

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

Petition of KENT COUNTY WATER :
AUTHORITY-Rate Application : Docket No. 3942

**KENT COUNTY WATER AUTHORITY OBJECTION AND MOTION TO STRIKE CITY
OF WARWICK'S MOTION FOR EXTENSION OF TIME**

Now comes the Kent County Water Authority and states and avers as follows:

Kent County Water Authority filed an application for a proposed change in rates with the Public Utilities Commission on March 31, 2008 as Docket #3942. The notice of the proposed change was duly advertised in the Providence Journal on April 8, 2008. On April 9, 2008 at open meeting, the Public Utilities Commission suspended the Kent County Water Authority rate application pursuant to Public Utilities Commission Rules Part Two Rule 2.3 (c) effective May 1, 2008.

That on May 1, 2008 a pre-hearing conference was held at the Public Utilities Commission and a procedural schedule was adopted and distributed by the Public Utilities Commission on May 2, 2008 (attached as "A"). The first deadline for intervention motions was May 23, 2008. The City of Warwick served its Motion to Intervene together with entry of appearance for its attorneys on May 23, 2008 which became effective June 2, 2008 by the Public Utilities Commission. That the deadline for Intervenor's pre-filed direct testimony was due by July 30, 2008. That on July 28, 2008, two days before the July 30, 2008 deadline, the City of Warwick filed a motion to extend its pre-filed direct testimony deadline for forty-five (45) days i.e. Saturday, September 13, 2008.

That the City of Warwick alleges as grounds for the extension that Christopher Woodcock was its rate consultant and that he resigned because of a conflict. That the City of Warwick water officials were well aware of the relationship between Kent County Water Authority and the Christopher Woodcock and in fact Christopher Woodcock in his proposal to the City of Warwick of April 21, 2008 specifically stated that he was involved as consultant with Kent County Water Authority rate Docket #3942 (attached as "B).

The Warwick RFP #2008-281 Professional Consulting Services to Review/Update Water Rate Schedule Fee Structure to which Christopher Woodcock responded was posted on the City of Warwick website on April 10, 2008 (attached as "C"). An examination of the RFP demonstrates that any respondent was to perform an in-house study of the Warwick water system that did not include any Public Utilities rate calculations or testimony. In any event, Christopher Woodcock withdrew his proposal on May 27, 2008 (attached as "D") and emphatically stated in the withdrawal, "In our proposal, we specifically mentioned our past work for the Kent County Water Authority and that we are representing the Authority in its current rate filing." It is specious to posit that the City of Warwick can claim that Christopher Woodcock was its rate consultant for this case. The simple truth is that the City of Warwick in its RFP ("C"), did not mention any Public Utilities Commission work. Warwick could not possibly have relied on Christopher Woodcock to perform the services not mentioned in the RFP and further reinforced by Christopher Woodcock's complete disclosure concerning his Public Utilities Commission work with Kent County Water Authority and more especially in light of page 6-7 of Exhibit "B".

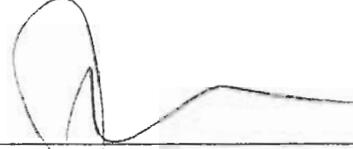
As if that were not enough, the City of Warwick procrastinated from May 27, 2008 until June 26, 2008 to re-post a similar RFP now labeled #2009-24 (attached as "E") and the proposal was opened July 7, 2008. The City of Warwick has further delayed in selecting a consultant to the present, all to the detriment of Kent County Water Authority which is under serious financial and time constraints. The subsequent RFP ("E") is again silent as to any Public Utilities Commission rate work and is again an in-house proposal. Ironically, the City of Warwick has yet to award the RFP to anyone and as alleged is now "expected" to authorize the selection at its August Council meeting with an expectancy that the selectee will start work immediately.

In any event, the City of Warwick request would eviscerate the procedural schedule by delaying the pre-filed direct testimony, pre-filed rebuttal testimony, pre-filed surrebuttal testimony and would completely render meaningless the September 19, 2008 settlement deadline which, also, closely precedes the Evidentiary hearing opening date of September 24, 2008. This request to extend by the City of Warwick is further amorphous with an intended necessary result in delaying the conduct of the proceedings which is contrary to PUC Rule 1:15 (c).

The PUC suspension of the rate applicant effective May 1, 2008 does not bode well for the extension request in that the last date for PUC action on Docket #3942 would be October 31, 2008. The extension request would be very similar to the folly of a Warwick tax-payer asking the Mayor and City Council to extend the deadline for the setting of the tax levy beyond the commencement of the next fiscal year.

Kent County Water Authority asks that the Motion for Extension by the City of Warwick be denied for the above reasons.

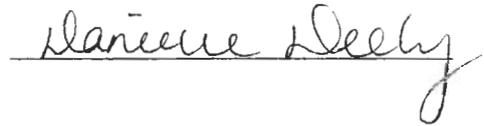
Respectfully submitted,
KENT COUNTY WATER AUTHORITY



Joseph J. McGair #0304
PETRARCA AND McGAIR, INC.
797 Bald Hill Road
Warwick, RI 02886
(401) 821-1330

CERTIFICATION

I hereby certify that a true copy of the within Objection was e-mailed to the attached service list on the 5th day of August, 2008.



**Docket No. 3942 – Kent County Water Authority - General Rate Filing
Service List 05/29/08**

| Name/Address | E-mail Address | Phone/FAX |
|--|--|------------------------------|
| Joseph J. McGair, Esq. Petarca & McGair, Inc. 797 Bald Hill Rd. Warwick RI 02886 | jjm@petrarcamcgair.com | 401-821-1330 401-823-0970 |
| Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence RI 02895 | Lwold@riag.ri.gov | 401-222-2424 |
| | jbelle@ripuc.state.ri.us | 401-222-3016 |
| | sscialabba@ripuc.state.ri.us | |
| | amancini@ripuc.state.ri.us | |
| | Mtobin@riag.ri.gov | |
| | Kzelano@riag.ri.gov | |
| Thomas S. Catlin Exeter Associates, Inc. 5565 Sterrett Place, Suite 310 Columbia, MD 21044 | Tcatlin@exeterassociates.com | 410-992-7500 410-992-3445 |
| Timothy Brown, P.E. General Manager Chief Engineer Kent County Water Authority PO Box 192 West Warwick RI 02893-0192 | tbrown@kentcountywater.org | 401-821-9300 401-823-4810 |
| Lincoln S. Lennon, Esq. City Council Solicitor 915 Smith Street Providence, RI 02908 | llennon@lennonlaw.net | 401-621-7600 401-521-7330 |
| Peter D. Ruggiero, Esq. Warwick City Solicitor Ruggiero, Orton & Brochu 20 Centerville Road Warwick, RI 02886 | Ruggieropd@ruggiero-orton-brochu.com | 401-737-8700 401-737-0735 |
| Christopher Woodcock Woodcock & Associates, Inc. 18 Increase Ward Drive Northborough MA 01532 | Woodcock@w-a.com | 508-393-3337 508-393-9078 |
| Original & nine (9) copies file w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889 | Lmassaro@puc.state.ri.us | 401-941-4500 |
| | Cwilson@puc.state.ri.us | 401-941-1691 |
| | Anault@puc.state.ri.us | |

EXHIBIT "A"



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

PUBLIC UTILITIES COMMISSION
89 Jefferson Boulevard
Warwick RI 02888
(401) 941-4500

Chairman Elia Germani
Commissioner Robert B. Holbrook
Commissioner Mary E. Bray

Via Electronic Mail

PROCEDURAL SCHEDULE

TO: Service List and Interested Parties
FROM: Luly E. Massaro, Commission Clerk
RE: Kent County Water Authority – Rate Application - Docket No. 3942
DATE: May 2, 2008

Thank you for your participation at yesterday's pre-hearing conference held on the above docket. This docket relates to the Commission's review of the Kent County Water Authority's rate application seeking additional revenues in the amount of \$5,464,566 or 35%. The parties identified at the pre-hearing conference are the Kent County Water Authority and the Division of Public Utilities and Carriers. The following represents a summary of scheduled hearing dates and **dates** on which filings are to be submitted in the docket:

05/23/08 Motion to Intervene deadline
07/10/08 Public comment hearing in PUC's office, 89 Jefferson Blvd, Warwick @
7:00 P.M.
07/30/08 Division's and Intervenor's pre-filed direct testimony
08/28/08 Kent County Water Authority's pre-filed rebuttal testimony
09/10/08 Division's and Intervenor's pre-filed surrebuttal testimony
09/19/08 Settlement Agreement deadline
09/24/08 Evidentiary hearing commences @ 9:30 A.M.
09/25-26/08 Evidentiary hearing continues

cc Commissioners
Commission/Division Staff
City Clerk of City of Warwick
Town Clerk of East Greenwich
Town Clerk of West Warwick
Town Clerk of West Greenwich
Town Clerk of Coventry
City Clerk of Cranston
Town Clerk of Scituate
Town Clerk of North Kingstown

EXHIBIT "B"

**CITY OF WARWICK
PROPOSAL FOR
WATER RATE STUDY**

RFP #2008-281

April 21, 2008

WOODCOCK & ASSOCIATES, INC.
with
MARVEL WATER SOLUTIONS, LLC
RAFTELIS FINANCIAL CONSULTANTS, INC

April 21, 2008

Mr. James F. Marcello
Purchasing Agent
City of Warwick
3275 Post Road
Warwick, RI 02886

Proposal for Water Rate Consulting Services

Dear Mr. Marcello:

Woodcock & Associates, Inc. is pleased to submit this proposal for consulting services for the City of Warwick for professional consulting services to revise and update the existing water rates schedule and fee structure. Woodcock & Associates, Inc. (W-A) is highly qualified and experienced to provide quality, cost effective, dedicated, accurate, and timely rate consulting services. The President of W-A, Christopher Woodcock, has completed nearly 400 such studies, with many in the State of Rhode Island. As the past chairman of both AWWA's Rates & Charges Subcommittee and the Financial Management Committee, Mr. Woodcock was instrumental in the development of AWWA's Alternative Rates Manual as well as the recently issued M1 Water Rates Manual.

To ensure that the Water Division receives the best possible services, we propose to use experts from two associate firms -- Marvel Water Solutions, LLC (MWS) and Raftelis Financial Consultants, Inc. (RFC) --to assist with elements of the proposed consulting services. Mr. Marvel of MWS has an office in Cranston and is the former Superintendent at the Woonsocket Water Department. He has assisted us in several past rate studies including work in Coventry and Middletown. We propose to use consultants from RFC to assist with the development of a computer rate model.

Together, we bring broad local and national experience in the preparation of water rate studies. Mr. Woodcock's national experience includes rate development for large water utilities across the U.S. including Providence, New York City, Boston, Baltimore, Denver, and Washington D.C. Locally we have provided rate-consulting services to a number of New England communities, including communities throughout Rhode Island.

We thank you for considering us for this assignment.

Very truly yours;
WOODCOCK & ASSOCIATES, INC.

Christopher P.N. Woodcock
President

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COMPANY PROFILES

WOODCOCK & ASSOCIATES, INC.

Mr. Christopher P.N. Woodcock was employed for 20 years by one of the region's largest environmental consultants where he was appointed a Vice President responsible for the firm's rate and financial studies. Recognizing the need for individually tailored, innovative solutions to each utility's unique rate and financial problems, he formed Woodcock & Associates, Inc. (W-A) in 1994. During his career, Mr. Woodcock has completed numerous water, wastewater, and stormwater cost of service and rate determination studies throughout North America and around the world. He has prepared nearly 400 rate and financial studies for clients ranging from small local utilities serving several hundred customers to large regional utilities providing service to over sixteen million customers. Clients have been served in over 30 states, Canada, the Caribbean, Europe, Asia, and Africa.

W-A's rate and financial consulting work includes:

- Analysis and design of alternative rate structures for water, wastewater, and stormwater utilities,
- Preparation of cost of service studies,
- Development of new connection or system development fees,
- Provision of expert testimony before state regulatory commissions and in court proceedings,
- Development of computer rate and financial models,
- Preparation of financial feasibility reports in support of debt,
- Development of capital improvement and financing plans,
- Preparation of fixed asset valuation and depreciation studies,
- Development and economic evaluation of conservation programs, and
- Establishing enterprise funds for municipal utilities.

Foremost in each of our assignments is a dedication to providing solutions that are responsive to each client's individual goals, objectives, and desires. With more than three decades of working with a large cross section of utilities throughout the world we have developed the ability to probe and discover the real concerns and issues. The range of problems we have encountered and resolved has provided W-A with an ability to find solutions to most any utility rate and finance problem.

Our offices are located in Massachusetts at:

Woodcock & Associates, Inc.
18 Increase Ward Drive
Northborough, MA 01532
508-393-3337

MARVEL WATER SOLUTIONS, LLC

Mr. Emerson (Jim) Marvel is the president of Marvel Water Solutions LLC, a firm that provides consulting services on the operations and management of water utilities as well as rates and charges. He has earned a Bachelor of Science degree and an MBA. Mr. Marvel has over thirty years experience in the operations and management of regional water utilities in New England.

Prior to forming Marvel Water Solutions, he managed the Woonsocket, Rhode Island Water Department. He oversaw the development and implementation of a capital improvement program that included several million dollars per year in infrastructure replacement, as well as, an analysis of a new treatment facility. As part of this program, he scheduled capital projects, was involved with obtaining financing and issuance of revenue bonds, and implementing the rates to support the debt service.

Mr. Marvel was awarded the American Water Works (AWWA) Operators Meritorious Service Award and the New England Water Works (NEWWA) Leadership Award. He is a Past President of NEWWA and has currently been elected to the national board of directors of AWWA.

In conjunction with W-A, Marvel Water Solutions has worked on developing non use-based fees for several towns in New England as well as rate studies in Rhode Island. Marvel Water Solutions offices are located at:

Marvel Water Solutions, LLC
15 Cityview Parkway
Cranston, RI
401-821-8639

RAFTELIS FINANCIAL CONSULTANTS, INC.

Raftelis Financial Consultants, Inc. ("RFC") was established in 1993 by George A. Raftelis to provide national environmental and management consulting services of the highest quality to public and private sector clients. The focus of RFC's services is in the areas of environmental finance, utility financial planning and pricing, strategic planning, resource conservation, and related areas. RFC is currently comprised of 18 full-time consultants and four full- and part-time administrative support positions. RFC places a high priority on being responsive to its clients. On average, each staff consultant is involved with four to five projects at any one time in an effort to balance workload while maintaining responsiveness.

Like W-A, Inc., RFC's has extensive national experience with rate studies, development fee studies, and bond feasibility studies for both water and wastewater utilities. As a consulting philosophy, RFC maintains the practice of providing senior level assistance to our clients. While support staff is used for specific data gathering and analysis func-

tions, it is not RFC's practice to leverage its senior people with large teams of junior level consultants.

RFC's values include quality, teamwork, integrity, client responsiveness, innovation, knowledge, and flexibility. The mission of RFC is to be the most highly regarded innovative leader in providing financial, economic, and management consulting to environmental utilities.

As with Marvel Water Solutions, Mr. Woodcock has worked extensively with RFC on rate studies throughout the country. You are encouraged to see more about RFC at their website: <http://www.raftelis.com>.

STAFFING

All work on this project will be provided under the overall guidance and management of Mr. Christopher P.N. Woodcock, the President and founder of Woodcock & Associates, Inc. It is expected that Mr. Woodcock and Mr. Marvel will provide the vast majority of the consulting to the Warwick Water Division and will attend all meetings and hearings. We are always mindful of deadlines that our clients have; because we are a small firm we can dedicate ourselves to each client's project and we believe we have always been able to meet deadlines. We have worked with the proposed team on numerous projects in the past and have established excellent lines of communications that enable us to complete projects seamlessly.

Mr. Woodcock is an internationally recognized expert in rate consulting, cost of service, utility financing and management, and other related studies. In his capacity as a member of and past Chairman of the American Water Works Association's Rates and Charges Subcommittee he has helped author numerous authoritative manuals on rates and charges. He is also a member and past Co-chairman of the New England Water Works Association's Financial Management Committee. Mr. Woodcock was a member of the Technical Evaluation Committee for the book *Water and Wastewater Finance and Pricing* that was prepared by Mr. Raftelis. He has been asked by agencies in a number of states, particularly in Rhode Island, to serve on or assist investigatory committees involving utility rates, management and finance issues.

Mr. Woodcock's rate and financial consulting work has included over 300 rate and financial studies for numerous federal, state and local governmental entities including large regional agencies such as the Boston Water and Sewer Commission, the Washington DC Water & Sewer Authority, the Detroit Water and Sewerage Department, Baltimore MD, the Metropolitan Water District of Southern California, the Edmonton Alberta Regional Water Customer Group, New York City, Fort Worth TX, and the City and County of Denver CO. He has also conducted studies for numerous smaller communities serving several hundred customers. Mr. Woodcock worked on each of the jobs listed or described in this document.

Over the course of his career, Mr. Woodcock has been called upon to help negotiate disputes associated with water and sewer rates and charges. In those cases where negotiations were not fruitful or possible, he has served as an expert witness numerous times. He has also been retained as an arbitrator in these issues on several occasions.

As indicated earlier we also plan to use several associates that we have working arrangements with. We plan on using Mr. Emerson Marvel to assist with data gathering, the review of existing rates and charges, and the evaluation of various fees and alternative charges. Mr. Marvel is the recently retired Superintendent of the Woonsocket Water Department, has nearly a quarter century of hands on experience operating municipal water utilities in New England, and has recently done several studies of miscellaneous fees and charges for Massachusetts communities.

In addition we plan on using two consultants from RFC. Ms. Melissa Levin will be the lead consultant from RFC and will assist with the development of a spreadsheet model to assist with the evaluation of Warwick's current water rates and charges and the evaluation of rate alternatives as outlined in your Request for Proposals. In addition we will use Mr. Patrick Smyth to assist with the development of a spreadsheet model that we will use for the study. Mr. Smyth has extensive experience in the development of rate models, and has worked with Mr. Woodcock on a number of recent water rate studies in New England. Ms. Levin and Mr. Smyth will also have the full resources of RFC as needed. Mr. Woodcock & Mr. Raftelis have had a close working relationship for decades.

Appended to this document are copies of resumes for Mr. Woodcock, Mr. Marvel, Ms. Levin, and Mr. Smyth. We encourage you to review the attached resumes; we believe that the staff we are proposing for the Warwick Water Division is unequalled in experience and knowledge both nationally and in the State of Rhode Island.

EXPERIENCE & QUALIFICATIONS

EXPERIENCE

The following section highlights some of Woodcock & Associates Inc.'s prior experience with rate and financial reviews, cost of service studies, and the determination and analysis of alternative rate structures. While our two associate firms also have extensive experience in these fields, we are only highlighting W-A's experience as we believe that it alone meets all the City's requirements. If needed, we would be glad to provide further examples of work provided by Marvel Water Solutions or Raf-telis Financial Consultants that augments the work completed by Woodcock & Associates, Inc.

ALTERNATIVE RATE DESIGN AND COST OF SERVICE STUDIES

In the course of our rate work, we are often requested to review alternative rate structures. Municipalities are finding that the rising cost of providing water, sewer and stormwater service is leading consumers to question traditional rate structures. As a result, the analysis of alternative charging methods that may better meet customer and utility needs is becoming more common. W-A has been on the forefront of analyzing and developing alternative rate structures.

Warwick has specifically mentioned conservation rates as an important element in the proposed work. Mr. Woodcock developed the first conservation rate structure submitted to the RI PUC in a case recently filed on behalf of the Kent County Water Authority. This was in response to expected legislation on conservation rates. Mr. Woodcock also wrote the section on conservation rates in the Best Management Toolbox recently adopted by the Rhode Island Water Works Association. Lastly, Mr. Woodcock was recently asked to present a seminar on conservation rates and financing by the Massachusetts Department of Environmental Protection; this seminar is intended for municipal officials and water departments throughout the state.

We believe that an essential part of any review and evaluation of water or sewer utility rates and charges is an understanding of the cost allocation process in order to assimilate new charges in the most equitable and administratively acceptable manner. The following projects also demonstrate our ability to understand this process.

The Kent County (RI) Water Authority provides retail water service to the residents of Kent County, RI. Mr. Woodcock was engaged as the Authority's rate and financial consultant after representing the Authority's largest customer in rate proceedings before the Rhode Island Public Utilities Commission. Since 1984, he has prepared several full cost of service and rate design studies to the PUC on behalf of

the Authority. He has also prepared a number of other rate studies and pass through rate increases that were submitted to the PUC on behalf of the Authority. Because the Authority buys water from a wholesale provider, W-A has also been retained to represent the Authority's interests in several proceedings before the RI PUC. Due to W-A's expert testimony and exhibits that supported our analyses and corrections to the wholesaler's proposed cost allocations, the Authority was able to obtain significant reductions from the wholesale rates and charges that were originally proposed. In a recent case, W-A also represented the interests of a number of other cities and towns that purchased wholesale water from the same provider.

The Pawtucket (RI) Water Supply Board was embarking on a major capital improvement program involving the rebuilding of a water treatment facility and the replacement of nearly all its water mains. The Board had experienced some problems with filings before the Rhode Island PUC and needed to revise its water rate structure to comply with State law and Commission mandates. In addition, the Board was issuing revenue bonds in its own name for the first time and needed assistance with various financial analyses related to the bond issues. W-A has developed several rate filings before the RI PUC that succeeded in revising the structure of the rates and began to provide the necessary funding for its capital improvement program. Our work with this multi-year CIP and rate filings continues.

Woodcock & Associates provided water rate consulting services to the City of Woonsocket RI for more than a dozen years. In the early 1990's the City was in need of a significant water rate increase. They were running deficits and had been using previous years' retained earnings to delay an increase. The requirement for an increase was heightened by the need for major capital improvements. Mr. Woodcock completed a full review of the Water Department's revenue requirements, developed projected expenses including new debt service for an extensive capital improvement program, analyzed various wholesale and retail rate structure alternatives, conducted a full cost of service allocation study, prepared prefiled testimony and exhibits for submission to the state utility commission, and provided oral testimony in support of the City's rate request. The documentation and presentation included in the rate filing provided convincing evidence for the approval of the largest percentage rate increase of water rates approved by the RI PUC. In subsequent years, Mr. Woodcock updated the rates with a number of submissions to the RI PUC. Recently, Mr. Woodcock resigned as consultant to Woonsocket.

The United Water Company of RI was ordered to complete a cost of service and rate design study by the RI PUC before any new rate filings could be considered. After an initial rate filing was rejected by the PUC due to the lack of such studies, the Company engaged W-A to quickly prepare these studies along with prefiled testimony and exhibits so the Company could implement new rates to cover its rising costs. Using revenue requirements provided by the Company, W-A completed the study and required testimony for submission within one month. The analysis re-

sulted in some significant impacts to some of the Company's customers. We suggested a phase-in of the cost based rates that was filed with the PUC. After extensive review by the Commission, the cost allocation study and suggested phase-in were adopted by the PUC.

The Dedham-Westwood Water District (MA) was running low on water during peak summer use periods. To augment its supply it petitioned to buy water from the regional MWRA. In order to buy water from the MWRA, the District had to meet certain criteria, including the adoption of a conservation oriented water rate structure. W-A was retained by the District to develop a new water rate structure to meet those goals. Working with the District Board, we developed several alternatives that would not unduly penalize larger volume customers that were not wasting water or using large quantities for irrigation, yet would provide significant monetary incentives to conserve for residential customers with large irrigation demands.

Mr. Woodcock has provided water and sewer rate consulting to the City of Boston and later to the Boston Water and Sewer Commission (BWSC) since the mid 1970's. He was a project engineer on the rate study for the City of Boston that led to the creation of the Boston Water and Sewer Commission. In addition to annual rate reviews for BWSC, he conducted and managed an analysis of alternative water and sewer rate structures in 1985 that would conform to the statutory conservation mandates in the (then) recently passed Massachusetts Water Resources Authority Enabling Act. As a result of this analysis, BWSC adopted a ten step, increasing block rate structure for both water and sewer service -- the first increasing block rate structure for a major northeastern utility. In 1990 he completed an analysis of seven rate structure alternatives including ratchet rates, toxic reduction charges, service charges, conventional pollutant charges, seasonal rates, stormwater charges, and life-line/low income discounts. W-A has continued to provide consulting services to BWSC including development of a new rate model and assistance with recent rate increases.

Mr. Woodcock has been providing water and wastewater rate consulting services to the City of Springfield MA and now the Springfield Water and Sewer Commission since the late 1970's. His initial work included the development of new wastewater rates and charges that varied by class of customer to recognize different pollutant concentrations. Because Springfield operates a regional treatment facility, he also helped develop the charges to the communities and industry that were major regional customers. He has also assisted the City with the development of new water rates for both the retail customers in Springfield and Ludlow as well as for the wholesale customers that bulk water in bulk from Springfield. In this line he has helped develop new wholesale water agreements. In 1998 the City formed a separate Water and Sewer Commission to take over the operations and financing of the water and wastewater utilities. Mr. Woodcock has assisted the Commission with the development of new water and sewer rates as well as analyses of rate structure alternatives.

For the City of Concord, NH, W-A was retained to complete a water and sewer rate study, an analysis of various fiscal policies, a review of the water and sewer chart of accounts, develop new connection fees, and develop a computer model that could be used by the City to update rates into the future. Working with various water, sewer and finance staff we helped develop a new structure to the City's water and sewer rates and to develop new connection fees.

The State of Maine's Public Utility Commission retained W-A to assist it with rate design issues involving two separate rate filings. Mr. Woodcock assisted the PUC staff by preparing a cost of service allocation study a subsequent rate design for eight different divisions of the Consumer's Maine Water Company. For one division, the rate design issues impacted a large food manufacturing facility that was the largest water user. W-A worked with the PUC staff, the Water Company, and the industry to develop a schedule of rates that was agreeable to all parties.

Woodcock & Associates Inc. was retained by the Town of Norwood, Massachusetts to examine water rate alternatives. The Town was exploring a new automatic metering system that will obtain radio meter readings and allow the town to bill customers more frequently. An added advantage of the new system is expected to be reduced lost water and increased accountability and leak detection, thereby reducing the cost of purchased water supplies. W-A analyzed rates both with and without the new metering system accounting for the added operating and capital costs as well as potential purchased water savings.

Under subcontract to a large engineering firm, W&A assisted the City of Baltimore, MD with development of a new computer rate model and retail and wholesale water rate analysis. W&A worked with the Division staff to look at various water rate options including alternative minimum and service charges as well as rate structure changes. As part of the assignment, W&A also developed a computer spreadsheet model for use by the City to update the retail water rates as well as the wholesale or bulk rates to several neighboring counties. Mr. Woodcock is currently working with the City of Baltimore under a subcontract to Raftelis Financial Consulting.

The Town of Lexington, MA had not analyzed the structure of their water and sewer rates for well over a decade - charges had simply been increased across the board to meet revenue needs. Escalating charges from the regional supplier and the growing installation of irrigation meters that were not charged for sewer service were putting pressures on revenues. W-A was retained to review the water and sewer rates of the Town and help develop new fiscal policies. We recommended the explicit inclusion of PILOT payments that had been charged at the end of each year and the development of operating reserves to ensure sufficient revenues for the enterprise funds. The initial rate blocks for water and sewer service were increased to cover all wholesale costs and eliminate the subsidies from larger users. The new water rates established separate charges for irrigation meters that charged for all wa-

ter at the highest rate to reflect the expenses associated with this service. To protect customers that could not afford the increased rates, low-income discounts were provided to users that could demonstrate income based needs. The Town adopted the recommendations unanimously. We have been asked to provide annual reviews and updates since the original rates were adopted.

The Town of Watertown, MA has retained the services of W-A several times. Initially we were asked to assist the Town after a prior consultant's study resulted in significant revenue shortfalls. We were asked to examine water use data to determine the cause and found that available data for individual rate tier had not been used. In addition to developing new water and sewer rates, were also asked to evaluate changes to the Town's policy on deduct or irrigation meters for non-residential customers and the impact of charging condominiums on a per unit basis rather than charging the building at the higher rate steps from a master meter. W-A was subsequently retained to assist the Town with updating its rates and implementing some of the earlier recommendations.

W-A has been retained by the Portland (ME) Water District a number of times to analyze its water rates and charges. The District had historically maintained different rates for the core cities it serves with higher rates to customers in the towns that were further out. This had been a matter of dispute for some time. W-A's first assignment was to analyze this rate differential. We recommended an equalization of all rates for the member communities; the basis for the differentials had diminished over time. However, we did recommend that non-member communities continue to be charged higher rates to reflect the fact that they charged the District property taxes and did not help back the District's bonds. This major revision was approved by the Maine PUC. Recently we were retained by the District to look at the cost of service for different customer classes. Our study showed that larger industrial and commercial customers were not paying their share of allocated costs and that residential users were paying more than their cost of service. Because of concerns about impacts on large employers, the Board asked that we examine a number of phase-in alternatives. Working with the staff of the District and the Board we were able to develop an alternative that was agreeable to all parties. This was submitted to and approved by the Maine PUC. In 2007 we were also engaged by the District to update the cost allocation study and analyze new rate designs. After a number of meetings with the District Trustees, an agreed upon rate design was submitted to the Maine PUC, who approved the new rate design.

The Town of Williamstown, MA had a water rate study conducted by Mr. Woodcock in 1989. At that time, a complete cost of service study was conducted, including the determination of a new rate structure and fire protection charges. While the rates were only designed to suffice for four years, with retained earnings and careful spending, the Town was able to have them last into 1994. Seeing that the rates would need updating, the Town recently asked Woodcock & Associates to help with

the development of new water rates. Several major issues in the most recent study included (a) fire protection charges that were passed on through a town-wide fire district while major portions of the Town were not served by the water system and (b) the presence of a major property owner that was a tax-exempt college and thus paid no taxes to the fire district. Working with a five-person citizen's committee, W-A has helped craft innovative solutions that meet Williamstown's unique needs.

The Sudbury (MA) Water District's supply of water is restricted by the capacity of existing wells; it has few viable new sources. In recent years the customer demands have exceeded the safe yield of the supply, necessitating some severe water restrictions in the summer months. The District asked W-A to prepare a study of alternative water rate structures that could help encourage greater water conservation. After meeting with the District to assess the situation as well as the District's billing constraints, W-A prepared a comprehensive report on rate alternatives intended to encourage water conservation. Our report addressed various increasing block and seasonal rates as well as the potential impacts on customers and the District's revenues. After exploring the alternatives with the Trustees, a new set of seasonal rates were adopted that set high summer charges for excessive residential uses yet retained lower rates for the winter periods when supply was not historically constrained.

The Town of Lancaster MA was building a new water storage facility and needed assistance from a new consultant in setting up its enterprise fund, developing budgets, establishing new rates, and financing the cost of the new facilities. Woodcock & Associates, Inc. was hired to provide consulting services in these areas. New rates were developed and presented to the Board and the Town Meeting for approval. The recommended rates were approved by the board and have been implemented in Lancaster.

The Bangor (ME) Water District retained Mr. Woodcock to conduct a complete cost of service and water rate analysis. The District had a five step, declining block rate structure. Due to restrictions by the State of Maine, the safe yield of the District's source of supply was substantially reduced. In addition, the District was about to embark on a major SDWA construction project. Mr. Woodcock was asked to develop a cost of service study and water rate structure analysis for submittal to the Maine Public Utilities Commission. The study had to consider the impact of financing the new project, the impact on two large wholesale customers, the City of Bangor's concerns about fire protection charges, and the Trustee's conservation policies. Based on an analysis of rate structure alternatives that were presented, the District chose to begin phasing-in a new water rate structure intended to encourage more water conservation. Subsequently, W-A has updated the cost of service study and resulting rates to incorporate the costs associated with the new treatment facilities. The phase-out of the old rate structure has continued, being replaced with one that is more reflective of the District's cost of service.

EXPERT WITNESS SERVICES

Mr. Woodcock has provided expert witness testimony before state regulatory bodies and courts on water and wastewater rate related issues on numerous occasions. While it is our intention to assure that clients do not end up in litigation, we have found that it is sometime unavoidable. Our experience with such litigation has helped us find ways to minimize the risk of litigation over rates and to develop sound backgrounds and defensible analysis in case of such litigation.

Mr. Woodcock has provided expert witness testimony before state and provincial regulatory bodies in Texas, Alberta (Canada), New Hampshire, Maine, Rhode Island, New York, and Connecticut. He has been retained to serve as a staff consultant on several water rate studies for the Maine Public Utilities Commission. He has been retained as an expert witness in rate related court proceedings in Michigan (Federal and State Court), Massachusetts, Pennsylvania, Arkansas, New Jersey, Maryland, and Florida. In addition, a number of the rate cases Mr. Woodcock has worked on have involved administrative hearings where expert testimony was provided. For a sewer rate dispute in Michigan, W&A was retained as an arbiter in a case involving contract interpretations. He was also retained as an arbiter in a water rate dispute between two cities in Arkansas.

RATE STUDIES IN RHODE ISLAND

Communities, Districts and Authorities within the State of Rhode Island for which Mr. Woodcock has provided water and/or sewer rate studies include:

- | | |
|---------------------------------|----------------------------------|
| * Kent County Water Authority | * Bristol County Water Authority |
| * Providence Water | * Pawtucket Water Supply |
| * Portsmouth Water & Fire Dist | * Newport |
| * Middletown | * United Water Company |
| * Woonsocket | * Smithfield |
| * Blackstone Valley Dist. Comm. | * Coventry |

Appended to this proposal is a list of the water and sewer rate studies that Mr. Woodcock has worked on. We believe that the proceeding descriptions and the appended listing of clients include examples of similar projects. If the Town needs additional examples or descriptions we would be happy to provide these.

QUALIFICATIONS

TEN YEARS EXPERIENCE

As discussed earlier, we have far more than 10 years experience in all aspects of water rates and development service fees. Both Mr. Woodcock & Mr. Raftelis have each been providing rate consulting services for well over 30 years.

EXPERIENCE WITH CONSERVATION RATES AND REVENUE IMPACTS

Mr. Woodcock has developed a number of conservation rate structures. As shown on the appended list of jobs, he has experience in the southwest where significant water conservation is required and some of the more unique rate structures encouraging water conservation have been adopted. In each of these cases, it was critical to include consideration of revenue impacts to assure that revenues remained adequate for operations and capital needs. In fact one of Mr. Woodcock's strongest recommendations to the RI legislature on conservation rates was to make certain that there are adequate provisions for reserve funds in the case of dwindling water sales.

Mr. Woodcock developed the first increasing block water and sewer rate structure for a major New England municipality when he developed the rate structure for the Boston Water & Sewer Commission. There were considerable concerns with the impact on revenues. Boston has always been able to maintain adequate reserves, despite the adoption of the first major conservation rate in New England.

Mr. Woodcock has developed numerous conservation rates for municipalities; in each one of these he has recommended the creation of a rate stabilization fund to assure adequate resources. In the recent rate filing of a conservation rate for the Kent County Water Authority, Mr. Woodcock's testimony emphasizes the need for an increased operating revenue allowance.

KNOWLEDGE OF LOCAL AND INDUSTRY PRACTICE

The City has asked for evidence that (a) we can provide a rate study that is consistent with industry practice in Rhode Island and (b) we are familiar with local, state and federal laws, and (c) we can complete work that conforms to AWWA publications.

We believe that no other group is more familiar with practice in Rhode Island. Mr. Woodcock was a member of the RI PUC Task Force that developed that cost of service standards set by the RI PUC. We have worked with the RI Department of Health in developing the implementing regulations for the Clean Water Infrastructure

plans required of all RI water utilities. As the Vice President of New England Water Works Association and a member of the RI Water Works Association, Mr. Woodcock has worked with aides in both the RI House and Senate as well as local environmental groups in the development of pending legislation that will be responsive to the needs of water suppliers.

Nationally, Mr. Woodcock and Mr. Raftelis (of RFC) have been instrumental in the drafting and editing of all of AWWA's Manuals of practice on rates and charges. Mr. Woodcock is mentioned as Chairman or a member of the Committee that prepares these national standards in every publication over the past two decades.

REFERENCES FOR RATE STUDIES

We offer the following references for rate studies and related consulting services we have provided. We do not typically provide a select number of references, instead offering a number of contacts that are familiar with our work. We encourage you to contact those listed below to hear how our clients have felt about our work. We will be happy to provide others if you wish.

Mr. William McGlinn
Portsmouth Water & Fire District
P.O. Box 99
East Main Rd.
Portsmouth RI 02871
401-683-2090

Mr. Timothy Brown, P.E.
General Manager
Kent County Water Authority
1072 Main Street
West Warwick RI 02893
401-821-9300

Mr. James DeCelles
Chief Engineer
Pawtucket Water Supply Board
85 Branch Street
Pawtucket, RI 02860
(401) 729-5001

Ms. Kathy Pedersen
Springfield Water & Sewer Commission
P.O. Box 995
Springfield MA 01101
413-787-6256

Mr. William P. Hadley
Director of Public Works
Lexington Town Hall
1625 Massachusetts Ave
Lexington MA 02420
781-862-0500

Ms. Lisa Gabree
Town Accountant
Ayer Town Hall
Main Street
Ayer MA 01432
978-772-8290

Mr. Henry Vitale
Treasurer & CFO
Boston Water & Sewer Commission
980 Harrison Ave
Boston MA 02119
617-989-7477

Ms. Robin Fullford
Business Manager
Westford Water Department
60 Forge Village Road
Westford MA 01886
978-692-5529

For each of the above references we have completed water rate studies that are

similar to those requested by the Warwick Water District. In all cases the funding for the projects were from local sources, typically the enterprise fund of the community.

SUCCESSFUL WORKING RELATIONSHIPS

We believe that the fact that we have continuing consulting relations with so many of our clients is the best demonstration of our successful working relations. Again, we encourage the City to contact any of these references or any other community we have listed in the appendix to confirm this. You will find that we are quite willing to provide ongoing advisory services in an informal capacity.

PROJECT APPROACH

It is our belief that consultants should be used as consultants. We are not the ultimate decision makers -- we do not set policy nor do we adopt rates for our clients. Rather, we view our role as first understanding our client's issues and needs, and then, using our experience, crafting proposals and recommendations that address your issues and meet your needs. We will provide you with the information necessary to make informed policy decisions; we will provide you with recommendations that have been successfully used and implemented elsewhere.

Our approach to this project will be to establish a close working relationship with the Warwick Finance, Engineering, and Water Division staffs to be sure to develop a firm understanding of the issues, concerns, and policy questions that need to be addressed. We believe that this understanding is crucial to the development of solutions and recommendations that will best meet the City's needs into the future.

To help control costs and make the best use of consultant time, we recommend that staff be used to gather data that is readily available. We can then concentrate on analysis of this data and the development of policies and recommendations related to the water rates and charges that you could consider. We understand that you and your staff are quite busy and thus constrained as to the amount of time you can provide. We expect that much of what we will look to you for is information or data that is already available; we will not be looking for you to create data that does not exist.

In developing our study we will make full use of up-to-date computer spreadsheet programs. We do NOT use a canned rate model. We have found that no two communities are alike; they all have different accounting systems, billing systems, and rate goals and objectives. It is impossible to create a rate model that can reflect the unique characteristics of each client. Rather than forcing clients to fit into our rate model, we create new models for each assignment. Drawing on algorithms and analyses from numerous other rate models we have developed, we can quickly create a rate model that will meet your unique systems and needs, and that can be implemented with your billing system.

We have also found that large project reports are often unread, costly to produce, and are set aside to accumulate dust. Rather than devoting time to large reports, we propose to prepare monthly project memoranda or brief letter reports on specific issues. We have found that it is easier for officials to concentrate on more narrow issues, understand the policy implications, and put them into context of the broader goals of our

clients. As requested, we will prepare a draft project report and a final report that incorporates our findings and recommendations.

Our success is measured by our client's ongoing satisfaction with our work. We strongly believe in providing ongoing implementation assistance to all our clients, as needed. We hope that our services provide answers to all your concerns; however, we recognize that changing conditions can raise new questions or issues. In most cases we have had few or no questions; sometimes they come up years later. In other cases, clients ask us to provide ongoing assistance. Woodcock & Associates, Inc. will provide ongoing implementation or follow-up services, as the City's needs dictate.

PROPOSED SCOPE OF SERVICES

We have looked over the scope of work and objectives outlined by the City in the request for proposals. The considerations that are listed make it clear that the City has thought out what it needs from this project and why. The objectives reflect your awareness of critical issues such as revenue volatility, equity, and administrative impact.

In the scope of work you have made it clear that you are looking to be sure that the system is adequately funded, that new rates reflect the latest conservation standards and thinking that is emerging in Rhode Island, and that any new rate structure include consideration of revenue predictability (or at least mechanisms to help control volatility). You have also asked that the current rate structure be considered as a baseline that can be used to measure alternatives.

We have reviewed all the elements you have provided within the scope of work and project elements. We agree with all of these and the necessity to reflect them in our analysis. The only specific elements that we did not notice are an initial kick-off meeting and a billing analysis.

We have found that an initial kick-off meeting is crucial to the successful completion of our projects. While we certainly know Mr. O'Rourke, we do not know the City's Engineering and Finance staff, and they will be critical for this project. The initial meeting not only allows us to get to know each other, but also to discuss policies, the flow of information, schedules and expectations for the project. Often we will prepare a request for information that will be sent prior to the meeting, allowing our first exchange of information at the kick-off meeting.

We have found that revisions to rate structures results in shifts of revenues that may have unintended impacts on various customers or types of customers. We have found that frequent and frank communication during the course of our studies help insure that there are no surprises at the end, and to the extent that results may have significant public policy implications, that these are understood, discussed, and hopefully resolved. In our pricing of this job we have included time for a number of meetings with personnel from the City to go over preliminary results.

The final item that was not explicitly mentioned is a billing analysis. To develop rate alternatives, particularly some conservation rate options, it is necessary to have a complete analysis of water use broken down by billing period and meter size. It is also necessary to have consumption broken down by various rate steps or tiers. Many billing systems cannot provide this level of detail. If needed, we will also have a complete billing analysis prepared. Often we have shipped a complete billing data file to an associate that completes this analysis for use. We have included the cost of this in our upper limit estimate. If it is not needed, the upper limit could be reduced.

SCHEDULE & COST

SCHEDULE

We understand that the City is looking to start this work shortly and desires to have the project completed by September 1, 2008. We expect that it will take no more than three months to complete the draft of the report. Assuming the project starts by mid-May, we would deliver our draft report before mid-August. This allows two weeks to finalize the report and complete any presentations to the City Council.

COST

In order to ensure that the District will only spend what is necessary on consulting services we propose to provide our services based on hourly rates plus out-of-pocket expenses directly related to the assignment, with a set upper limit that cannot be exceeded without authorization. We propose the following hourly rates:

| | |
|----------------|------------|
| Chris Woodcock | \$175/hour |
| Melissa Levin | \$170/hour |
| Patrick Smyth | \$170/hour |
| Emerson Marvel | \$125/hour |

Based on attached scope of services we suggest an upper limit of \$23,600. This is based on the following estimates of time:

| | | | |
|---------------------|--------|----------|--------------------------------|
| C. Woodcock | 46 hrs | @\$175 = | \$8,050 |
| M. Levin/P Smyth | 66 hrs | @\$170 = | \$11,220 |
| E. Marvel | 34 hrs | @\$125 = | \$4,250 |
| Out-of-pocket costs | | | <u>\$100</u> |
| Total | | | \$23,620 (rounded to \$23,600) |

As indicated earlier, a billing analysis may be necessary depending on the availability of water use data by rate step and meter size. We have estimated the cost of this analysis at \$1400.

EXHIBIT "C"



CITY OF WARWICK
PURCHASING DIVISION
3275 POST ROAD
WARWICK, RHODE ISLAND 02886
TEL. (401) 738-2000, ext. 6240
FAX (401) 737-2364

SCOTT AVEDISIAN
MAYOR

JAMES F. MARCELLO
PURCHASING AGENT

The following notice is to appear on the City of Warwick's website Thursday, April 10, 2008. The website address is <http://www.warwickri.gov/purchasing/bids.htm>.

CITY OF WARWICK
BIDS/PROPOSALS REQUESTED FOR

Bid #2008-280 Fabricate & Install Metering Pit/Warwick Neck

RFP #2008-281 Professional Consulting Services to Revise/Update Existing Water Rate Schedule & Fee Structure

Specifications are available in the Purchasing Division, Warwick City Hall, Monday through Friday, 8:30 AM until 4:30 PM on or after Thursday, April 10, 2008.

Sealed bids/proposals will be received by the Purchasing Division, Warwick City Hall, 3275 Post Road, Warwick, Rhode Island 02886 up until 2:00 PM, Monday, April 21, 2008. The bids/proposals will be opened publicly commencing at 2:00 PM on the same day in the Lower Level Conference Room, Warwick City Hall.

Awards shall be made on the basis of the lowest evaluated or responsive bid price. Please note that no bids/proposals can be accepted via email or fax.

Individuals requesting interpreter services for the hearing impaired must notify the Purchasing Division at 401-738-2000, Ext. 6241 or TDD at 401-739-9150 at least 48 hours in advance of the bid opening date.

Original Signature on File

James F. Marcello
Purchasing Agent

CITY OF WARWICK

NOTICE TO BIDDERS

RFP #2008-281 Professional Consulting Services to Revise/Update
Existing Water Rate Schedule & Fee Structure

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The opening of bids/proposals shall be in the order established by the posted agenda and the agenda shall continue uninterrupted until completion.

Once an item has been reached and any bids/proposals on that item has been opened, no other bids/proposals on that item will be accepted and any such bid/proposal shall be deemed late.

The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap for any position for which the employee or applicant is qualified and that in the event of noncompliance the City may declare the contractor in breach and take any necessary legal recourse including termination or cancellation of the contract.

A bidder filing a proposal thereby certifies that no officer, agent, or employee of the City has a pecuniary interest in the proposal or has participated in contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same call for proposals, and that the bidder is competing solely in his own behalf without connection with, or obligation to, any undisclosed person or firm.

All proposals should be submitted in duplicate and in a sealed envelope which should read: *YOUR COMPANY NAME* and plainly marked on the exterior of the envelope "RFP #2008-281 Professional Consulting Services to Revise/Update Existing Water Rate Schedule & Fee Structure". Proposals received prior to the time of the opening will be securely kept, unopened. No responsibility will be attached to an officer or person for the premature opening of a proposal not properly addressed and identified.

Should you have any questions, please contact Daniel O'Rourke, Water Division, 945 Sandy Lane, Warwick, RI at 401-738-2000, extension 6604.

All proposals should be written in ink or typed. If there is a correction with whiteout, the bidder must initial the change.

Any deviation from the specifications must be noted in writing and attached as part of the bid proposal. The Bidder shall indicate the item or part with the deviation and indicate how the proposal will deviate from specifications.

The IRS Form W-9 attached must be completed and submitted with the proposal if the bidder falls under IRS requirements to file this form.

The City is exempt from the payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30, Paragraph I, as amended.

The contractor must carry sufficient liability insurance and agree to indemnify the city against all claims of any nature, which might arise as a result of his operations or conduct of work.

The successful bidder must comply with all Rhode Island Laws, applicable to public works projects, including, but not limited to provisions of Chapter 13 of Title 37 of the Rhode Island General Laws, pertaining to prevailing wage rates, and all other applicable local, state and federal laws.

The contractor shall keep himself informed of and comply with all laws, ordinances and regulations of the federal, state and municipal governments which may apply and be in force during the life of the contract, in any manner which may affect himself/employees or the conduct of the work or the materials used or employed in the work. Before submitting proposals, prospective bidders shall examine the terms, covenants and conditions of all codes, permits and laws, which may apply. By submitting a proposal, the bidder agrees to comply with all pertinent laws/regulations if awarded a contract.

The Purchasing Agent reserves the right to reject any and all proposals, to waive any minor deviations or informalities in the proposals received, and to accept the proposal deemed most favorable to the interest of the City.

The City reserves the right to terminate the contract or any part of the contract in the best interests of the City, upon 30-day notice to the contractor. The City shall incur no liability for materials or services not yet ordered if it terminates in the best interests of the City. If the City terminates in the interests of the City after an order for materials or services have been placed, the contractor shall be entitled to compensation upon submission of invoices and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided, as well as expenses necessarily incurred in the performance of work up to time of termination.

No extra charges for delivery, handling or other services will be honored. All claims for damage in transit shall be the responsibility of the successful bidder. Deliveries must be made during normal working hours unless otherwise agreed upon.

All costs directly or indirectly related to the preparation of a response to this solicitation, or any presentation or communication to supplement and/or clarify any response to this solicitation which may be required or requested by the City of Warwick shall be the sole responsibility of and shall be borne by the respondent.

Warranty periods shall not commence until the City of Warwick inspects and formally accepts the goods and/or services. The terms, conditions and timing of acceptance shall be determined by the City of Warwick. The City of Warwick reserves the right to reject any or all items or services not in conformance with applicable specifications, and Contractor assumes the costs associated with such nonconformance. Acceptance of goods and/or services does not constitute a waiver of latent or hidden defects or defects not readily detectable by a reasonable person under the circumstances.

If the respondent is awarded a contract in accordance with this solicitation and the respondents proposal or response and if the respondent fails or refuses to satisfy fully all of the respondents obligations thereunder, the City of Warwick shall be entitled to recover from the respondent any losses, damages or costs incurred by the City as a result of such failure or refusal.

The City reserves the right to award in part or full and to increase or decrease quantities in the best interest of the City.

Any quantity reference in the proposal specifications are estimates only, and do not represent a commitment on the part of the City of Warwick to any level of billing activity. It is understood and agreed that the agreement shall cover the actual quantities ordered during the contract period.

The City reserves the right to rescind award for non-compliance to proposal specifications.

The successful bidder must adhere to all City, State and Federal Laws, where applicable.

City of Warwick

Request for proposals relating to professional consulting services to revise and update the existing water rate schedule and fee structure

GENERAL

The City of Warwick, Water Division is seeking proposals from qualified firms/consultants to conduct a comprehensive water rate study. The intent of the study is to independently evaluate and assess Warwick's current schedule of rates and fees and develop and recommend revisions. The goal of the project is to propose a rate structure to adequately fund water utility operation and maintenance expenses, debt service, specified reserves, capital expenditures, depreciation and other cash revenue requirements.

The work consists of providing directly to the City of Warwick, Water Division, through their agents and assigns, professional water rate consulting services to aid in selecting an appropriate rate structure and schedule for submission to and adoption by the City of Warwick. The study will be based on a review of the City of Warwick's water funds and budgets, water system plan, customer classes, current usage data, future planned growth, the City of Warwick's Comprehensive Community Plan and other information deemed necessary.

BACKGROUND INFORMATION

Warwick Water is a large size municipally owned and operated water system serving a population of approximately 78,000 people with 26,800 service connections. Source water is supplied by the Providence Water Supply Board and Kent County Water Authority for the Potowomut area. The department maintains approximately 375 miles of pipeline and three storage tanks. The Water Division is structured on an enterprise fund basis of accounting and therefore 100% of costs must be recovered from system users.

SCOPE OF WORK

The scope of work shall consist of working directly with the City of Warwick and Finance Director and/or designee to update the Water Division schedule of rates and other Water Division fees. The proposed rate structure shall be based of full cost of service and shall be sufficient to meet the short and long-term revenue requirements of the City of Warwick, Water Division.

Rate development shall consider the following:

1. Projected water demands.
2. Current and future cost of providing water in accordance with standards and regulations both current and projected.

SCOPE OF WORK (continued)

3. Supply availability (seasonal and long-term availability).
4. Age and condition of water system and the need to fully fund capital improvements, infrastructure replacements, and distribution infrastructure.
5. Funding requirements for liabilities and debt/projected debt obligations including bonds, loans, etc.
6. Requirements associated with the Rhode Island Water Supply System Management regulations and the RI Infrastructure Replacement Act.
7. Impact of projected water quality regulation (Federal SDWA and RI Department of Health).
8. Impact of current and future environmental regulations (Wetlands, Streamflow standards, Withdrawal Regulations).
9. Other impacts as identified.

Warwick's Water Rate objectives include:

- providing a predictable and stable revenue stream
- discouraging the wasteful use of water and reducing excessive discretionary summer water use
- promoting fairness and equity
- maintaining simplicity
- Compliance with all applicable laws

The Water Division is particularly interested in establishing a conservation rate structure to encourage more efficient water use while maintaining an adequate revenue stream to ensure the sustainability of the water system.

The recommended rate structure shall be consistent with industry practice for utility rate making in Rhode Island.

PROJECT ELEMENTS

The proposed rate structure report shall include the following:

- An assessment of the current rate structure baseline for comparing recommended changes.
- An assessment of the equity of the proposed rates for all types of property ownership.
- An assessment of the interaction between the proposed rate structure and water conservation and the impact on funding and the economic well being of the community.

PROJECT ELEMENTS (continued)

- Demonstration of how the revenue generated by the proposed rate structure will continue to fully fund water system costs with consideration of future regulations (Sensitivity Analysis).
- An assessment of Water Division service charges and identification of other potential areas for service and system charges.
- Provide a comprehensive summary of recommended rate structures and assess the performance of the recommended structure(s) against the current rate structure.

SERVICES TO BE PROVIDED BY THE CONSULTANT

1. Conduct a detailed review of the existing water rates and status of the overall water fund.
2. The consultant will obtain all necessary records, data, and statistics from the city.
3. Develop a familiarity with the Water Division billing system.
4. Meet or discuss with staff as needed and attend evening meetings with the City Council (work sessions, and/or public hearings), to present and discuss results of the study.
5. Conduct analysis as described in the scope of the work.
6. Preliminary Report- Provide a preliminary report of findings and tentative rate structure recommendations to Chief of Water, Finance Director and Mayor of the City of Warwick.
7. Final Report- Provide a final report that incorporates any changes/comments resulting from review of the preliminary report.
8. Provide a time schedule for rate study and preparation of preliminary and final report.

QUALIFICATIONS

The selected consultant shall have the ability and demonstrated experience in rate setting for municipal water utilities of similar size to that of Warwick. A minimum of ten (10) years experience in all aspects of water rates and development services fees.

The selected consultant shall have experience with water rate structures including conservation rate structures and criteria for rate development. Preference will be given to firms with demonstrated experience in rate setting that result in reduced water demand while maintaining an adequate revenue stream for operations and capital projects.

The consultant shall have at least ten (10) years water utility rate setting experience.

The consultant must be familiar with Rhode Island Department of Health Water Supply Regulations and Clean Water Infrastructure Plans, Federal, State and local laws as well as all other documents, regulations, publications and guides necessary, to complete the work proposed including all applicable AWWA publications.

QUALIFICATIONS (continued)

1. **Communications Plan:** The Consultant will assist the city in preparing a communications plan which may include the creation of language for educational materials used to communicate to the public any proposed changes in sewer rates.
2. **Monthly Reports:** The Consultant will provide monthly status reports to the City Engineer that indicate the work completed and hours billed in the billing period and the work to be completed in the next billing period.
3. **Oral Presentation:** The Consultant will make oral presentation of the results of the study to the City Council to assist in achieving a full understanding of the implications and recommendations. The Consultant will attend City council meetings, public hearings and any meetings as requested by the City Engineer where the rate study is discussed or considered.
4. **Copies of Final Report:** The Consultant will provide fifteen (15) copies of the final report and other associated documents to the City Engineer.
5. **Work Schedule.**
 - a. The consultant should recommend in their proposal the length of time necessary to conduct the study. The City is desirous of having the study completed by September 1, 2008.
 - b. All deliverables shall be completed at the time a final report is presented to the City Council.

Content of Proposal

In order to assist the City in the selection process, the format of the proposal from consultants must be submitted in the same sequence shown below:

1. A statement indicating whether the organization has a local office in Rhode Island.
2. A description of the organization's professional qualifications.
3. A **statement indicating** the number of employees, by level, which will handle the study.
4. A separate listing of current and prior utility rate structure clients, indicating the following:
 - a. Type(s) of services performed.
 - b. Indicate the names, addresses and telephone numbers of persons who may be contacted by the Water Division staff as references.

QUALIFICATIONS (continued)

5. Provide a resume for each study team member, and indicate the experience for each team member who would be assigned to the City of Warwick study, including:
 - a. Name of individual.
 - b. Education/professional credentials.
 - c. Experience with utility rate studies.
 - d. Hourly rates to be charged for each team member.
 - e. Amount of time of each member dedicated to each study.
 - f. Their position on each study.
 - g. Percentage of time senior or higher level personnel will spend with the study.
6. A tentative schedule for completing the study as recommended by the consultant.
7. A quoted price for each area shown and a "not to exceed" total cost for the study.
8. Any additional information, which, in the opinion of the consultant, would be relevant to the City's evaluation process.
9. A written work plan outlining in detail how the consultant proposes to perform the services required.
10. A list of specific exceptions to any and all items, conditions and requirements contained in the Request for Proposals (RFP).
11. The signature of an authorized representative must appear on the cover sheet of the consultant's proposal. Signature on this form will be interpreted to indicate the consultant's willingness to comply with all the terms and conditions set forth in this solicitation, unless specific written exceptions are noted.
12. Information pertaining to any area of a utility rate study which is customarily reviewed during such a study which has not been mentioned in the "Scope of Services" section of the RFP.

Evaluation Criteria

1. Following the receipt of proposals, the Water Division will select a company based upon the following criteria:
 - a. Availability of local and regional resources.
 - b. Number and depth of office staff to be used in carrying out the study
 - c. Level of expertise and experience of personnel in performing this type of study.
 - d. Quality of the work plan used by the study team.
 - e. Experience, education and training of personnel as it relates to utility rate analysis.
 - f. Proposed schedule for completion of the required study functions.
 - g. Willingness of the consultant to negotiate an agreement which will be in the best interest of the City of Warwick.
 - h. Proposals containing price and/or hourly quotes which indicate the consultant does not understand the scope of the work will not be considered.
 - i. Pricing of services by category and total price based on specification outlined.
 - j. Professional qualifications and ability to present required information.
 - k. Previous experience.
 - l. Comments from references.
 - m. Whether or not studies conducted for other jurisdictions have resulted in positive changes to the municipalities utility rate structure.
 - n. Ability to communicate effectively with the Water Division and Finance Departments.
 - o. Willingness to perform in an informal advisory capacity to the Chief of Water.
 - p. Willingness of the consultant to cooperate and work with the Chief of Water in performance of the required study function.

CITY OF WARWICK

PROPOSAL AND CONTRACT FORM

TITLE OF SPECIFICATION: RFP #2008-281 Professional Consulting Services to
Revise/Update Existing Water Rate Schedule & Fee Structure

I. PROPOSAL:

WHEREAS, the CITY OF WARWICK has duly asked for proposals for performance of services and/or supply of goods in accordance with the above-indicated specifications.

The person or entity below does irrevocably offer to perform the services and/or furnish the goods in accordance with the specifications, which are hereby incorporated by reference in exchange for the proposal price below;

This offer shall remain open and irrevocable until the CITY OF WARWICK has accepted this proposal or another proposal on the specifications or abandoned the project.

The bidder agrees that acceptance below by the CITY OF WARWICK shall transform the proposal into a contract. This proposal and contract shall be secured by Bonds, if required by the specifications.

Total Study Cost (Not to exceed) \$ _____

Length of time necessary to conduct study _____ Calendar Days ARO

Additional Fees (if applicable)

\$ _____

\$ _____

\$ _____

THIS PAGE MUST BE SUBMITTED WITH YOUR PROPOSAL

Acknowledgement of Addendum (if applicable)

| Addendum Number | Signature of Bidder |
|-----------------|---------------------|
| _____ | _____ |
| _____ | _____ |

COMPANY NAME: _____

COMPANY ADDRESS: _____

BIDDER'S SIGNATURE: _____

BIDDER'S NAME (PRINT): _____

TITLE: _____ TEL. NO.: _____

EMAIL ADDRESS: _____ *

CONTRACT COMPLETION DATE:

(In terms of calendar days after award of proposal): ____

*Please include your email address. Future proposals will be emailed, unless otherwise noted.

II. AWARD AND CONTRACT:

The CITY OF WARWICK, acting as duly authorized through its Purchasing Agent/Finance Director/Mayor (delete if inapplicable), accepts the above proposal and hereby enters into a contract with the above party to pay the proposal price upon completion of the project or receipt of the goods unless another payment schedule is contained in the specifications. All terms of the specifications, both substantive and procedural, are made terms of this contract.

DATE: _____

RFP #2008-281

PURCHASING AGENT

CITY OF WARWICK
BIDDING PROCEDURES

TITLE OF SPECIFICATION: RFP #2008-281 Professional Consulting Services to
Revise/Update Existing Water Rate Schedule & Fee Structure

Kindly acknowledge receipt of bid specifications by completing this form and returning it to the Warwick Purchasing Division, 3275 Post Rd., Warwick, RI 02886.

1. Did the specifications appear to be:
Too restrictive? Yes ___ No ___
Too loosely structured? Yes ___ No ___
Explain: _____
2. Was sufficient time allowed to respond to these specifications? Yes ___ No ___
3. Did any of the following prevent you from bidding?
Bid surety? Yes ___ No ___
Performance and Payment Bond? Yes ___ No ___
Department of Labor Requirements? (such as prevailing wages & benefits) Yes ___ No ___
Insurance requirements? Yes ___ No ___
4. Was your preference not to bid because of the payment schedule of the City of Warwick? Yes ___ No ___
5. Did your work schedule prevent you from bidding? Yes ___ No ___
6. *Do you wish to remain on a bidder's list?* Yes ___ No ___

COMMENTS OR ADDITIONAL EXPLANATIONS TO THE ABOVE QUESTIONS:

Your response to this survey will allow the Warwick Purchasing Division to evaluate bidding procedures and make necessary revisions to assist the majority of bidders.

Thank you for your participation.

COMPANY NAME: _____ BIDDER'S NAME: _____
ADDRESS: _____
ADDRESS: _____
EMAIL ADDRESS: _____
TELE. #: _____ DATE: _____

30807

WOODCOCK & ASSOCIATES, INC.

Utility Rates & Finance

May 27, 2008

Mr. James F. Marcello
Purchasing Agent
City of Warwick
3275 Post Road
Warwick, RI 02886

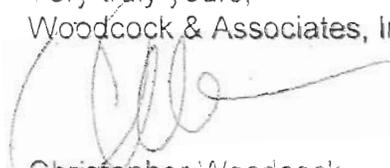
Proposal For Water Rate Study RFP #2008-281

Dear Mr. Marcello:

I have just received a copy of the City of Warwick's Motion to Intervene in RI PUC Docket No. 3942 RE: Kent County Water Authority. I have been the rate consultant for the Kent County Water Authority for several decades. In our proposal we specifically mentioned our past work for the Kent County Water Authority and that we are representing the Authority in its current rate filing.

In light of the City of Warwick's May 23, 2008 notice of intervention in a water rate case involving an existing client, we hereby withdraw our proposal dated April 21, 2008 to the City for the Warwick Rate Consulting services and cannot be considered for consulting services.

Very truly yours;
Woodcock & Associates, Inc.



Christopher Woodcock
President

cc: Dan O'Rourke, Warwick Water Department
Timothy Brown, Kent County Water Authority
✓ Joseph J. McGair, Petrarca & McGair

EXHIBIT "E"



CITY OF WARWICK
PURCHASING DIVISION
3275 POST ROAD
WARWICK, RHODE ISLAND 02886
TEL. (401) 738-2000, ext. 6240
FAX (401) 737-2364

SCOTT AVEDISIAN
MAYOR

JAMES F. MARCELLO
PURCHASING AGENT

The following notice is to appear on the City of Warwick's website Thursday, June 26, 2008. The website address is <http://www.warwickri.gov/purchasing/bids.htm>.

**CITY OF WARWICK
BIDS/PROPOSALS REQUESTED FOR**

**RFP #2009-24 Professional Consulting Services to Revise/Update
Existing Water Rate Schedule & Fee Structure (Re-bid)**

Bid #2009-25 Gutter & Tube-Type Brooms

Bid #2009-26 Rebuilding & Rebuilt Exchange Transmissions for Police & Public Works

Bid #2009-27 Photography Supplies/Excluding Printing & Development

Bid #2009-28 Food Service Products/Paper Provisions & Paper Products

Specifications are available in the Purchasing Division, Warwick City Hall, Monday through Friday, 8:30 AM until 4:30 PM on or after Thursday, June 26, 2008. *Please note that our office will be closed on Friday, July 4, 2008.*

Sealed bids/proposals will be received by the Purchasing Division, Warwick City Hall, 3275 Post Road, Warwick, Rhode Island 02886 up until **2:00 PM**, Monday, July 7, 2008. The bids/proposals will be opened publicly commencing at **2:00 PM** on the same day in the Lower Level Conference Room, Warwick City Hall.

Awards shall be made on the basis of the lowest evaluated or responsive bid price. Please note that no bids/proposals can be accepted via email or fax.

Individuals requesting interpreter services for the hearing impaired must notify the Purchasing Division at 401-738-2000, Ext. 6241 or TDD at 401-739-9150 at least 48 hours in advance of the bid opening date.

Original Signature on File

James F. Marcello
Purchasing Agent

CITY OF WARWICK

NOTICE TO BIDDERS

**RFP #2009-24 Professional Consulting Services to Revise/Update
Existing Water Rate Schedule & Fee Structure (Re-bid)**

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Sealed bids/proposals will be received by the Purchasing Division, Warwick City Hall, 3275 Post Road, Warwick, Rhode Island 02886 up until **2:00 PM**, Monday, July 7, 2008. The bids/proposals will be opened publicly commencing at **2:00 PM** on the same day in the Lower Level Conference Room, Warwick City Hall.

The opening of bids/proposals shall be in the order established by the posted agenda and the agenda shall continue uninterrupted until completion.

Once an item has been reached and any bids/proposals on that item has been opened, no other bids/proposals on that item will be accepted and any such bid/proposal shall be deemed late.

The contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap for any position for which the employee or applicant is qualified and that in the event of noncompliance the City may declare the contractor in breach and take any necessary legal recourse including termination or cancellation of the contract.

A bidder filing a proposal thereby certifies that no officer, agent, or employee of the City has a pecuniary interest in the proposal or has participated in contract negotiations on the part of the City, that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other bidder for the same call for proposals, and that the bidder is competing solely in his own behalf without connection with, or obligation to, any undisclosed person or firm.

All proposals should be submitted in duplicate and in a sealed envelope which should read: YOUR COMPANY NAME and plainly marked on the exterior of the envelope "RFP #2009-24 Professional Consulting Services to Revise/Update Existing Water Rate Schedule & Fee Structure (Re-bid)". Proposals received prior to the time of the opening will be securely kept, unopened. No responsibility will be attached to an officer or person for the premature opening of a proposal not properly addressed and identified.

Should you have any questions, please contact Daniel O'Rourke, Water Division, 945 Sandy Lane, Warwick, RI at 401-738-2000, extension 6604.

All proposals should be written in ink or typed. If there is a correction with whiteout, the bidder must initial the change.

Any deviation from the specifications must be noted in writing and attached as part of the bid proposal. The Bidder shall indicate the item or part with the deviation and indicate how the proposal will deviate from specifications.

The IRS Form W-9 attached must be completed and submitted with the proposal if the bidder falls under IRS requirements to file this form.

The City is exempt from the payment of the Rhode Island Sales Tax under the 1956 General Laws of the State of Rhode Island, 44-18-30, Paragraph 1, as amended.

The contractor must carry sufficient liability insurance and agree to indemnify the city against all claims of any nature, which might arise as a result of his operations or conduct of work.

The successful bidder must comply with all Rhode Island Laws, applicable to public works projects, including, but not limited to provisions of Chapter 13 of Title 37 of the Rhode Island General Laws, pertaining to prevailing wage rates, and all other applicable local, state and federal laws.

The contractor shall keep himself informed of and comply with all laws, ordinances and regulations of the federal, state and municipal governments which may apply and be in force during the life of the contract, in any manner which may affect himself/employees or the conduct of the work or the materials used or employed in the work. Before submitting proposals, prospective bidders shall examine the terms, covenants and conditions of all codes, permits and laws, which may apply. By submitting a proposal, the bidder agrees to comply with all pertinent laws/regulations if awarded a contract.

The Purchasing Agent reserves the right to reject any and all proposals, to waive any minor deviations or informalities in the proposals received, and to accept the proposal deemed most favorable to the interest of the City.

The City reserves the right to terminate the contract or any part of the contract in the best interests of the City, upon 30-day notice to the contractor. The City shall incur no liability for materials or services not yet ordered if it terminates in the best interests of the City. If the City terminates in the interests of the City after an order for materials or services have been placed, the contractor shall be entitled to compensation upon submission of invoices and proper proof of claim, in that proportion which its services and products were satisfactorily rendered or provided, as well as expenses necessarily incurred in the performance of work up to time of termination.

No extra charges for delivery, handling or other services will be honored. All claims for damage in transit shall be the responsibility of the successful bidder. Deliveries must be made during normal working hours unless otherwise agreed upon.

All costs directly or indirectly related to the preparation of a response to this solicitation, or any presentation or communication to supplement and/or clarify any response to this solicitation which may be required or requested by the City of Warwick shall be the sole responsibility of and shall be borne by the respondent.

Warranty periods shall not commence until the City of Warwick inspects and formally accepts the goods and/or services. The terms, conditions and timing of acceptance shall be determined by the City of Warwick. The City of Warwick reserves the right to reject any or all items or services not in conformance with applicable specifications, and Contractor assumes the costs associated with such nonconformance. Acceptance of goods and/or services does not constitute a waiver of latent or hidden defects or defects not readily detectable by a reasonable person under the circumstances.

If the respondent is awarded a contract in accordance with this solicitation and the respondents proposal or response and if the respondent fails or refuses to satisfy fully all of the respondents obligations thereunder, the City of Warwick shall be entitled to recover from the respondent any losses, damages or costs incurred by the City as a result of such failure or refusal.

The City reserves the right to award in part or full and to increase or decrease quantities in the best interest of the City.

Any quantity reference in the proposal specifications are estimates only, and do not represent a commitment on the part of the City of Warwick to any level of billing activity. It is understood and agreed that the agreement shall cover the actual quantities ordered during the contract period.

The City reserves the right to rescind award for non-compliance to proposal specifications.

The successful bidder must adhere to all City, State and Federal Laws, where applicable.

City of Warwick

Request for proposals relating to professional consulting services to revise and update the existing water rate schedule and fee structure

GENERAL

The City of Warwick, Water Division is seeking proposals from qualified firms/consultants to conduct a comprehensive water rate study. The intent of the study is to independently evaluate and assess Warwick's current schedule of rates and fees and develop and recommend revisions. The goal of the project is to propose a rate structure to adequately fund water utility operation and maintenance expenses, debt service, specified reserves, capital expenditures, depreciation and other cash revenue requirements.

The work consists of providing directly to the City of Warwick, Water Division, through their agents and assigns, professional water rate consulting services to aid in selecting an appropriate rate structure and schedule for submission to and adoption by the City of Warwick. The study will be based on a review of the City of Warwick's water funds and budgets, water system plan, customer classes, current usage data, future planned growth, the City of Warwick's Comprehensive Community Plan and other information deemed necessary.

BACKGROUND INFORMATION

Warwick Water is a large size municipally owned and operated water system serving a population of approximately 78,000 people with 26,800 service connections. Source water is supplied by the Providence Water Supply Board and Kent County Water Authority for the Potowomut area. The department maintains approximately 375 miles of pipeline and three storage tanks. The Water Division is structured on an enterprise fund basis of accounting and therefore 100% of costs must be recovered from system users.

SCOPE OF WORK

The scope of work shall consist of working directly with the City of Warwick and Finance Director and/or designee to update the Water Division schedule of rates and other Water Division fees. The proposed rate structure shall be based of full cost of service and shall be sufficient to meet the short and long-term revenue requirements of the City of Warwick, Water Division.

Rate development shall consider the following:

1. Projected water demands.
2. Current and future cost of providing water in accordance with standards and regulations both current and projected.

SCOPE OF WORK (continued)

3. Supply availability (seasonal and long-term availability).
4. Age and condition of water system and the need to fully fund capital improvements, infrastructure replacements, and distribution infrastructure.
5. Funding requirements for liabilities and debt/projected debt obligations including bonds, loans, etc.
6. Requirements associated with the Rhode Island Water Supply System Management regulations and the RI Infrastructure Replacement Act.
7. Impact of projected water quality regulation (Federal SDWA and RI Department of Health).
8. Impact of current and future environmental regulations (Wetlands, Streamflow standards, Withdrawal Regulations).
9. Other impacts as identified.

Warwick's Water Rate objectives include:

- providing a predictable and stable revenue stream
- discouraging the wasteful use of water and reducing excessive discretionary summer water use
- promoting fairness and equity
- maintaining simplicity
- Compliance with all applicable laws

The Water Division is particularly interested in establishing a conservation rate structure to encourage more efficient water use while maintaining an adequate revenue stream to ensure the sustainability of the water system.

The recommended rate structure shall be consistent with industry practice for utility rate making in Rhode Island.

PROJECT ELEMENTS

The proposed rate structure report shall include the following:

- An assessment of the current rate structure baseline for comparing recommended changes.
- An assessment of the equity of the proposed rates for all types of property ownership.
- An assessment of the interaction between the proposed rate structure and water conservation and the impact on funding and the economic well being of the community.

PROJECT ELEMENTS (continued)

- Demonstration of how the revenue generated by the proposed rate structure will continue to fully fund water system costs with consideration of future regulations (Sensitivity Analysis).
- An assessment of Water Division service charges and identification of other potential areas for service and system charges.
- Provide a comprehensive summary of recommended rate structures and assess the performance of the recommended structure(s) against the current rate structure.

SERVICES TO BE PROVIDED BY THE CONSULTANT

1. Conduct a detailed review of the existing water rates and status of the overall water fund.
2. The consultant will obtain all necessary records, data, and statistics from the city.
3. Develop a familiarity with the Water Division billing system.
4. Meet or discuss with staff as needed and attend evening meetings with the City Council (work sessions, and/or public hearings), to present and discuss results of the study.
5. Conduct analysis as described in the scope of the work.
6. Preliminary Report- Provide a preliminary report of findings and tentative rate structure recommendations to Chief of Water, Finance Director and Mayor of the City of Warwick.
7. Final Report- Provide a final report that incorporates any changes/comments resulting from review of the preliminary report.
8. Provide a time schedule for rate study and preparation of preliminary and final report.

QUALIFICATIONS

The selected consultant shall have the ability and demonstrated experience in rate setting for municipal water utilities of similar size to that of Warwick. A minimum of ten (10) years experience in all aspects of water rates and development services fees.

The selected consultant shall have experience with water rate structures including conservation rate structures and criteria for rate development. Preference will be given to firms with demonstrated experience in rate setting that result in reduced water demand while maintaining an adequate revenue stream for operations and capital projects.

The consultant shall have at least ten (10) years water utility rate setting experience.

The consultant must be familiar with Rhode Island Department of Health Water Supply Regulations and Clean Water Infrastructure Plans, Federal, State and local laws as well as all other documents, regulations, publications and guides necessary, to complete the work proposed including all applicable AWWA publications.

QUALIFICATIONS (continued)

1. **Communications Plan:** The Consultant will assist the city in preparing a communications plan which may include the creation of language for educational materials used to communicate to the public any proposed changes in sewer rates.
2. **Monthly Reports:** The Consultant will provide monthly status reports to the City Engineer that indicate the work completed and hours billed in the billing period and the work to be completed in the next billing period.
3. **Oral Presentation:** The Consultant will make oral presentation of the results of the study to the City Council to assist in achieving a full understanding of the implications and recommendations. The Consultant will attend City council meetings, public hearings and any meetings as requested by the City Engineer where the rate study is discussed or considered.
4. **Copies of Final Report:** The Consultant will provide fifteen (15) copies of the final report and other associated documents to the City Engineer.
5. **Work Schedule.**
 - a. The consultant should recommend in their proposal the length of time necessary to conduct the study. The City is desirous of having the study completed by September 1, 2008.
 - b. All deliverables shall be completed at the time a final report is presented to the City Council.

Content of Proposal

In order to assist the City in the selection process, the format of the proposal from consultants must be submitted in the same sequence shown below:

1. A statement indicating whether the organization has a local office in Rhode Island.
2. A description of the organization's professional qualifications.
3. A statement indicating the number of employees, by level, which will handle the study.
4. A separate listing of current and prior utility rate structure clients, indicating the following:
 - a. Type(s) of services performed.
 - b. Indicate the names, addresses and telephone numbers of persons who may be contacted by the Water Division staff as references.

QUALIFICATIONS (continued)

5. Provide a resume for each study team member, and indicate the experience for each team member who would be assigned to the City of Warwick study, including:
 - a. Name of individual.
 - b. Education/professional credentials.
 - c. Experience with utility rate studies.
 - d. Hourly rates to be charged for each team member.
 - e. Amount of time of each member dedicated to each study.
 - f. Their position on each study.
 - g. Percentage of time senior or higher level personnel will spend with the study.
6. A tentative schedule for completing the study as recommended by the consultant.
7. A quoted price for each area shown and a "not to exceed" total cost for the study.
8. Any additional information, which, in the opinion of the consultant, would be relevant to the City's evaluation process.
9. A written work plan outlining in detail how the consultant proposes to perform the services required.
10. A list of specific exceptions to any and all items, conditions and requirements contained in the Request for Proposals (RFP).
11. The signature of an authorized representative must appear on the cover sheet of the consultant's proposal. Signature on this form will be interpreted to indicate the consultant's willingness to comply with all the terms and conditions set forth in this solicitation, unless specific written exceptions are noted.
12. Information pertaining to any area of a utility rate study which is customarily reviewed during such a study which has not been mentioned in the "Scope of Services" section of the RFP.

Evaluation Criteria

1. Following the receipt of proposals, the Water Division will select a company based upon the following criteria:

- a. Availability of local and regional resources.
- b. Number and depth of office staff to be used in carrying out the study.
- c. Level of expertise and experience of personnel in performing this type of study.
- d. Quality of the work plan used by the study team.
- e. Experience, education and training of personnel as it relates to utility rate analysis.
- f. Proposed schedule for completion of the required study functions.
- g. Willingness of the consultant to negotiate an agreement which will be in the best interest of the City of Warwick
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- i. Pricing of services by category and total price based on specification outlined.
- j. Professional qualifications and ability to present required information.
- k. Previous experience.
- l. Comments from references.
- m. Whether or not studies conducted for other jurisdictions have resulted in positive changes to the municipalities utility rate structure.
- n. Ability to communicate effectively with the Water Division and Finance Departments.
- o. Willingness to perform in an informal advisory capacity to the Chief of Water.
- p. Willingness of the consultant to cooperate and work with the Chief of Water in performance of the required study function.

CITY OF WARWICK

PROPOSAL AND CONTRACT FORM

TITLE OF SPECIFICATION: RFP #2009-24 Professional Consulting Services to Revise/Update Existing Water Rate Schedule & Fee Structure (Re-bid)

I. PROPOSAL:

WHEREAS, the CITY OF WARWICK has duly asked for proposals for performance of services and/or supply of goods in accordance with the above-indicated specifications.

The person or entity below does irrevocably offer to perform the services and/or furnish the goods in accordance with the specifications, which are hereby incorporated by reference in exchange for the proposal price below;

This offer shall remain open and irrevocable until the CITY OF WARWICK has accepted this proposal or another proposal on the specifications or abandoned the project.

The bidder agrees that acceptance below by the CITY OF WARWICK shall transform the proposal into a contract. This proposal and contract shall be secured by Bonds, if required by the specifications.

Total Study Cost (Not to exceed) \$ _____

Length of time necessary to conduct study _____ Calendar Days ARO

Additional Fees (if applicable)

_____ \$ _____
_____ \$ _____
_____ \$ _____

THIS PAGE MUST BE SUBMITTED WITH YOUR PROPOSAL

Acknowledgement of Addendum (if applicable)

Addendum Number **Signature of Bidder**

COMPANY NAME: _____

COMPANY ADDRESS: _____

BIDDER'S SIGNATURE: _____

BIDDER'S NAME (PRINT): _____

TITLE: _____ TEL. NO.: _____

EMAIL ADDRESS: _____ *

CONTRACT COMPLETION DATE:
(In terms of calendar days after award of proposal): _____

*Please include your email address. Future proposals will be emailed, unless otherwise noted.

II. AWARD AND CONTRACT:

The CITY OF WARWICK, acting as duly authorized through its Purchasing Agent/Finance Director/Mayor (delete if inapplicable), accepts the above proposal and hereby enters into a contract with the above party to pay the proposal price upon completion of the project or receipt of the goods unless another payment schedule is contained in the specifications. All terms of the specifications, both substantive and procedural, are made terms of this contract.

DATE: _____

RFP #2009-24

PURCHASING AGENT

CITY OF WARWICK
BIDDING PROCEDURES

TITLE OF SPECIFICATION: RFP #2009-24 Professional Consulting Services to
Revise/Update Existing Water Rate Schedule & Fee Structure (Re-bid)

Kindly acknowledge receipt of bid specifications by completing this form and returning it to the Warwick Purchasing Division, 3275 Post Rd., Warwick, RI 02886.

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Too restrictive? Yes ___ No ___
Too loosely structured? Yes ___ No ___
Explain: _____
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Bid surety? Yes ___ No ___
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Department of Labor Requirements? Yes ___ No ___
(such as prevailing wages & benefits)
Insurance requirements? Yes ___ No ___
4. Was your preference not to bid because of the payment schedule of the City of Warwick? Yes ___ No ___
5. Did your work schedule prevent you from bidding? Yes ___ No ___
6. *Do you wish to remain on a bidder's list?* Yes ___ No ___

COMMENTS OR ADDITIONAL EXPLANATIONS TO THE ABOVE QUESTIONS:

Your response to this survey will allow the Warwick Purchasing Division to evaluate bidding procedures and make necessary revisions to assist the majority of bidders.

Thank you for your participation.

COMPANY NAME: _____ BIDDER'S NAME: _____

ADDRESS: _____

ADDRESS: _____

EMAIL ADDRESS: _____

TELE. #: _____ DATE: _____