in Finance from  
8            Bryant University. I graduated from Wheaton College in Norton, Massachusetts with a  
9            Bachelor of Arts degree with a major in Economics.

10          I participated in Providence Water's last filing, Docket 4571 in the summer of 2015.

11          Prior to joining Providence Water, I was the CFO for the RI Turnpike & Bridge Authority. I  
12          have also spent 12 years in the water and wastewater sectors as CFO for the MA Water  
13          Pollution Abatement Trust, which is the name of the Massachusetts State Revolving Fund  
14          agency, and as CFO for the South Essex Sewerage District, Massachusetts's second largest  
15          wastewater treatment facility.

16          I currently am the Treasurer for the RI Maritime Trades Association.

17   **Q.     Please explain your duties and responsibilities.**

18   A.     I am responsible for the Finance Department which includes Accounting, Financial  
19          Planning, Budgeting, Accounts Payable, Payroll, and Regulatory. I am also responsible for

oversight of the Customer Service area which includes Billing, Collections, and the Meter Department.

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

A. To provide rebuttal testimony for Providence Water in our current rate case.

**Q. What issues will you address in your rebuttal testimony?**

A. I will be addressing issues raised by the Division and the Wholesaler interveners in their direct testimony. The following are the issues that I will be addressing:

Payroll : 14 positions & related fringe costs, overtime, payroll tax

Overhead rate applied	Payment In Lieu Of Taxes (PILOT)
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Workers Compensation	Plant Asset Review
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Restricted Insurance Fund	Regulatory and Rate Case Expense
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Property Tax Refund	Western Cranston Restricted Fund
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Miscellaneous Revenue	Chemical Fund
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**Payroll**

**Q. Do you agree with the Division's proposal to remove the expenses related to the proposed 14 new positions and the related fringe expense (\$961,793)?**

A. No, I do not. Providence Water has not been able to address its personnel needs adequately as we have been spending more than the expected personnel expenses allowed through Docket 4406. Total personnel expenses - salaries, fringe benefits, city retirement, and other fringe benefits - allowed in Docket 4406 was \$22,507,320. Salaries with overtime was \$14,282,574.

1 Fringe benefits including retirement expenses totaled \$8,224,746. An analysis of actual costs  
2 shows that while salaries and overtime were less in 3 of the last 4 years as compared to the  
3 amount allowed through Docket 4406, fringe benefits continued to rise. This forced us to  
4 reallocate salary dollars to fringe dollars, particularly to the retirement and other fringe benefit  
5 costs. This reallocation of dollars has not allowed us to fill the requested levels of positions.

6 The payroll tax adjustment that the Division is proposing is directly related to the incremental  
7 payroll associated with the new positions and anticipated overtime.

8 We also disagree with the Division's proposed overtime expense adjustment of \$211,133. We  
9 based our proposed overtime expense on the test year amount of \$911,601 which is historically  
10 in line with the previous 3 years. See Schedule of Number of Employees and Overtime (pursuant  
11 to 2.9(j) of Commission Rules of Practice and Procedure) in Tab 9 of pre-filed testimony. See NEP  
12 – REB - 1. The fiscal year 2016 overtime expense was less than expected due to the warm weather  
13 patterns experienced in the winter months which resulted in very few emergency repairs  
14 requiring overtime. Also, the budget constraints noted above as related to overall allowable  
15 personnel expense caused management to review any potential other planned work and reduce  
16 any overtime related to these types of projects.

17 **Overhead Rate Applied**

18 **Q. Do you agree with Mr. Smith's statement that Providence Water has not treated the overhead**  
19 **rate applied as being reimbursed from the IFR fund or another capital fund?**

20 **A.** No, I do not. Providence Water did treat the overhead rate applied in the same manner as  
21 payroll clearing. The cost of service schedule, HJS-1, at the Capital Reimbursement line under  
22 Expenses, shows total payroll (\$899,680) and capitalized overheads (\$1,243,407) amounting to

1       \$2,143,087 being deducted from our expenditure total as they are being recovered from IFR  
2       funding.

3       **Q.     Do you agree with Mr. Smith's statement that the IFR fund should not include the amount of**  
4       **overhead being recovered through the IFR fund?**

5       A.     No, I do not. The Overhead Rate Applied had not been included in the IFR plan funding that  
6       Providence Water submitted in its rate filing with the Commission in Docket 4406. However, in  
7       Docket 4406, the Division proposed to include the overhead rate reimbursement from the IFR  
8       fund. Ms. Jeanne Bondarevskis, Senior Director – Administration at Providence Water at the  
9       time of that docket, did not agree to that proposal in her rebuttal testimony (Docket 4406  
10      rebuttal testimony dated September 27, 2013, page 2, lines 17-21). Ms. Bondarevskis also  
11      stated that should this adjustment be made, an increase to the IFR would be included in the  
12      next docket to cover the funding for the overhead rate applied expense. The Division's proposal  
13      was accepted in the Settlement in Docket 4406, and this filing addresses the need to include the  
14      overhead rate reimbursement from the IFR fund. Therefore we are deducting the overhead  
15      rate applied amount from the cost of service expenses and including the amount as an expense  
16      to be recovered in the IFR funding. See the 5 year IFR Expenditure Plan (SS NEP – 12c – 1, Page  
17      2, under the 'budget 2016' column.).

18      **Q,     Do you agree with any part of Mr. Smith's adjustments relating to the payroll clearing and**  
19      **overhead rate applied amounts?**

20      A.     Yes I do. Mr. Smith has increased the test year amount of payroll clearing to reflect projected  
21      wage increases through the rate year. This amounts to \$49,842 (see RCS-4, page 1). He has  
22      likewise increased the payroll clearing (overhead rate applied) amount in a similar manner; this  
23      increases the payroll clearing amount by \$68,885 (see RCS-5, page 1). We increase the

1 Capital Reimbursement amount by a total of \$118,727. This reduces our cost of service and  
2 revenue request by \$118,727.  
3

4 **Workers Compensation Insurance**

5 **Q. Do you agree with the Division's proposal to reduce the Workers Compensation expense by**  
6 **\$136,455?**

7 A. Yes, I do. We now recognize that because the salaries for the employees that were being  
8 compensated by workers compensation were included in the salary expense at what would be  
9 their normal payroll expense had they **not** been on workers comp., we should not include this  
10 amount in the claims expense in the Insurance Fund (restricted) as this would be an  
11 overstatement of expense.

12 **Restricted – Insurance Fund**

13 **Q. What is Providence Water's position on the proposed reduction of funding to the Restricted**  
14 **Insurance Fund?**

15 A. Our position on the proposed reduction of the Restricted Insurance Fund by \$102,113 is that we  
16 do not agree with this adjustment. In a data response in Docket 4406 to data request Division 1-  
17 34, Deputy General Manager Joseph Spremulli explained in great length the necessity and  
18 appropriateness of maintaining a balance in the Insurance Fund in excess of \$2 million. I have  
19 included his response as an exhibit to this rebuttal testimony (see Exhibit NEP – REB – 2). Mr.  
20 Spremulli outlines the complexity of the insurance program for Providence Water. He details that  
21 the Workers Compensation program has a deductible of \$350,000 per claim with a maximum  
22 annual deductible of \$3.5 million. There was a \$25,000 deductible on general liability claims. That  
23 deductible is now \$50,000 per claim. Providence Water has many insurance policies and different

1 deductibles for each of those. This fund allows Providence Water flexibility to enter the insurance  
2 market and manage the amount of premiums that must be paid by changing the level of the  
3 deductibles which ultimately allows us to manage the overall impact of the insurance program on  
4 our rate payers.

5 Also, the Master Trust Indenture that governs the issuance of debt securing  
6 bondholders/investors requires in Section 606(3) that the Insurance Fund be certified annually as  
7 to its sufficiency of funding to cover our insurance costs. (See Exhibits NEP – REB- 3A and NEP –  
8 REB –3B).

9 We feel that any reduction to our request for funding our Insurance costs is not appropriate.  
10 These funds are restricted and are only applied to insurance premiums and deductibles as  
11 required. Therefore, we oppose this adjustment.

#### 12 Property Tax Refund

13 **Q. What is your position regarding the handling of the funding in the Property Tax Refund Account?**

14 A. The Providence Water position on the handling of the property tax refund in the amount of  
15 \$175,000 to be received every year for 9 years with a final payment approximating \$300,000 in  
16 the year 10 as per the settlement agreement between Providence Water and the Town of Foster  
17 is that those funds, per order of the PUC, are to be placed in the restricted Property Tax Refund  
18 account. These funds can be used to pay expenses related to tax appeals and tax litigation, legal  
19 expenses, and appraisals. In order to use these funds for any other purpose, the PUC would have  
20 to approve such other use of the refund amount.

21 In a separate filing to the PUC regarding the tax refund agreement with Foster, we requested  
22 permission to use these funds to finance improvements in the watershed. Such improvements

benefit all of Providence Water's customers and provide for maintenance improvements necessary to the watershed. No ruling by the Commission has been issued on that request.

The Providence Water position is to utilize these funds for the maintenance, protection, and preservation of our reservoirs and watershed area as outlined in the filing made with the PUC in June 2016. See NEP – REB – 4A, 4B, & 4C.

**Payment In Lieu of Taxes (PILOT)**

**Q. The Division and the interveners have filed in their testimony objections to the proposed Payment In Lieu Of Taxes or PILOT (\$326,000). How does Providence Water respond to this?**

A. Providence Water believes that it is fair to the people of the City of Providence that we make the City whole relative to the loss of tax revenue due to the sale of the property at 125 Dupont Drive to Providence Water as testified by General Manager Ricky Caruolo and reiterated by Senior Manager Nancy Parrillo. This position has not been formally discussed with the City of Providence but was developed internally by Providence Water as the fair thing to do. (Data response PUC 1-12.)

Mr. Caruolo also testified that we would not pay taxes to the City unless allowed by the Commission. Although Ms. Marchand presents testimony on page 4 lines 7-24 that the Commission ruled against a PILOT requested by both Pawtucket Water (Docket 1989 in 1991) and Newport Water (Docket 2029 in 1991) because they could "not philosophically or regulatorily accept the notion of the City of Newport taxing its own water department" and that a payment in lieu of taxes...is an element of expense which the Commission has not previously allowed" the current City Solicitor for the City of Providence has expressed a legal opinion that Providence Water is in fact subject to taxation by the City (data response BCWA 1-4, Exhibit BCWA 1-4A) and



1 Providence Water has been issued a tax bill from the Assessor's Office for said taxes. We have  
2 not paid this bill.

3 By approving the PILOT as requested in this filing, Providence Water would only be making  
4 payment to the City for the loss of revenue on its tax rolls from the previous owner.

5 It is also true that there is precedent for a PILOT as Bristol County Water and Kent County Water  
6 both pay a PILOT to member communities – Bristol County Water to Bristol, Warren, and  
7 Barrington and Kent County Water to its member communities. These have been confirmed by  
8 both Mr. Ralph Smith of the Division and Ms. Marchand of Bristol County Water.

9 **Plant Assets**

10 **Q. What would you like to address with respect to plant assets?**

11 A. I would like to address Mr. Mierzwa's testimony where he voices concerns regarding the plant  
12 asset values used in the COSS (pages 6 and 7). Mr. Mierzwa contends that the plant asset review  
13 had not been completed in accordance with the settlement of Docket 4406. This is incorrect. The  
14 review of the accuracy of the plant asset accounts has been completed by Marcom LLP, and their  
15 report was issued to Providence Water on May 12, 2016. This report was included in the initial  
16 rate filing as a supplemental schedule as part of my pre-filed testimony. See SS NEP – C. The  
17 conclusion was that the asset records for plant and depreciation accounts are correct including  
18 the accounting for Contributions In Aid of Construction.

19 **Regulatory and Rate Case Expense**

20 **Q. Does Providence Water agree with KCWA's proposal to reduce rate case expense by \$97,696?**

1 A. No, we do not. We are looking to recover \$97,696 of rate case expenses that were incurred for  
2 Docket 4571 because these costs were excluded. Mr. Woodcock states that recovery of these  
3 costs "after the fact is retroactive rate making" and should not be allowed.

4 However, Providence Water's request to recover these costs in this filing would not be contrary  
5 to Commission practice. Recovery of rate case expense on an amortized basis is an exception to  
6 retroactive rate making principles because these expenses are always incurred, paid,  
7 documented, and then incorporated as an expense in a rate proceeding. Additionally, some of  
8 the rate case expense represents payment of costs incurred by the Division of Public Utilities  
9 (consultant fees) and the Commission (notices, stenographer's fees). We incur these costs, pay  
10 them, and then ask for reimbursement in future years.

11 Mr. Woodcock's claim that these expenses were not part of Docket 4571 is not true as we did file  
12 a Summary of Estimated Rate Case Expenses in Docket 4571 in accordance with the PUC's Rules  
13 of Practice and Procedure, Part II. (See NEP-REB – 5).

14 Also, I have changed our estimate for our annual assessment of PUC and Division Expenses to  
15 reflect the actual current billing of \$302,024.75. This represents an increase of \$26,884 to the  
16 Regulatory and Rate Case Expense that was submitted in the pre-filed testimony. The original  
17 estimate for Providence Water's "Proportionate Share PUC Expenses" was \$275,140 which  
18 resulted in a proforma adjustment to the test year expense of \$92,307, bringing the rate year  
19 expense to \$451,290. (See Schedule NEP – 9 of Ms. Parrillo's direct filing.) Now that we have  
20 received the invoice for our portion of the PUC and Division's expenses amounting to  
21 \$302,024.75, we have recalculated the pro-forma rate case expense based on this new  
22 information and the result is an increase to this expense of \$26,884, bringing the total expense  
23 for the rate year to \$478,174. (See NEP-REB – 6).

**Western Cranston Restricted Fund**

**Q. Do you agree with the Division's proposal to reduce the funding for this account to \$40,000.00 per year?**

**A.** No, Providence Water does not agree with this proposal. Schedule NEP – REB - 7 illustrates that the Division's proposal would leave this fund in a negative position at the end of fiscal year 2021 once the underlying assumptions are updated.

The first item that we updated was the carryover of funds from fiscal year 2016. In Mr. Smith's testimony he had a fiscal year 2016 carryover balance of \$708,938. (See RCS-12, page 2 of 4). We have adjusted that number for the actual carryover balance from fiscal year 2016 to \$523,341. This is a reduction in funding of \$185,597. We increased the amount of Cash Funded Projects in fiscal year 2017 from \$0 to \$22,586 to include actual expenses paid out of this fund year to date in fiscal year 2017. We also adjusted the debt service payments to be reflected in the appropriate years, and updated the debt service obligations to account for the proper amounts in each year. There was an error in the initial testimony filed by Ms. Parrillo and we have corrected it.

Given these three adjustments, it changes the complexion of this fund dramatically. Mr. Smith's estimated ending fund balance on RCS-12 at the end of FY2019 per the Company is \$430,364 and with his proposal is reduced to \$375,192. However, using the updated amounts noted here and as illustrated on NEP- REB- 7, the estimated ending balance for FY2019 is \$166,742 or \$208,450 less. At the end of FY2020, the ending balance would be \$51,905, and at the end of FY2021 the balance is estimated to be a negative \$62,838.

Therefore, we cannot accept the Division's proposal for the reduced funding of the Western Cranston Restricted Fund.

Chemical Fund

**Q. Does Providence Water agree with the proposed additional reduction of \$200,000 in the funding of the Chemical Account?**

**A.** Yes, we do.

Miscellaneous Revenue

**Q. Do you agree with the Division proposal to increase Miscellaneous Revenue by \$52,429?**

**A.** Yes. We do.

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

**A.** No, it does not.

**Q. What else would you like to add?**

**A.** There are a few miscellaneous items I'd like to address.

I would like to enter into testimony an updated schedule for Non-Accounted for Water. Since our original testimony was filed in May, the Providence Water Engineering staff has provided us with updated information and we would like this revised schedule to be included in the record. See NEP – REB - 8.

Also, I would like to make a correction to Ms. Parrillo's pre-filed testimony. On page 23 lines 9 and 10, the reference to annual revenues should read **\$56.2 million** versus \$58.2 million to properly reflect the annual revenues as reported on the FY2010 Annual Report filed with the PUC.

I would like to submit the updated response to the Commission's data request 1-2 which Mr. Smith correctly pointed out in this testimony that the attached list of employees contained 201 employees and not the 237 stated in pre-filed testimony. The originally submitted response was

1 missing a page. I am including the updated response to PUC 1-2 and the accompanying  
2 attachment as NEP – REB – 9 and 9A.

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

4 **A.** Yes.

5

6

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**PROVIDENCE WATER**  
**Number of Employees and Overtime**

<u>Time Period</u>	<u>Number of Employees</u>
Beginning of Test Year	250
End of Test Year	248
Estimated Rate Year	264
<u>Fiscal Year</u>	<u>Overtime Amount</u>
07/01/2012-6/30/2013	\$ 892,933
07/01/2013-6/30/2014	\$ 951,106
07/01/2014-6/30/2015	\$ 911,601
<u>Rate Year</u>	<u>Overtime Amount</u>
1/1/2017 -12/31/2017	\$ 949,989

## Providence Water Docket 4406

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

Div 1-34      Please explain why it is necessary and appropriate to maintain a balance of over \$2.9 million in the Insurance Fund.

Answer:      To put a comprehensive insurance program in place for a water utility of our size is a complicated process. Providence Water reviews its insurance coverages each year and has hired Ronald P. Joseph CPCU, formerly of Starkweather & Shepley, Insurance Brokerage Inc. for the past 10 years to advise us accordingly.

We believe it is clearly in the best interest of Providence Water and the rate payers to have a \$2.9 million reserve for the following reasons.

- Our current workers' compensation insurance program has a \$350,000 deductible per incident and \$3,250,000 maximum annual deductible.
- Currently Providence Water has a \$25,000 deductible on general liability claims and pays out a substantial amount each year. This fiscal year Providence Water has paid or will pay approximately \$200,000 in claims.
- Providence Water has multiple insurance policies with a variety of deductibles.
- Providence Water continues to have difficulty obtaining competitive quotes for some coverages, the reserve will allow us to raise the deductible, when advisable, to make the proposal more attractive.
- The insurance market is volatile and many outside factors can affect premiums, the reserve allows us to stabilize and absorb higher premiums without affecting rates.
- The reserve allows us the flexibility to perform studies and finance programs beneficial to Providence Water which produces lower premiums.
- More self-insurance programs may be an option in the future. These options can only be considered with a sizable reserve.
- The reserve allows for additional funding for other expenses such as instances when coverage is denied and/or additional legal services are required and payment is the responsibility of Providence Water.

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TRUST INDENTURE

Between

CITY OF PROVIDENCE, RHODE ISLAND

and

U.S. BANK NATIONAL ASSOCIATION, as Trustee

securing

WATER SYSTEM REVENUE BONDS

Dated June 5, 2008

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prejudicial to the interests of the Holders of the Bonds, and (ii) failure to operate, maintain, preserve, repair, replace, renew or reconstruct such part will not impair the ability of the City to satisfy the requirements of Section 603 in the current or any future Fiscal Year.

**Section 606. Insurance and Condemnation.**

(1) The Board shall apply amounts in the Insurance Fund to purchase policies of insurance required by this Section and to fund claims. The City and the Board shall at all times keep all property which is a part of the System and which is of an insurable nature and of the character usually insured by operating systems similar to the System insured against loss or damage by fire and from other causes customarily insured against and in such relative amounts as are customary or shall self-insure against such risks as provided in subsection (3). The City and the Board will also at all times maintain insurance against loss or damage from such hazards and risks to the persons and property of others as are usually insured against by those operating systems similar to the City and the Board, or shall self-insure against such risks as provided in subsection (3). In determining the amounts and types of insurance to be maintained under this Section, the City and the Board may rely upon the advice of a Consulting Engineer or an insurance consultant of recognized standing selected by the City. Any policies of insurance shall be carried with insurers of good standing authorized to do business in the State and shall provide that the proceeds of such insurance shall be payable to the City.

(2) All proceeds of insurance, if any, insuring the properties and facilities of the System against loss or damage shall be applied to the restoration, replacement or reconstruction of the property or facility lost or damaged, unless the City determines in accordance with Section 605 not to restore, replace or reconstruct such property or facilities. Any proceeds of such insurance not applied to restoration, replacement or reconstruction or remaining after such work is completed shall be deposited in the Revenue Fund, provided that any proceeds of insurance received by the City or the Board with respect to loss or damage to a Project prior to the completion of construction thereof shall be deposited in the applicable Project Account and applied in accordance with Section 503. Proceeds of insurance against loss or damage to the person or property of others shall be applied by the City and the Board in satisfaction of the applicable claim.

(3) In order to pay worker's compensation claims that occurred when the Board and the System were self-insured and, in addition, if at any time the Board determines that any of the policies of insurance required to be maintained by this Section are not reasonably obtainable or may not be obtained at a reasonable cost either with respect to coverage, amounts or deductibles, the Board shall deposit in the Insurance Reserve Fund an amount equal to the Insurance Reserve Fund Requirement. For the purpose of this Section and Section 504(2)(viii), the Insurance Reserve Fund Requirement shall be that amount (or such greater amount provided in any Supplemental Indenture) for any Fiscal Year or portion thereof certified to the City and the Board by a Consulting Engineer or an insurance consultant retained by the Board (who may be the insurance consultant or agent regularly furnishing insurance to the Board) as adequate to reserve against the risks to be covered by the Insurance Reserve Fund. A certificate of an Authorized Officer, approved by such Consulting Engineer or insurance consultant, setting forth the Insurance Reserve Fund Requirement shall be promptly delivered to the Trustee. The Board

shall annually review the requirements of the Insurance Reserve Fund and no later than one hundred and twenty (120) days after the end of each Fiscal Year shall deliver to the Trustee a certificate of an Authorized Officer setting forth the Insurance Reserve Fund Requirement for the next ensuing Fiscal Year or any portion thereof. For purposes of Section 504(2)(viii), if at any time the Insurance Reserve Fund Requirement shall be increased pursuant to this Section or if as of the last business day of a Fiscal Year the balance in the Insurance Reserve Fund shall be less than the Insurance Reserve Fund Requirement calculated as of such date, the certificate of an Authorized Officer required by the foregoing sentence shall also specify the dates and amounts of deposits to such Fund during the next succeeding Fiscal Year pursuant to Section 504(2)(viii) so that no later than the last day of such Fiscal Year the balance in such Fund shall equal the Insurance Reserve Fund Requirement calculated as of such date.

(4) If at any time the amounts on deposit and available therefor in the Debt Service Fund, Redemption Fund, Debt Service Reserve Fund, one or more Infrastructure Replacement Accounts and Capital Improvements Accounts, the Equipment Replacement Account, the Western Cranston Account, and the Operation and Maintenance Reserve Fund, are insufficient to pay the Principal Installments and Redemption Price of and interest on the Bonds then due, the City shall withdraw from the Insurance Reserve Fund and pay to the Trustee for deposit in the Debt Service Fund the amount necessary to meet the deficiency. Subject to the foregoing, amounts in the Insurance Reserve Fund shall be applied by the City to the payment of liability claims and the cost of defending such claims or to the restoration, replacement or reconstruction of portions of the System lost or damaged and for which neither insurance proceeds or amounts specifically designated therefor in the Operating Fund or the Insurance Fund are available. Any amounts withdrawn from the Insurance Reserve Fund shall be applied in the same manner as provided in this Section for the proceeds of insurance, provided that any such amount not required for the restoration, replacement or reconstruction of property lost or damaged or remaining after such work has been completed shall be redeposited in the Insurance Reserve Fund. If at any time the amount on deposit in the Insurance Reserve Fund is in excess of the Insurance Reserve Fund Requirement or if the Board at any time should determine that such Fund is no longer required hereunder, such excess, or the balance of such Fund as the case may be, shall be paid to the Trustee for deposit in the Revenue Fund or, if all or a portion of the amounts on deposit in such Fund were derived from proceeds of a Series of Bonds, to the Redemption Fund to the extent of such portion to be applied to the redemption of Bonds of such Series.

(5) Not later than the last day of each third full Fiscal Year following the delivery of any Bonds, the City shall cause a Consulting Engineer or an insurance consultant retained pursuant to this Section to review the adequacy of the Insurance Fund, the Insurance Reserve Fund and the Insurance Reserve Fund Requirement and the policies of insurance then maintained by the City and the Board and to deliver a report thereon (which may be included in the report required by Section 609(2)) to the City, the Board and the Trustee.

(6) If any property or facilities comprising part of the System shall be taken through the exercise of the power of eminent domain, the City shall apply the proceeds of any award received on account of such taking to the replacement of the property or facilities so taken, unless the City determines in accordance with Section 605 not to replace such property or facilities.

Any proceeds of such award not applied to replacement or remaining after such work has been completed shall be deposited in the Revenue Fund.

Section 607. Creation of Liens. Other Indebtedness.

(1) The City shall not issue any bonds, notes or other evidences of indebtedness, other than the Bonds and Subordinated Bonds, secured by a pledge of or other lien on the Revenues of the System and other moneys, securities, Reserve Deposits, if any, and funds held or set aside by the City or by the Fiduciaries under the Indenture, and shall not otherwise create or cause to be created any lien or charge on the Revenues of the System, moneys, securities, Reserve Deposits, if any, and funds, except to the extent provided in this Section 607.

(2) Notwithstanding anything herein to the contrary the City may at any time or from to time issue notes or other evidences of indebtedness (and renewals thereof):

- (i) in anticipation of Bonds to the extent and in the manner provided in Section 207, which notes, if so determined by the City, may be secured by a pledge of Revenues, provided that such pledge shall in all respects be subordinate to the provisions of the Indenture and the pledge created by the Indenture;
- (ii) in anticipation of the receipt by the City of any grant-in-aid from the United States of America or the State or any agency, instrumentality or political subdivision of either of them, for or on account of Capital Improvements and payable solely out of, or secured by a pledge of, the amounts to be received (which amounts shall not be deemed Revenues hereunder while any such notes are outstanding); provided that no such notes shall be issued unless (a) the City shall have received and accepted an agreement, whether conditional or unconditional, providing for the grant-in-aid anticipated by such notes executed by authorized officers of the grantor, (b) the aggregate principal amount of such notes (excluding renewals thereof issued by the City) shall not exceed the aggregate amount of the grant-in-aid provided for in such agreement and not yet received by the City and (c) all such notes or renewals thereof shall be issued to mature not later than six months after the expected final date of receipt of amounts provided under such grant-in-aid; or
- (iii) in anticipation of the Revenues to be received in any Fiscal Year, which notes may be payable out of, or secured by a pledge of, Revenues; provided that (a) any such pledge shall in all respects be subordinate to the provisions of the Indenture and the pledge created by the Indenture, (b) any such notes shall be payable no later than one year from date of issue (or, in the case of notes issued to renew such notes, no later than one year from the date of issue of the original issue of notes), (c) the aggregate amount of such notes outstanding at any one time in a Fiscal Year shall not exceed fifty percent (50%) of the Revenues for the immediately preceding Fiscal Year and (d) the proceeds of such notes (other than the proceeds of renewal notes require to pay notes) shall be deposited in the Revenue Fund.

**Risk Management and Insurance Consulting  
Services of New England  
13 Carnival Terrace  
West Warwick, R. I. 02893**

11/1/16

**Mr. Antonio M. Araujo III  
Providence Water Supply Board  
552 Academy Avenue  
Providence, R.I. 02893**

**Re: Insurance Fund**

**Dear Mr. Araujo:**

Having been retained by the Providence Water Supply Board to determine if their current funding for insurance costs is adequate this letter is being written to summarize the evaluation process and my estimate of what the Board will need in terms of funds to meet its insurance costs. When making such a determination I had to determine if the insurance program is involved with self insurance, loss sensitive rating programs or large deductibles besides typical insurance programs. Therefore, I reviewed insurance premiums and programs for the 7/1/16 to 7/1/17 policy year. The Providence Water Supply Board's insurance program is made up of fully insured policies with typical deductibles for Property, Automobile, Marine, Crime, and Public Officials Liability insurance, however, their General Liability policy carries a \$50,000 deductible and their Workers Compensation insurance is written on program where the Board is responsible for first \$350,000 of each claim. This will be the fifth year the Providence Water Supply Board has used these loss sensitive programs.

Because the Providence Water Supply Board utilizes loss sensitive programs for Workers Compensation and General Liability insurance their Insurance Fund must include monies to pay for all known past unpaid claims for each of these lines of insurance plus an estimate for losses which will occur during the 7/1/16 to 7/1/17 period.

The Board has considered all of these factors and established an Insurance Fund of \$2,300,000 which includes a reserve for Incurred But Not Reported Claims. After reviewing policy premiums, insurance companies listings of unpaid claims valued as of 10/24/16 and estimating Workers Compensation and General Liability claims for the 7/1/16

**to 7/1/17 period I believe this fund is adequate to cover the Providence Water Supply  
Boards insurance costs.**

**Yours truly,**

**Ronald P. Joseph  
President**



June , 2016

The Hon. Jorge O. Elorza  
Mayor

Ricky Caruolo  
General Manager

# BOARD OF DIRECTORS

Xaykham Khamsyvoravong  
Chairperson

Joseph D. Cataldi  
Vice Chairperson

Michael J. Correia  
Councilperson

Sabina Matos  
Councilperson

Lawrence J. Mancini  
Ex-Officio

Andy M. Andujar  
Member

Kerri Lynn Thurber  
Member

Carlissa R. Richard  
Secretary

William E. O'Gara, Esq.  
Legal Advisor

Luly Massaro, Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Compliance with Commission Directive

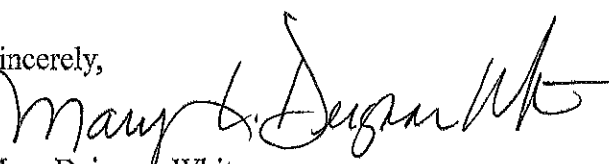
Dear Luly:

In Docket 3832, the Public Utilities Commission directed Providence Water Supply Board ("PWSB") to deposit into a restricted Property Tax Refund account any refund of taxes received.

The PWSB has executed a tax agreement with the town of Foster. This filing provides a copy of that tax agreement, information relating to the agreement, and the PWSB's request to utilize these and other property tax refund funds.

If you have any questions, please contact me.

Sincerely,

  
Mary Deignan-White  
Senior Manager of Regulatory

## MEMBER

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

An EPA WaterSense Partner

**(401) 521-6300**

552 Academy Avenue  
Providence, RI 02908

**www.provwater.com**

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facebook.com/Providencewater

cc: Commission  
Ricky Caruolo  
Michael R. McElroy  
Nancy Parrillo  
Stephen Scialabba

## I. BACKGROUND

In Docket 3832, the Public Utilities Commission (“PUC” or “Commission”) directed Providence Water to deposit a City of Cranston property tax refund in the amount of \$1,510,096 into a restricted Property Tax Refund account. From that account, \$375,000 was credited to customers annually over three years for a total of \$1,125,000. The PUC stated that the remaining balance could be used for litigation expenses related to property tax challenges or as the PUC may allow. The Commission’s Order in Docket 3832 also stated:

“In additions, any future tax refunds or adjustments in Providence Water’s favor shall be deposited into this account for further disposition as ordered by the Commission. In conjunction with its semi-annual financial report, Providence Water shall provide to the Commission, with a copy to the parties to this docket, a reconciliation of the activity in the account.”

Docket 3832, Commission order No. 19145, at page 72

This filing with the Commission provides information on a tax settlement that Providence Water entered into with the Town of Foster (“Town”). The Foster Tax Agreement is attached.

## II. HISTORY OF NEGOTIATIONS

Providence Water had a five-year tax agreement with the Town of Foster for the period 1997 to 2002. In 2002, Providence Water notified the town that we would like to negotiate a new tax agreement. Both Providence Water and the Town agreed to postpone negotiations until a separate agreement was reached between Providence Water and the Town of Scituate. A tax agreement was signed with the Town of Scituate on May 12, 2009. In the meantime, Providence Water’s property in Foster was placed on the Foster tax roll, and Providence Water appealed each annual assessment.

A tax agreement was signed with the Town of Scituate on May 12, 2009. In 2012, Providence Water and the Town of Foster met several times and reached an agreement on the form of a new, ten-year tax treaty. Providence Water obtained all necessary approvals and signatures, but the Town of Foster later rejected the agreement. Additional negotiations continued into 2015.

In April of 2015, Providence Water and the Town reached agreement on the general terms of a settlement of all outstanding tax appeals and a new ten-year tax treaty. In May of 2015, the Foster Town Council approved the terms of the settlement and tax treaty, and on May 5, 2015, the tax treaty was approved at the Foster Town Financial Meeting. The Town subsequently signed the tax treaty and forwarded it to Providence Water. The City Council’s Finance Committee reviewed the Tax Treaty on July 23, 2015 and forwarded it to the Council recommending that it be approved. The Tax Treaty was acted upon and passed by the Council twice, as required by the City’s Charter. In September of 2015, the City Solicitor, the City Council President and the Mayor signed the tax treaty.

### III. SUMMARY OF THE TAX AGREEMENT AND SETTLEMENT

The Tax Agreement is for a ten-year period for tax years 2015 through 2024. The initial valuation is for the tax assessment as of December 31, 2014. The Tax Agreement establishes a property valuation to be set at \$8,400 per acre. This is the same per acre land valuation used in the current Scituate Tax Agreement. Based on 2,183.14 acres of land in Foster, the valuation for all of Providence Water's acreage is set at \$18,338,376 for the ten-year term of the Agreement.

This assessed valuation will not increase during the ten-year term of the Agreement as a result of any acquisitions or improvements to the property owned by Providence Water. However, any increase in the Foster tax rates will be reflected in Providence Water's tax bill.

The Settlement of the tax appeals resulted in a refund of \$1,604,528 for overpayment of taxes for the tax years 2003 to 2014. [See Exhibit 1, page 1 of the Tax Agreement.] The refund reflects the overpayment in taxes that resulted from the agreed to \$8,400 per acre valuation and the actual valuation on the tax bills from 2003 to 2014. The valuations used during the 13-year period ranged from \$10,000 to \$15,000 per acre and averaged \$12,538 per acre. [See Exhibit 1, page 2 of the Tax Agreement.]

The refund will be paid to Providence Water over ten years from 2015 through 2024. The amount of \$175,000 will be paid in each of the first nine years<sup>1</sup>. In the tenth year, a final payment representing the projected balance owed of \$269,454.58 will be made. The agreement provides for an annual interest rate on unpaid amounts equal to the "prime rate". The payment in the final year of \$269,454.58 was estimated using the then current prime rate of 3.25%. The actual payment amount will change to reflect the following:

- To adjust the interest amount for changes in the prime rate.
- To allow for the refund to be off-set and reduced by the agreed value of non-cash contributions, including, but not limited to: debt-for-nature swaps; changes to Foster's land use regulations; and land acquisition programs, if mutually agreed to by Foster and Providence Water.

### IV. REQUESTED APPLICATION OF FUNDS

The Commission has restricted our use of tax refunds to property tax challenges or as the Commission may allow. At the end of May 2016, the restricted Property Tax Refund account had a balance of approximately \$580,000 which includes the first \$175,000 payment from Foster. Providence Water requests that we be allowed to spend the funds in our

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<sup>1</sup> The Agreement allows Foster to make payment of interest only, principal only, or to make no payment in the first or second year of the Agreement.



Property Tax Refund account for continuing property tax challenges and for the same purposes as we are allowed to spend Water Quality Protection Funds (“WQPF”).

Providence Water normally anticipates approximately \$2 million of available funding from Water Quality Protection Funds. A majority of these funds have been used to acquire property in the watershed or to acquire development rights that have land use restrictions. Many of the acquisitions have been through bond proceeds, and the WQPF are used to pay debt service on these bonds. Currently, approximately \$400,000 of WQPF is used annually to pay debt service on RICWFA / RIIFB bonds.

Beside land acquisition and debt service costs, there are other areas which require funding to address various concerns and needs for protecting our reservoirs and watershed area:

- **Land use planning**—Providence Water staff attends various planning board and zoning board meeting and provides those boards with testimony regarding potential impacts (and sometimes alternative design recommendations) of development proposals. Also, Providence Water reviews and comments on applications to DEM on items which may result in water quality impairments. We also collaborate with consultants and municipal governments to promote alternative and innovative land use development practices which provide water quality benefits.
- **Forest management** – Our forests are managed by professional foresters who are employed by Providence Water; they are implementing a ten-year “Forest Stewardship Plan” that sets forth management goals, objectives, and strategies to guide Providence Water’s Water Resources Division in managing approximately 12,500 acres of public watershed forestland surrounding the Scituate Reservoir and its smaller tributary reservoirs.
- **Education and outreach**—Providence Water has reached thousands of watershed residents to inform them how their individual actions on their own properties impact the Scituate Reservoir. We also have educated homeowners, children of all ages, teachers, small business owners, farmers, local officials, and owners of large tracts of forest lands.
- **Water quality monitoring**—Our laboratory collects hundreds of stream samples each year, resulting in thousands of analyses. The data is used primarily in two ways: (1) to identify rapid, unanticipated spikes of pollutants so that Providence Water staff may isolate the problem and remediate / resolve the source of the contamination; and (2) to identify long-term, subtle trends in water quality where the likely sources of contamination are identified and addressed.

Providence Water requests that the PUC allow us to use funds in the Property Tax Refund account as set forth above. We would like to specifically address areas of water quality monitoring and undertake the following:

1. A limnological reassessment<sup>2</sup> of the Scituate Reservoir. Estimated cost \$300,550 with two reassessments undertaken over the next 10 years for a total cost of \$600,000.
2. A limnological reassessment of the five tributary reservoirs. Estimated cost of \$80,000 with two reassessments undertaken over the next 10 years for a total cost of \$160,000.
3. Treatment of the Moswansicut Reservoir. Estimated cost of \$300,000. This treatment is to contain and restrict nutrients in the reservoir which ultimately may result in harmful algal blooms.
4. Rehabilitate dams of the former mill ponds. Estimated cost of \$1,000,000. This project will ensure the stability of the dams so that the mill ponds will continue to enhance water quality by mitigating pollutants originating from privately owned land and roads.
5. Monitoring of and response to cyanobacteria / algal blooms. Estimated cost of \$50,000. Over the next ten years, we estimate responding to ten such instances in our reservoirs / mill ponds for a total cost of \$500,000.

The above outline reflects items that Providence Water would like to address with the Restricted Property Tax Refund account. To account for the expenditures from the Property Tax Refund account, Providence Water would continue to provide a summary of expenditures in our semi-annual reports to the Public Utilities Commission.

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<sup>2</sup> A limnological assessment is a complete evaluation of the water body—its biology, chemistry, and hydrology.

AGREEMENT

THIS AGREEMENT ("Agreement") made as of this 16 day of June, 2015, by and among the TOWN OF FOSTER ("Foster"), the PROVIDENCE WATER SUPPLY BOARD, an enterprise fund of the City of Providence ("PWSB"), the PROVIDENCE PUBLIC BUILDINGS AUTHORITY ("PPBA"), and the CITY OF PROVIDENCE ("City"), hereafter the PWSB, the PPBA and the CITY are sometimes collectively referred to as the "PWSB."

WHEREAS, PWSB, PPBA, and CITY own certain real and personal property located in Foster;

WHEREAS, certain property owned by PWSB, PPBA and CITY in Foster is subject to taxation by Foster;

WHEREAS, PWSB, PPBA and CITY have challenged the tax classification and valuations of certain property owned by them in Foster; and

WHEREAS, the parties desire to settle the disputes of all matters by and among them, including any and all pending administrative appeals before the Foster Tax Assessor and/or the Foster Board of Assessment Review ("Appeals"); and

WHEREAS, this Agreement is entered into pursuant to R.I.G.L. § 45-2-2.1.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the mutual promises and covenants herein made, each of the parties hereto agree as follows:

1. Taxes assessed as of December 31, 2002 through and including December 31, 2013 (for the tax years 2003 - 2014).

The parties acknowledge and agree that the PWSB has timely paid all of its real estate and personal property taxes to Foster assessed as of December 31, 2002 through and including as of December 31, 2013 (for the tax years 2003 - 2014). The parties agree to resolve all pending tax challenges by the PWSB for said tax years including, but not limited to, a final resolution of any and all administrative appeals and challenges to tax classification and valuation. In consideration of Foster recalculating and reducing the PWSB's real estate taxes for the tax years 2003 - 2014 inclusive, and Foster paying the refund set forth below, the PWSB agrees to dismiss, with prejudice, all pending tax challenges and appeals, once final approvals of this Agreement have been obtained. Foster agrees to recalculate the PWSB's real estate taxes for the years 2003 - 2014 by granting the PWSB a reduction from the real estate taxes actually paid each year. The parties agree that no interest shall be due or payable, or liability incurred for any adjustment to the recalculation of taxes for past tax years 2003 - 2014.

The parties acknowledge that the agreed reduction of taxes for tax years 2003- 2014 inclusive yields a cumulative refund due to PWSB of \$1,604,528 (the "Refund Amount"). During the term of this Agreement, the parties agree that an annual interest rate of the "Prime

Rate," currently set at 3.25%, but adjusted annually with each change in the Prime Rate; upon written notice from PWSB to Foster, shall be applied to the Refund Amount until paid in full.

For purposes of this Agreement, the "Prime Rate" shall mean, at any time, the rate of interest quoted in the *Wall Street Journal*, Money Rates Section as the "Prime Rate" (currently defined as the base rate on corporate loans posted by at least 75% of the nation's thirty largest banks). In the event that the *Wall Street Journal* quotes more than one rate, or a range of rates as the Prime Rate, then the Prime Rate shall mean the average of the quoted rates. In the event that the *Wall Street Journal* ceases to publish the Prime Rate, then the Prime Rate shall be the average Prime Rate of the three largest U.S. money center commercial banks, as determined by the parties.

2. Ten (10) Year Tax Treaty.

The term of this Agreement shall be for a period of ten (10) years beginning with the real estate and personal property taxes to be assessed as of December 31, 2014 (for the tax year 2015) and continuing on and through the real estate and personal property taxes to be assessed as of December 31, 2023 (for the tax year 2024).

The parties agree that this Agreement may be extended for an additional period, not to exceed ten (10) years, under such terms and conditions as the parties shall mutually agree to in writing.

3. Tax Classification.

For the entire term of this Agreement, Foster agrees to classify as forest land on its assessment list, all land owned by the PWSB that the Rhode Island Department of Environmental Management ("RIDEM") certifies now or in the future as forest land. Foster and the PWSB agree that the foregoing classification by Foster is for the purpose of settling a dispute among the parties, and is not an admission by Foster that the PWSB's land is forest land or is entitled to forest land classification under the laws of the State of Rhode Island.

The parties also agree that they will not use any of the terms, provisions or agreements contained in this Agreement against the other in any future proceedings concerning the assessment or collection of taxes by Foster.

4. Land Valuation Established: Foster Shall Not Split Its Tax Rate for PWSB Property for Term of Agreement.

The parties agree that notwithstanding the classification of land owned by the PWSB, the assessed valuation of all PWSB property shall be set at \$8,400.00 per acre for the term of this Agreement.

Foster agrees that it will not split its tax rate for any property owned by the PWSB for the term of this Agreement. Furthermore, in the event that Foster does change its tax rate structure during the term of this Agreement, PWSB shall be assessed at the lower (presently residential)

tax rate, and in any event, shall always have the benefit of the lower tax rate for the term of this Agreement, in the event that Foster changes its tax rate structure.

5. Assessment of Taxes on PWSB Property.

The parties agree that PWSB has 2183.14 acres of land in Foster subject to taxation, that the agreed value of each acre shall be fixed at \$8,400.00 per acre, and that PWSB's total assessment for all property taxation shall be set at \$18,338,376.00 for the term of this Agreement.

6. Possible Non-Cash Contributions.

The parties agree that the Refund Amount may be off-set and reduced by such non-cash contributions, including, but not limited to debt-for-nature swaps, changes to Foster's land use regulations, and, land acquisition programs, all as may be from time to time mutually agreed to by the parties. The parties further agree that flexibility shall be maintained and maximized in any such non-cash contributions and that the parties shall mutually agree on a fair and reasonable appraisal process for determining the value of any such mutually agreed non-cash contributions. Without limiting the foregoing, the parties shall endeavor to off-set the entire amount of the final year payment of the Refund Amount (as set forth in the schedule attached hereto as Exhibit 1 and incorporated herein by reference, i.e., \$298,982.58) through the non-cash contributions discussed in this Section 6.

7. Refund Amount.

The parties agree that the Refund Amount will be paid to PWSB in annual principal payments over the 10-year Term of this Agreement, together with accrued interest floating at the Prime Rate in effect from time to time, as shown on Exhibit 1, Providence Water Repayment Schedule, attached hereto and incorporated by reference.

Notwithstanding this agreement regarding payment of the Refund Amount, in the first or second year of this Agreement, Foster shall have maximum flexibility to pay the Refund Amount plus accrued interest as either a credit to the payment(s) owed by the PWSB for taxes due, or as a direct payment to the PWSB of principal and interest, principal only, interest only, or, at Foster's sole option, to make no payment to PWSB. However, in no case shall Foster's decision not to pay in either year one (1) or year two (2) of this Agreement, or to its decision to pay principal, or interest only, relieve it of any obligation to pay the full Refund Amount plus all accrued interest at the Prime Rate, by the end date of this Agreement.

8. Additional Property.

The parties agree and understand that the agreed taxes established by this Agreement include any real and personal property which may be acquired by the PWSB, as well as any property which may be acquired through the non-cash contribution program, and that the taxes to be paid by the PWSB during the term of this Agreement will not be increased as a result of any such acquisitions or improvements.

In the event that the parties agree to extend this Agreement as provided in paragraph 2 above, the parties may agree to maintain the current valuation set forth herein, or may enter into such new terms and conditions as the parties may judge to be in their respective best interests.

9. Termination: Acceleration of Payment of Refund Amount on Termination.

This Agreement shall terminate on December 31, 2024, if not otherwise extended as set forth herein. Notwithstanding the foregoing, Foster shall have the option to terminate this Agreement after receipt of actual notice that the PWSB has at any time during the term of this Agreement, sold, leased or otherwise alienated any of its water supply system property in Foster to a nonpublic entity by giving written notice to the PWSB within thirty (30) days of Foster's receipt of such actual notice.

This option to terminate shall only apply to the water supply system property actually sold, leased or otherwise alienated to a non-public entity and the Agreement shall remain in full force and effect for the balance of the PWSB's property. The effective date of the termination shall be December 31 of the calendar year following the calendar year in which Foster gives the written notice.

Foster's obligation to pay the Refund Amount shall survive the termination of this Agreement and if Foster elects to terminate as provided herein, any outstanding amount of the Refund Amount due hereunder plus all accrued interest, shall be accelerated, with payment due to PWSB within ninety (90) days of the effective date of termination.

10. Agreement to Cooperate.

Foster agrees to cooperate with reasonable requests by the PWSB for assistance in connection with its efforts to secure any necessary approvals of this Agreement. The parties acknowledge and agree that all necessary approvals of this Agreement *in toto* are a contingency and a condition precedent to this Agreement.

11. Miscellaneous.

- A. This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island.
- B. This Agreement constitutes the entire agreement among the parties and supersedes any prior communications, written and oral, with respect to all matters pertaining thereto. This Agreement shall not be modified or amended except by an instrument in writing signed by the parties hereto.
- C. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if hand delivered or if sent by prepaid registered or certified mail or by a recognized overnight delivery service to the parties hereto at the following addresses:

For PWSB: (1) General Manager, Providence Water Supply Board, 552 Academy Avenue, Providence, RI 02908, (2) Finance Director, Providence Water Supply Board, 552 Academy Avenue, Providence, RI 02908, and (3) Michael R. McElroy, Esq., Schacht & McElroy, 21 Dryden Lane, P.O. Box 6721, Providence, RI 02940-6721.

For Foster: (1) President, Foster Town Council, 181 Howard Hill Road, Foster, RI 02825; (2) Town Clerk, Town of Foster, 181 Howard Hill Road, Foster, RI 02825; (3) Tax Assessor, Town of Foster, 181 Howard Hill Road, Foster, RI 02825; and (4) Renee M. Bevilacqua, Esq., 16 Salisbury Road, Foster, RI 02825.

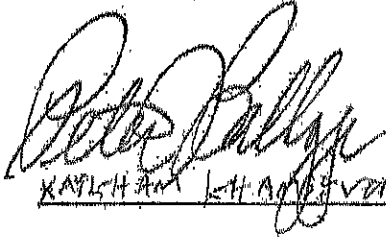
Any party hereto may change its address for notice purposes by providing notice in accordance with this provision. Any notice, demand, or other communication shall be deemed given and effective as of the date of delivery by hand, or upon the fifth day following mailing.

- D. This Agreement constitutes a valid and binding agreement of the parties hereto, enforceable in accordance with its terms. This Agreement shall be binding upon, and shall inure to the benefit of, the parties and their respective successors and assigns.
- E. The parties agree that they shall meet not later than one hundred and eighty (180) days prior to the termination of this Agreement for the purpose of discussing a possible extension of this Agreement or a new similar agreement.
- F. The parties agree that, during the term of this Agreement, it shall not be necessary for the PWSB to file any notices of intention to bring in an account, any accounts, or any appeals of any kind, and this Agreement shall control all obligations of the PWSB to pay all taxes to Foster during the entire term of this Agreement. This Agreement may be enforced as a contract directly in the Superior Court of the State of Rhode Island, without the necessity of the filing of any administrative appeals or the exercise of any other administrative remedies by the PWSB or Foster.
- G. This Agreement may be signed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same instrument.


[Signature page follows]

IN WITNESS WHEREOF, the parties have hereunto cause these presents to be executed as of this 15 day of June, 2015, by their duly authorized representatives.

Executed in presence of:

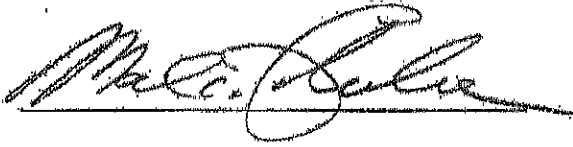
  
KAYKHAM KHAMDYVORAVONG

PROVIDENCE WATER SUPPLY BOARD  
OF THE CITY OF PROVIDENCE

By:   
Kaykham Khamdyvoravong  
Chairman



PROVIDENCE PUBLIC BUILDINGS  
AUTHORITY OF THE  
CITY OF PROVIDENCE



By: 

Name

Chairman

Stanley Weiss

Kelli M. Russ

TOWN OF FOSTER

By: 

John L. Lewis, Jr.  
Town Council President

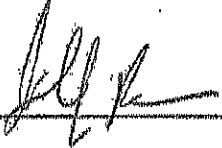
As approved by Foster  
Financial Town Meeting  
held 5/5/2015.

THE CITY OF PROVIDENCE

By: \_\_\_\_\_  
Jorge Elorza  
Mayor

By: \_\_\_\_\_  
Luis A. Aponte  
City Council President

Approved as to form and correctness:

  
\_\_\_\_\_  
Name  
City Solicitor

Date: 9/28/15

THE CITY OF PROVIDENCE

By: \_\_\_\_\_

Jorge Elorza  
Mayor

By: \_\_\_\_\_

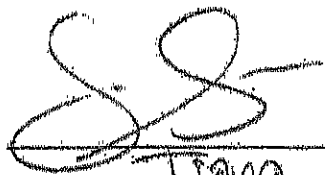
Luis A. Aponso  
City Council President

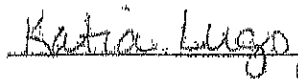
\_\_\_\_\_  
Katia Lugo

Approved as to form and correctness:


\_\_\_\_\_  
Name  
City Solicitor

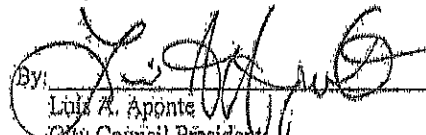
Date: 9/28/15

  
Tiana Ochoa

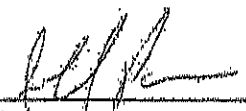
  
Kattia Lugo

THE CITY OF PROVIDENCE

By:   
Jorge Elorza  
Mayor

By:   
Luis A. Aponte  
City Council President

Approved as to form and correctness:

  
Name \_\_\_\_\_  
City Solicitor

Date: 9/28/15

Providence Water Repayment Sched.

7/15/2015 12:21 PM Page 1

Compound Period: Daily

Nominal Annual Rate: 3.250%



CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1. Loan	6/1/2015	1,604,528.00	1		
2. Payment	7/15/2015	175,000.00	9	Annual	7/15/2023
3. Payment	7/15/2024	298,982.58	1		

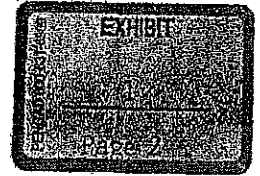
AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	6/1/2015				1,604,528.00
1	7/15/2015	175,000.00	6,298.28	168,701.72	1,435,826.28
2015 Totals		175,000.00	6,298.28	168,701.72	
2	7/15/2016	175,000.00	47,560.86	127,439.14	1,308,387.14
2016 Totals		175,000.00	47,560.86	127,439.14	
3	7/15/2017	175,000.00	43,219.17	131,780.83	1,176,606.31
2017 Totals		175,000.00	43,219.17	131,780.83	
4	7/15/2018	175,000.00	38,866.13	136,133.87	1,040,472.44
2018 Totals		175,000.00	38,866.13	136,133.87	
5	7/15/2019	175,000.00	34,369.30	140,630.70	899,841.74
2019 Totals		175,000.00	34,369.30	140,630.70	
6	7/15/2020	175,000.00	29,806.70	145,193.30	754,648.44
2020 Totals		175,000.00	29,806.70	145,193.30	
7	7/15/2021	175,000.00	24,927.85	150,072.15	604,576.29
2021 Totals		175,000.00	24,927.85	150,072.15	
8	7/15/2022	175,000.00	19,970.60	155,029.40	449,546.89
2022 Totals		175,000.00	19,970.60	155,029.40	
9	7/15/2023	175,000.00	14,849.61	160,150.39	289,396.50
2023 Totals		175,000.00	14,849.61	160,150.39	
10	7/15/2024	298,982.58	9,586.08	289,396.50	0.00
2024 Totals		298,982.58	9,586.08	289,396.50	
Grand Totals		1,873,982.58	269,454.58	1,604,528.00	

Providence Water  
Town of Foster

1) Current Valuation Appeals

Assessed	Tax Year	Pd FY	Foster Value	Settled Value	Per Acre	Per Acre Over	Number of Acres	Tax Rate	Tax	Overpayment
12/31/2002	2003	2004	\$12,650	\$8,400	\$4,250	\$4,250	2,165.96	\$14.24	\$131,083.90	
12/31/2003	2004	2005	\$12,650	\$8,400	\$4,250	\$4,250	2,165.96	\$14.11	\$129,887.21	
12/30/2004	2005	2006	\$12,650	\$8,400	\$4,250	\$4,250	2,165.96	\$14.75	\$135,778.62	
12/31/2005	2006	2007	\$15,000	\$8,400	\$6,600	\$6,600	2,165.96	\$11.24	\$160,679.58	
12/31/2006	2007	2008	\$15,000	\$8,400	\$6,600	\$6,600	2,165.96	\$11.79	\$168,542.01	
12/31/2007	2008	2009	\$15,000	\$8,400	\$6,600	\$6,600	2,183.14	\$13.52	\$194,805.95	
12/31/2008	2009	2010	\$12,500	\$8,400	\$4,100	\$4,100	2,183.14	\$17.12	\$153,238.96	
12/31/2009	2010	2011	\$12,500	\$8,400	\$4,100	\$4,100	2,183.14	\$17.58	\$157,356.36	
12/31/2010	2011	2012	\$12,500	\$8,400	\$4,100	\$4,100	2,183.14	\$20.32	\$70,978.25	
12/31/2011	2012	2013	\$10,000	\$8,400	\$1,600	\$1,600	2,183.14	\$20.40	\$71,257.59	
12/31/2012	2013	2014	\$10,000	\$8,400	\$1,600	\$1,600	2,183.14	\$21.06	\$73,563.09	
12/31/2013	2014	2015	\$10,000	\$8,400	\$1,600	\$1,600	2,183.14			
Average			\$12,538	\$8,400	\$4,138	\$4,138			\$1,604,527.98	



## Providence Water Docket 4571

**Index and Responses in Compliance Rhode Island Public Utilities  
Commission's Rules of Practice and Procedure, Part II**

**Item 2.10(d)(7)**      **A summary of rate case expenses incurred and to be incurred.**  
**Response**              Please see below.

Dk 4406 Rate Case and Regulatory Expense	\$352,440*
Amortized through January 2014 through December 2014	(176,220)
Amortized through June 2015	<u>( 88,110)</u>
Dk 4406 Unamortized Rate Case and Regulatory Expense	\$ 88,100
This Filing:	
Abbreviated Rate Filing	\$37,850
Legal	35,818
Print & Translation Costs for Mailings	10,000
Division of Public Utilities	15,000
Providence Journal/Transcript	<u>3,000</u>
Estimated Rate Case Expense this Filing	\$101,668

\*Amortized over 2 years



**NEP - REB - 6**  
Schedule NEP-9  
Regulatory & Rate Case Exp.

**PROVIDENCE WATER**  
Regulatory and Rate Case Expense

	Test Year 2015	Pro-Forma 2017
<b>Regulatory Commission Expense:</b>		
Rate Case	\$ 33,280	\$ -
New Headquarters	33,451	-
Miscellaneous Legal Matters	5,154	5,274
Miscellaneous PUC Matters	18,223	18,647
Proportionate Share PUC Expenses	268,875	<b>302,025</b>
<b>Sub-total</b>	<b>\$ 358,983</b>	<b>\$ 325,946</b>
<b><u>This Filing:</u></b>		
Full Rate Filing Consultant		\$ 81,760
Legal		70,000
Division of Public Utilities estimated		30,000
Marcum Audit- Plant Accounts		25,000
<b>Dk 4571:</b>		
Recovery of Costs		97,696
Sub-Total		\$ 304,456
Two year Amortization		\$ 152,228
Pro-Forma Expenses		\$ 478,174
Test Year		\$ 358,983
Pro-Forma Adjustment		\$ <b>119,191</b>
Pre-filed Pro Forma Adjustment		92,307
Adjustment to Prefiled Rate Case Expense Adjustment		<b>\$ 26,884</b>
Original Raw Revenue Requirements Rate Year Expense		\$ 451,290
Revised Raw Revenue Requirements Rate Year Expense		<b>\$ 478,174</b>

	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
D4571	62,069	62,069	62,069	62,069	62,069	62,069
<b>Division Recommended Adjusymment to PW Proposed Funding Level</b>	(11,035)	(22,069)	(22,069)	(22,069)	(22,069)	(22,069)
Division Recommended Funding Level	51,034	40,000	40,000	40,000	40,000	40,000
Impact Fees estimated	15,819	15,819	15,819	15,819	15,819	15,819
Carryover funds from prior year estimated	523,341	396,687	281,670	166,742	51,905	(62,838)
<b>Total Sources</b>	<b>590,194</b>	<b>452,506</b>	<b>337,489</b>	<b>222,561</b>	<b>107,724</b>	<b>(7,019)</b>
<hr/>						
<b>Less Obligated uses of funds</b>						
RICWFA 2002B (P)	141,276	146,180	151,253	156,503	161,936	167,556
RICWFA 2002 (Pippin Main & WilberPS (I)	29,645	24,656	19,494	14,153	8,626	2,908
Sub-Total Debt Service	170,921	170,836	170,747	170,656	170,562	170,464
Cash Funded Projects	22,586					
<b>Total Uses</b>	<b>193,507</b>	<b>170,836</b>	<b>170,747</b>	<b>170,656</b>	<b>170,562</b>	<b>170,464</b>
<b>End of Year Balance</b>	<b>396,687</b>	<b>281,670</b>	<b>166,742</b>	<b>51,905</b>	<b>(62,838)</b>	<b>(177,483)</b>

**PROVIDENCE WATER SUPPLY BOARD  
NON-ACCOUNTED FOR WATER  
Hundred Cubic Feet (HCF)**

	<u>FYE 2011</u>	<u>FYE 2012</u>	<u>FYE 2013</u>	<u>FYE 2014</u>	<u>FYE 2015</u>
Total Quantity of Water Pumped	30,126,778	30,120,067	29,693,757	29,061,658	29,966,150
Sales to Ultimate Consumers	13,221,050	13,081,259	13,095,186	12,716,656	12,750,249
Sales for Resale	<u>13,525,669</u>	<u>13,213,689</u>	<u>12,440,424</u>	<u>13,145,345</u>	<u>13,694,224</u>
Sub-total Sales	26,746,719	26,294,948	25,535,610	25,862,001	26,444,473
Water used by Company	0	<b>133,960</b>	<b>141,043</b>	152,663	402,498
Non-accounted for Water	3,380,059	<b>3,691,429</b>	<b>4,017,104</b>	3,046,994	3,119,179
% of Total Water Pumped	11.22%	<b>12.26%</b>	<b>13.53%</b>	10.48%	10.41%

Data Requests of the  
Commission- Set 1  
September 2, 2016

**UPDATED**

**COM 1-2.** Please provide a list of all employees, title, union affiliation, base salary, longevity and incentives, start date and step increase dates.

**Response:** Please see the attached worksheet showing a list of all employees, titles, union affiliations, base salaries, longevity, start dates as permanent employees with the City of Providence, and step increase dates.

EMPLOYEE NAME	POSITION TITLE	MNGMT/UNION AFFILIATION	CITY OF PROV START DATE	STEP INCREASE DATE	Base Salary as of September 2016	Longevity
ALBRO, DUANE	SENIOR ADMINISTRATIVE ASSISTANT / FINANCIAL ANALYST	M	3/31/2014	3/31/2017	\$63,673	
ALLEEN, C	RAINGAGE KEEPERS	N/A	3/13/2006		\$1,092	
ALVEAR, CARLOS	UTILITY WORKER	U	5/2/2011		\$44,319	
ANDRADE, GWEN	ADMINISTRATIVE ASSISTANT, WSB	M	5/2/2005		\$64,906	\$3,181
ANDRADE, K.	WATER SYSTEM MECHANIC	U	2/11/1986		\$51,517	\$3,535
ANDUJAR, ANDY	MEMBER - WSB	N/A	2/2/2011		\$3,500	
ANGELL, ELIZABETH	SENIOR ADMINISTRATIVE CLERK, WATER	U	9/8/1996		\$43,941	\$2,154
AQUILANTE, BRENDA	SENIOR ADMINISTRATIVE CLERK, WATER	U	6/15/1996		\$43,941	\$2,585
ARAUJO, ANTONIO	SENIOR MANAGER	M	9/20/1988	2/1/2017	\$69,052	\$6,111
ARRUDA, JOHN	ENGINEER	M	2/23/1998		\$75,247	\$4,426
BADESSA, ADELINE	SENIOR ADMINISTRATIVE CLERK, WATER	U	12/16/1997		\$43,941	\$2,585
BADESSA, PAUL	METER READER TECHNICIAN	U	12/23/1996		\$43,674	\$2,569
BAILEY, R	WATER SYSTEM MECHANIC	U	12/4/1978		\$51,515	\$3,535
BARBATO-COLA, C.	SENIOR ADMINISTRATIVE CLERK, WATER	U	11/22/1993		\$43,941	\$3,016
BARROS, JOSEPH	METER READER TECHNICIAN	U	11/30/2011		\$43,672	
BIANCO, A	UTILITY MAINT WORKER	U	1/8/2002		\$37,975	\$1,460
BIRON, ROGER	ENGINEER	M	1/20/2014	1/20/2017	\$68,251	
BLINKHORN, L.	SUPERVISOR ACCOUNTING	MU	4/4/1994		\$68,860	\$4,726
BLODGETT, R.	ENVIRONMENTAL RESOURCE MANAGER	M	12/29/1986		\$82,203	\$5,641
BONIN, DEREK	WATER TREATMENT OPERATOR CLASS 3	U	10/28/2013		\$50,935	
BRENNAN, C	ENGINEERING SYSTEMS COORDINATOR	M	11/12/1997	9/10/2015	\$71,665	\$4,216
BRENNAN, C JR.	SUPERVISOR CUSTOMER SERVICE	M	10/31/2005		\$55,991	\$1,947
BROCCOLI, K	UTILITY WORKER	U	12/9/2002		\$44,319	\$1,738
BUCCI, A	SENIOR METER READER TECHNICIAN	U	8/7/1990		\$46,195	\$3,170
BUCCI, DINO	SENIOR WATERSHED MAINT OPERATOR	U	7/13/2009		\$47,027	\$3,170
CABRAL ED	ENGINEER PROJ COORD	M	4/3/1989		\$63,019	\$4,326
CABRAL, HELDER	MANAGER-WATER LABORATORY	M	1/19/2016	1/19/2017	\$67,646	
CALCANO, R	WATERSHED MAINT OPERATOR	U	6/2/2008		\$39,547	\$1,163
CALISE, DAVID	ACCOUNT COLLECTOR	U	3/18/1991		\$52,430	\$3,598
CAPALDI, CARISSA	SENIOR ADMINISTRATIVE CLERK, WATER	U	8/7/2012	10/1/2016	\$42,339	
CAPALDI, F	SUPV WTR MAINT CREW	MU	6/12/1989		\$70,928	\$4,868
CARAMANTE, JEFFREY	WATER TREATMENT OPERATOR CLASS 3	U	6/17/2008		\$50,933	\$1,498
CARNEVALE, DOMENIC	WATERSHED INSPECTOR LTD	U	5/2/2016		\$34,771	
CARPENTER, R	WATER SYSTEM MECHANIC	U	6/19/2006		\$51,515	\$1,515
CARUOLO, RICKY	GENERAL MANAGER	MU	1/13/1992		\$183,200	\$11,200
CATALDI, JOSEPH	MEMBER - WSB	N/A	11/8/1994		\$3,500	
CATONI, R.	STAFF ACCOUNTANT	U	11/15/1993		\$50,297	\$3,452
CEJIS, LUIS	METER READER TECHNICIAN	U	5/2/2011		\$43,672	
CERULLO, FRANCISCO	FLUSHING TECHNICIAN	U	6/12/2000		\$48,820	\$479
CESERETTI, MARK	MANAGER-CUSTOMER SERVICE	M	5/13/1996		\$82,223	\$5,374
CHAFFEE, SEAN	DIG-SAFE WORKER	U	12/21/1992		\$48,110	\$3,302
CIARLO, ANTHONY	WATER PLANT MECH	U	9/20/2012		\$47,730	
CIPOLLA, ROBERT	WATERSHED INSPECTOR CDL	U	10/3/2013		\$40,909	
CLEMENTS, BOBBI	METER READER TECHNICIAN	U	9/11/1996		\$43,672	\$2,569
COELHO, LAUREN	SENIOR ADMINISTRATIVE CLERK, WATER	U	11/10/2003		\$43,942	\$1,723
COLA, R	SENIOR SUPERVISOR CUSTOMER SERVICE	MU	1/3/1994		\$63,020	\$4,325
COLLINS, L	SENIOR ADMINISTRATIVE CLERK, WATER	U	1/1/2002		\$43,941	\$1,723
COLMAN, STEPHEN	SENIOR MANAGER	M	6/30/2008	11/10/2017	\$93,504	\$2,619
CONCA, T	SANITARIAN	U	1/17/2000		\$48,880	\$1,902
COSTA, SOPHIA	SENIOR ADMINISTRATIVE CLERK, WATER	U	7/8/2013	10/1/2016	\$41,470	
DEASCENTIS, HUGO JR	SUPV WTR PLANT OPS	M	8/3/2009	6/25/2015	\$65,583	
DEGNAN, MICHAEL	WATERSHED INSPECTOR LTD	U	9/29/2000		\$40,909	
DEGNAN, R	PLUMBER	U	8/1/2005		\$89,604	\$3,514
DEIGNAN-WHITE, M	SENIOR MANAGER OF BUDGET/REGULATORY	MU	4/23/1990		\$82,226	\$5,643
DELBONIS, GLORIA	SENIOR ADMINISTRATIVE CLERK, WATER	U	11/10/1997		\$43,941	\$2,585
DELGIZZO, ROBERT	UTILITY WORKER	U	5/2/2011		\$44,319	
DERUISSEAU, LAUREN	PUBLIC INFORMATION OFFICER	M	4/30/2010	7/1/2017	\$71,664	
DESROSIER, JOSEPH	METER READER TECHNICIAN	U	6/5/2000		\$43,674	\$1,713
DICARLO, R	WATERSHED INSPECTOR - CDL	U	12/30/2002		\$40,909	\$1,604
DICLO, F	METER READER TECHNICIAN	U	7/21/2003		\$43,674	\$1,713
DIORENZO, PETER	ENGINEER	M	11/30/2015	11/30/2016	\$71,664	
DINOBI, KEVIN	MANAGER-DISTRIBUTION/PLANNING	MU	10/14/1996		\$77,507	\$4,559
DINOBI, AMY	SENIOR ADMINISTRATIVE CLERK, WATER	U	5/4/2009	10/1/2016	\$43,068	\$1,267
DINOBI, MICHAEL	MANAGER-TECHNICAL SVCS	M	4/23/2012	3/4/2017	\$61,908	
DION, CHARLES	SENIOR EQUIP MECHANIC	U	07/13/09		\$50,180	
D'ORIO, GINA	SENIOR ADMINISTRATIVE ASSISTANT, WSB	MU	7/22/1991		\$66,666	\$4,588
D'ORIO, W	WATER SYSTEM MECHANIC	U	4/17/1989		\$51,517	\$3,535
DOWDELL, KAITLYN	LAB SUPERVISOR/BACTERIOLOGY - WATER	M	1/25/2016	1/25/2017	\$58,352	

EMPLOYEE NAME	POSITION TITLE	MNGMT/UNION AFFILIATION	CITY OF PROV START DATE	STEP INCREASE DATE	Base Salary as of September 2016	Longevity
DUARTE, J	UTILITY LABORER	U	6/25/2001		\$37,975	\$1,489
DUFFY, SHANNON	SENIOR ADMINISTRATIVE CLERK, WATER	U	1/17/2000		\$43,941	\$1,723
DURAND, DAVE	ENGINEER	M	11/29/2004		\$75,247	\$2,213
DYER, KALEEN	WATER SUPPLY BOARD CLERK	U	3/24/2014	4/1/2017	\$36,547	
FAIOLI, JOSEPH	HEAVY EQUIP OPER	U	12/13/2010		\$49,772	
FAMIANO, ANTHONY	WATERSHED INSPECTOR	U	2/2/2016		\$34,771	
FERNANDES, A	MANAGER- FACILITIES AND EQUIPMENT	U	6/23/1999	2/1/2017	\$71,028	\$4,178
FERNANDEZ, I.	SUPERVISOR ACCOUNTING	M	1/15/1998		\$68,862	\$4,726
FERRI, STEVEN	ENGINEER PROJ COORD	M	5/2/2011	7/2/2016	\$57,158	
FONTAINE, LEO	ENGINEER	M	9/21/2009		\$75,247	
FOURNIER, ERIC	JUNIOR CHEMIST I	U	12/3/2012	10/1/2016	\$43,941	
FRATUS, PATRICK	SENIOR WATERSHED MAINT OPERATOR	U	1/4/2013		\$47,027	
GAISSON, GREG	EXECUTIVE ENGINEER	M	10/29/2012	8/14/2016	\$129,617	
GANNON, M	SUPV WTR PLANT OPS	MU	12/28/1990		\$68,862	\$4,726
GARCIA, P	WATERSHED MAINT OPERATOR	U	6/2/2008		\$38,547	\$1,183
GIANFROCCO, STEVE	ELECTRICAL TECHNICIAN	U	8/5/1998		\$71,294	\$4,194
GILMORE, JAMES	SUPV FACILITIES & EQUIPMENT	M	1/19/2016		\$68,862	
GIROUX, R.	SENIOR WATER PLANT MECH	U	1/9/1996		\$53,156	\$3,648
GOINS, RAY	DATABASE ADMINISTRATOR	MU	2/17/1997	10/1/2016	\$78,308	\$4,606
GOLOTTO, SARAH	SENIOR ADMINISTRATIVE CLERK, WATER	U	6/4/2012		\$43,068	
GOMES, TI-ONDRA	AIDE TO CHIEF ENGINEER	M	5/15/2008		\$49,729	\$1,483
GOODWIN, JOHN	WATER SYSTEM MECHANIC	U	5/7/2002		\$51,515	\$2,020
GREENE, ROBERT	ENGINEER PROJ COORD	M	7/30/2012	7/2/2016	\$57,158	
GUGLIEMETTI, MINDY	SENIOR ADMINISTRATIVE CLERK, WATER	U	12/26/1994		\$43,941	\$3,016
HARJIAN, M.	SENIOR MANAGER	MU	6/28/1979		\$98,180	\$6,738
HAWKINS, BERNARD	SUPV WATERSHED MAINTENANCE	M	6/23/2014	6/23/2016	\$54,437	
HEALY, FRANK	MANAGER-DISTRIBUTION/FIELD	M	9/29/1997		\$82,225	\$4,837
HERNANDEZ, ELVIS	WATERSHED INSPECTOR	U	1/9/2008		\$40,909	\$1,203
HERNANDEZ, JONATHAN	SENIOR DRAFTSPERSON - WSB	U	3/11/2013	10/1/2016	\$52,259	
HINDLEY, JASON	ENGINEER PROJ COORD	M	6/27/2011		\$60,017	
HOPKINS, D -	UTILITY WORKER	U	7/14/2003		\$44,319	\$1,738
JAQUEZ, YVETTE	AIDE TO CHIEF ENGINEER	M	11/23/2015	11/23/2016	\$40,927	
JOHNSON, ANTHONY	UTILITY WORKER	U	5/8/2011		\$44,319	
JONES, COREY	WATER SYSTEM MECHANIC	U	6/13/2007		\$51,515	\$1,515
JORDAN, KAREN	GIS SYSTEM SPECIALIST/ WSB	U	12/19/2005		\$63,330	\$1,886
JULIO, ROBERTO	UTILITY WORKER IN TRAINING - CDL	U	11/2/2015		\$37,875	
KAISER, KATHIE	MANAGER-SAFETY & RISK	M	1/3/2000		\$73,055	\$2,865
KASHIMANIAN, G	UTILITY WORKER	U	3/6/1989		\$44,319	\$3,042
KELLY, T	METER READER TECHNICIAN	U	7/9/1980		\$43,672	\$2,997
KHAMSIVORAVONG, XAYKHAM	CHAIRPERSON - WSB	N/A	9/11/2013		\$4,000	
KREBBS, PENNY	WATERSHED INSPECTOR LTD	U	10/25/1999		\$40,907	\$1,604
KUTI, ID	DIVISION MANAGER	M	1/12/1998	8/1/2017	\$83,079	\$4,887
LABOSSIERE, C	MANAGER-PLANNING & DEVELOPMENT	M	12/6/1999		\$82,223	\$3,224
LANGELLA, A	UTILITY WORKER	U	6/12/2000		\$44,319	\$1,738
LANOIE, LENNY	ENGINEER PROJ COORD	M	10/3/2005		\$63,019	\$1,854
LEPAGE, P	SENIOR MANAGER	M	3/2/1992		\$98,180	\$8,738
LIMA, J	UTILITY MAINT WORKER	U	6/25/2001		\$37,975	\$1,489
LIMA, WILLIAM	UTILITY WORKER - CDL	U	10/21/2014		\$44,319	
LINDSTROM, D	WATER TREATMENT OPERATOR CLASS 3	U	10/31/2011		\$51,994	
LOMBARDO, F	SUPV FACILITIES & EQUIPMENT	M	2/12/1990		\$68,862	\$4,726
LOURENCO, REBECCA	SENIOR ADMINISTRATIVE ASSISTANT, WSB	MU	6/16/1998		\$66,857	\$3,933
LUGO, FRANCISCO	APPLICATIONS OPERATIONS SPECIALIST	M	9/19/2011	6/30/2016	\$57,158	
LUNDBLAD, ERIK	WATERSHED INSPECTOR	U	3/18/2016		\$40,907	\$2,807
MACHADO, JOSE	WATER TREATMENT OPERATOR CLASS 3	U	4/8/2012		\$50,933	
MACMILLIAN, R	SENIOR FOREST SUPERVISOR	M	5/21/1990		\$68,881	\$4,726
MAINTANIS, JOHN	UTILITY WORKER	U	5/2/2011		\$44,319	
MANFREDI, JOSEPH	WATER SYSTEM MECHANIC	U	10/6/2005		\$51,517	\$1,515
MANTEIGA, O	METER READER TECHNICIAN	U	8/28/2001		\$43,672	\$1,713
MARANDOLA, DEBORAH	METER READER TECHNICIAN	U	8/27/1993		\$43,672	\$2,997
MARCIARO, MARTIN	SENIOR EQUIP MECHANIC	U	9/29/2006		\$50,180	\$1,478
MARFEO, CHRISTINE	SENIOR ADMINISTRATIVE CLERK, WATER	U	7/29/2002		\$43,942	\$1,723
MARFEO, E	SUPV WTR MAINT CREW	MU	6/25/2001	12/17/2016	\$58,352	\$2,288
MARINO, G	DIVISION MANAGER	MU	9/4/1985		\$87,232	\$5,987
MARTE, R	UTILITY MAINT WORKER	U	6/14/2004		\$37,975	\$1,489
MARTIN, ROBERT	SENIOR DRAFTSPERSON - WSB	U	2/3/2014	4/1/2017	\$52,259	
MARTINO, J	SENIOR WATER PLANT MECH	U	6/1/1993		\$53,156	\$3,648
MARZULLO, JOHN	WATER TREATMENT OPERATOR CLASS 3 IN TRAINING	U	7/2/2012		\$50,914	
MASSARO, THOMAS	SENIOR MANAGER - FINANCE	M	3/9/2015		\$98,179	
MATHESON, PHIL	SENIOR ADMINISTRATIVE ASSISTANT, WSB	M	10/26/1992		\$66,858	\$4,588
MCDUGALL, PETER	ENGINEER	M	8/3/2009	9/30/2016	\$65,002	

EMPLOYEE NAME	POSITION TITLE	MNGMT/UNION AFFILIATION	CITY OF PROV START DATE	STEP INCREASE DATE	Base Salary as of September 2016	Longevity
MCLAUGHLIN, J	SUPV WTR MAINT CREW	MU	12/28/1990		\$70,827	\$4,868
MCLAUGHLIN, PETER	MANAGER-ENGINEERING CUST SERVCS	M	1/1/1998		\$75,247	\$4,426
MEDEIROS, D	WATER SYSTEM MECHANIC	U	6/25/2001		\$51,515	\$2,020
MELONE, MICHAEL	SENIOR DRAFTSPERSON - WSB	U	6/30/2011	1/1/2017	\$53,509	
MEONI, PETER	UTILITY MAINT WORKER	U	11/3/2011		\$37,975	
METGZER, JAY	SENIOR DRAFTSPERSON - WSB	U	2/3/2014	4/1/2017	\$52,259	
MICOLLI, A	METER READER TECHNICIAN	U	12/22/1997		\$43,672	\$2,568
MIGNANELLI, ALICIA	SUPERVISOR ACCOUNTING	MU	6/21/1999		\$68,862	\$4,051
MORENO, LOUIS	METER READER TECHNICIAN	U	8/8/2007		\$43,672	\$1,284
MOURA, JOHN	WATER SYSTEM MECHANIC	U	1/7/2013		\$51,517	
MOURACHIAN, EDWARD	FLUSHING TECHNICIAN	U	07/13/09		\$48,820	
MURPHY, JOE	CUSTOMER SERVICE REGULATORY SUPERVISOR	M	5/17/1999		\$68,862	\$4,051
NARDUCCI, VALERIE	SENIOR ADMINISTRATIVE CLERK, WATER	U	3/8/2007		\$43,941	\$1,292
NEWTON, PAUL	DIG-SAFE WORKER	U	7/9/1990		\$48,110	\$3,302
NIHILL, DENNIS	FLUSHING TECHNICIAN	U	6/23/2014		\$48,820	
O'BRIEN, D	SUPV FACILITIES & EQUIPMENT	M	3/5/2007		\$68,862	\$1,929
O'BRIEN, MICHAEL	UTILITY WORKER	U	06/23/14		\$44,319	
O'CONNOR, SETH	ENGINEER	M	9/17/2009	12/16/2017	\$68,251	
O'GARA, WILLIAM	BOARD COUNSEL	N/A	2/17/2012		\$35,000	
OLIVER, C	PURCHASING AGENT II, WATER	U	1/1/2002		\$50,296	\$1,972
OTTAVIANO, LORI	SENIOR ADMINISTRATIVE CLERK, WATER	U	5/17/2010	4/1/2017	\$43,098	
PAFUME, DEB	CLERICAL COORDINATOR	U	8/1/1998	1/1/2017	\$47,892	\$2,815
PAGE, DAVID	MANAGER-PLANT OPS	MU	12/19/1988		\$82,224	\$5,643
PAGNOZZI, MATHEW	UTILITY WORKER	U	1/24/2011		\$44,319	
PALASAJEWICZ, RICHARD	WATERSHED INSPECTOR LTD	U	2/27/2002		\$40,907	\$1,551
PALLOZZI, PETER	DEPUTY GEN MGR (Admin)	M	8/14/1989	6/2/2017	\$112,810	\$6,320
PANDOZZI, A.	SUPV WTR PLANT OPS	MU	11/1/1976		\$88,861	\$4,726
PANDOZZI, ALICIA	SENIOR ADMINISTRATIVE CLERK, WATER	U	8/7/12	10/1/2016	\$42,339	
PANDOZZI, D.	WATERSHED GROUNDS GENERAL FOREPERSON	U	3/21/1977		\$54,569	\$3,745
PAOLINO, E	WATER TREATMENT OPERATOR CLASS 3	U	2/11/2002		\$50,935	\$1,997
PAQUIN, B	MANAGER - PURCHASING	M	1/13/1997		\$73,055	\$4,297
PARRILLO, NANCY	SENIOR MANAGER - FINANCE	M	4/8/2015		\$98,181	
PATTERSON, SHAWN	WATERSHED INSPECTOR	U	03/18/96		\$40,907	\$2,807
PELLEGRINO, F	SENIOR EQUIP MECHANIC	U	6/16/2003		\$50,182	\$1,968
PENNINE, JOHN	HEAVY EQUIP OPER	U	2/5/1996		\$49,772	\$3,416
PEREZ, J	SANITARIAN	U	11/10/2003		\$48,860	\$1,902
PETERS, YSATHIS	JUNIOR CHEMIST I	U	6/26/2012		\$48,860	
PIMENTAL, JOSEPH	HEAVY EQUIP OPER	U	8/7/1990		\$49,774	\$3,416
PIMENTAL, RICHARD	NETWORK ADMINISTRATOR	M	8/22/2011	6/23/2016	\$59,485	
PION, ANDY	MANAGER-CONSTR SERVICES	M	7/28/2003		\$82,223	\$3,224
PONTBRIANT, ROGER	SENIOR WATERSHED MAINT OPERATOR	U	07/13/09		\$47,027	
PRISTAWA, PETER	SENIOR ADMINISTRATIVE CLERK, WATER	U	2/28/1994		\$43,941	\$2,956
RAZZA, R	PRINCIPAL ENGINEER	M	12/6/1999		\$79,830	\$3,131
REILLY, BERNARD	SCHEDULE/DISPATCHER	U	03/28/12		\$51,047	
RICCI, NORMAN	UTILITY WORKER	U	6/8/2015		\$44,319	
RICHARD, CARISSA	MANAGER-INTERGOVERNMENTAL RELATIONS	M	8/26/1996		\$82,224	\$4,837
RICHARD, W	METER SHOP TECHNICIAN	U	12/9/2002		\$45,910	\$1,800
RIELY, CHRISTOPHER	FOREST SUPERVISOR	M	4/28/2008		\$54,909	\$1,909
RIPSTEIN, NORM	PRINCIPAL ENGINEER	M	7/28/2003		\$79,830	\$3,131
ROBERTS, L	SENIOR MANAGER OF PERSONNEL	M	11/15/1993		\$92,544	\$6,351
ROBERTS, ROB	MANAGER-SECURITY	M	6/19/2008		\$73,056	
ROCCHIO, ANTHONY	SENIOR EQUIP MECHANIC	U	5/2/2011		\$50,180	
RODRIGUEZ, GABRIELLA	CONFIDENTIAL ASST	M	7/7/1997		\$61,183	\$3,599
RODRIGUEZ, JESUS	UTILITY MAINT WORKER	U	5/9/2012		\$37,975	
RODRIGUEZ, JOSE	UTILITY MAINT WORKER	U	8/15/2009		\$37,975	\$1,117
ROMANO, DAVE	AIDE TO CHIEF ENGINEER	MU	2/1/1994		\$49,748	\$3,414
SALISBURY, L.	RAINGAGE KEEPERS	N/A	12/3/1990		\$1,092	
SALISBURY, L.	RAINGAGE KEEPERS	N/A	12/3/1990		\$1,092	
SANTAGATA, PAUL	DIG-SAFE WORKER	U	9/18/2001		\$48,110	\$3,302
SANTANIELLO, STEVE	DIVISION MANAGER	MU	11/12/1979		\$87,232	\$5,987
SANZI, W	INSTRUMENTATION TECHNICIAN	U	10/30/1989		\$52,114	\$3,648
SBACCHIS, J	HEAVY EQUIP OPER	U	7/7/1997		\$49,772	\$2,928
SCARCELLA, GIULIANO	FLUSHING TECHNICIAN	U	9/10/2012		\$48,820	
SHAW, STEVE	ENGINEER PROJ COORD	M	10/10/2005		\$83,019	\$1,854
SHERRY, P	SUPV WTR MAINT CREW	MU	12/14/1988	12/7/2016	\$58,352	\$3,433
SILVESTRI, N.	SENIOR METER READER TECHNICIAN	U	9/4/1988		\$46,195	\$3,170
SIMEONE, M	SUPV WTR PLANT OPS	M	6/2/2010		\$68,862	
SIMEONE, NICHOLAS	WATERSHED MAINT OPERATOR	U	5/16/2000		\$39,549	\$1,551
SMITH, THEODORE	WATER SYSTEM MECHANIC	U	12/20/2010		\$51,517	
SMYTH, S	WATER SYSTEM MECHANIC	U	10/30/1989		\$51,517	\$3,535

EMPLOYEE NAME	POSITION TITLE	MNGMT/UNION AFFILIATION	CITY OF PROV START DATE	STEP INCREASE DATE	Base Salary as of September 2016	Longevity
SOITO, S.	SENIOR MANGER	M	6/15/1992		\$88,179	\$6,738
STAFFORD, CHRIS	WATERSHED INSPECTOR - CDL	U	11/15/2010		\$40,909	
STEPHENSON, SHERRY	CLERICAL COORDINATOR	U	1/17/2000		\$49,408	\$1,938
STETSON, B.	WATER SYSTEM MECHANIC	U	12/23/1998		\$51,517	\$3,030
STOMBERG, J	UTILITY MAINT REPAIRPERSON	U	6/15/2009		\$46,893	\$1,350
STRAVATO, TOM	JUNIOR CHEMIST II	U	8/3/1992		\$52,433	\$3,598
SYLVIA, MICHELLE	SENIOR ADMINISTRATIVE CLERK, WATER	U	9/13/2005	4/1/2017	\$43,088	\$1,267
TAVERA, JENNIFER	SENIOR ADMINISTRATIVE CLERK - BILINGUAL, WATER	U	8/8/2012	10/1/2016	\$43,506	
TAYLOR, DAVID	FLUSHING TECHNICIAN	U	8/30/2012		\$48,820	
TESSAGLIA, JANICE	SENIOR ADMINISTRATIVE CLERK, WATER	U	6/28/2004		\$43,942	\$1,723
TESSAGLIA, ROBERT	INVENTORY/MATERIAL HANDLER	U	6/18/2001		\$41,635	\$1,633
TESSAGLIA, SUZANNE	SENIOR ADMINISTRATIVE CLERK, WATER	U	3/18/2002		\$43,942	\$1,724
TETREAULT, J.	SENIOR WATER PLANT MECH	U	2/2/2007		\$53,154	\$1,583
THRASHER, JAMES	UTILITY WORKER	U	12/13/2010		\$44,319	
THURBER, KERRI LYNN	MEMBER - WSB	N/A	10/7/2013		\$3,500	
TIKOIAN, DAVID	MANAGER-DISTRIBUTION/FIELD	M	5/11/2015	5/11/2017	\$74,578	
TOBAK, JAKE	NETWORK OPERATIONS ANALYST	M	6/5/2013	9/9/2016	\$50,785	
TUOMISTO, KATHERINE	ADVISORY PROFESSIONAL ENGINEER	M	9/2/2014		\$48,273	
VITALE, D	SENIOR WATER PLANT MECH	U	11/30/1998		\$53,154	\$2,808
VITALE, JOHN	FLUSHING TECHNICIAN	U	9/10/2012		\$48,820	
VOLLUCCI, KAREN	LAB SUPERVISOR/CHEMISTRY - WATER	M	6/13/1989		\$70,926	\$4,888
WAKEFORD, SANDRA	RAINGAGE KEEPERS	N/A	1/22/2016		\$1,092	
WALSH, J	RAINGAGE KEEPERS	N/A	7/1/2007		\$1,092	
WALSH, T	WATER TREATMENT OPERATOR CLASS 3	U	9/8/1987		\$50,935	\$3,496
WARE, ANGEL	ENGINEER PROJ COORD	M	12/23/1996	10/11/2018	\$51,848	\$3,050
WASHINGTON, COURTNEY	WATER TREATMENT OPERATOR CLASS 3	U	12/13/2010		\$50,933	\$1,683
WASHINGTON, JERELLE	WATER TREATMENT OPERATOR CLASS 1	U	10/1/2015		\$38,588	
WATTS, CHRISTOPHER	FLUSHING TECHNICIAN	U	12/20/2010		\$48,820	
WERMUTH, ALYSSA	SENIOR ADMINISTRATIVE CLERK, WATER	U	1/28/2013	7/1/2017	\$42,339	