



TESTIMONY AND DATA IN SUPPORT OF
THE PROVIDENCE WATER SUPPLY BOARD'S
ABBREVIATED RATE FILING PURSUANT TO RULE 2.10
OF THE RULES OF PRACTICE AND PROCEDURE
OF THE PUBLIC UTILITIES COMMISSION

APRIL 30, 2009

DOCKET NO. _____

PROVIDENCE WATER

Testimony and Data in Support of an Abbreviated Filing

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PROVIDENCE WATER

Testimony and Data in Support of an Abbreviated Filing

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ANDREW K. MOFFIT
Chairman

JOSEPH D. CATALDI
Vice Chairman

BRUCE T. MILLER
Ex-Officio

CARISSA R. RICHARD
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MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

The Honorable Elia Germani
Chairman Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Providence Water Supply Board - Abbreviated Rate Filing

Dear Chairman Germani:

The Providence Water Supply Board (Providence Water), pursuant to the Rules of Practice and Procedure, herewith files an abbreviated rate filing under Rule 2.10 to collect additional revenues of \$5,569,425, which is an overall increase of 9.79%, effective May 30, 2009.

Included in this filing are pre-filed testimony of the witnesses to be presented by Providence Water, along with supporting schedules and work papers, as required by the Commission's Rules. We have complied with all requirements of Rule 2.10 of the Commission's Rules of Practice and Procedure. We have also included the information required by Rhode Island General Laws 39-3-12.1 as an exhibit to my testimony.

Copies of this filing are being furnished today by first class mail, postage prepaid, to the following affected parties to our system:

- City Clerk - Providence
- City Clerk - East Providence
- City Clerk - Cranston
- City Clerk - Warwick
- Town Clerk - North Providence
- Town Clerk - Johnston
- Town Clerk - Lincoln
- Town Clerk - Smithfield
- Kent County Water Authority
- Greenville Water District
- East Smithfield Water District
- Bristol County Water Authority

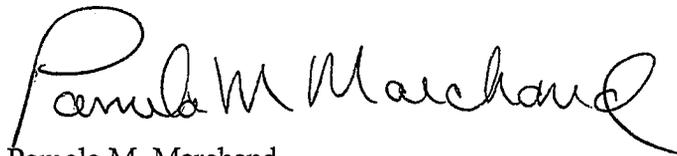
Copies have also been provided to the Rhode Island Water Resources Board and the Rhode Island Attorney General's Office. All other wholesale customers and Fire Chiefs will be notified by mail of the potential effect this filing may have on their rate.

WWW.PROVWATER.COM

A copy of our proposed Notice to be published in the Providence Journal is enclosed as required by Commission Rule 2.4. We will coordinate with the Commission Clerk to finalize the document prior to publication.

Michael R. McElroy, Esq., will be representing Providence Water as our legal counsel in this matter. He may be contacted at 21 Dryden Lane, Post Office Box 6721, Providence, RI 02940-6721.

Respectfully,
Providence Water Supply Board



Pamela M. Marchand
Chief Engineer & General Manager

H:\jeanneb\Letter PUC Filing April 2009.wpd

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY BOARD
Docket No. _____

NOTICE OF FILING AND CHANGE IN RATE SCHEDULE

Pursuant to the Rules of Practice and Procedure of the Rhode Island Public Utilities Commission (Commission), the Providence Water Supply Board (Providence Water) filed with the Commission an application to revise its rates effective May 30, 2009.

The proposed rates will collect an additional \$5,569,425 in revenues, which represents an overall increase of approximately 9.79%. The impact of this proposal will be an increase of approximately 10.08% on all rates.

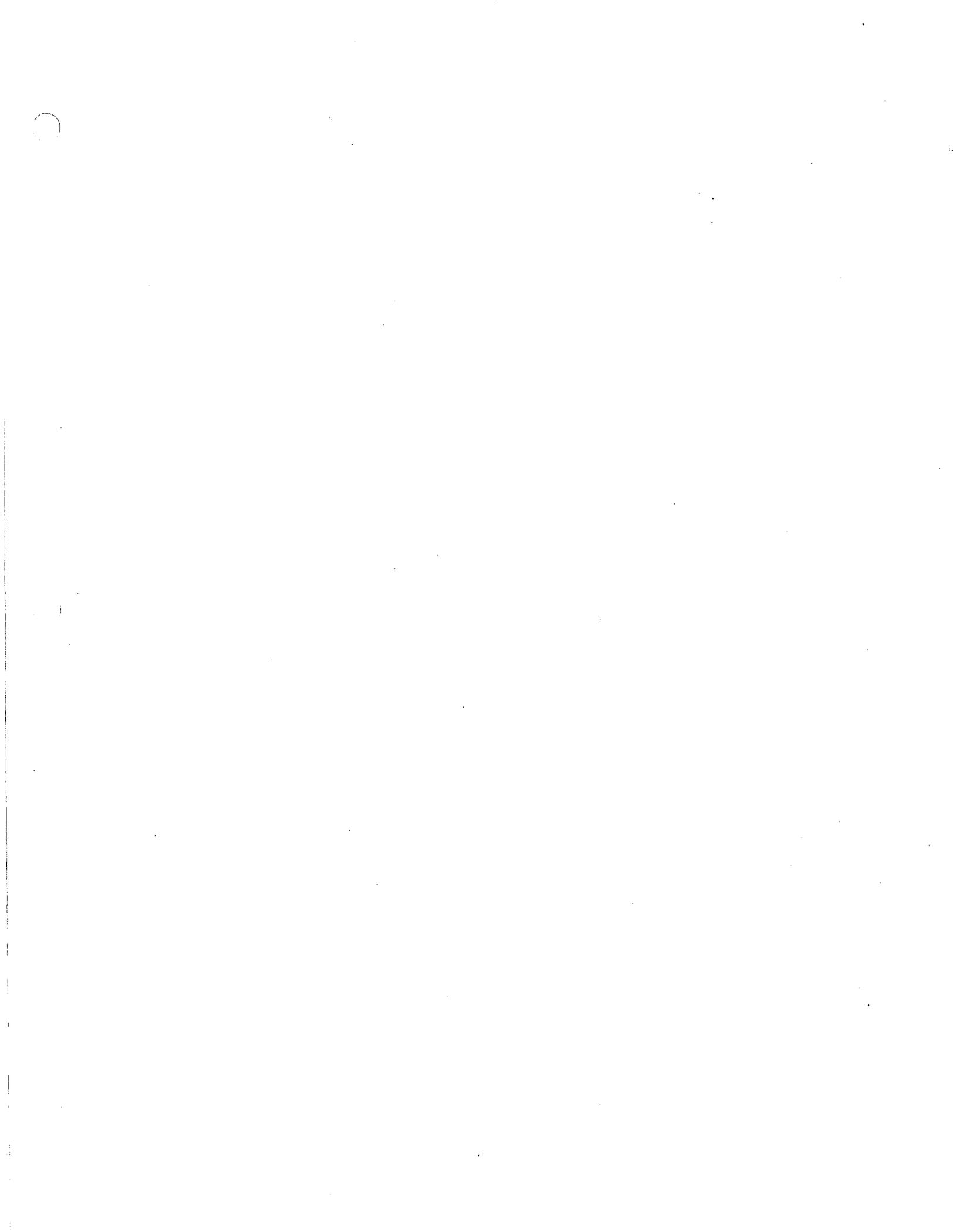
While the new rates are proposed to become effective May 30, 2009, the Commission can suspend the rates for up to six months from the proposed effective date. No rate change will take effect until the Commission has conducted a full investigation and hearing on the proposal. The Commission will publish a notice of the hearing dates when they are scheduled. Ratepayers may comment on the proposed rate increase at that time.

A copy of the proposed filing is on file at Providence Water's office at 552 Academy Avenue, Providence, Rhode Island, and at the office of the Commission, 89 Jefferson Boulevard, Warwick, Rhode Island, and may be reviewed by the public during normal business hours.

A copy of this filing was also provided to the Cities of Providence, East Providence, Cranston and Warwick; the Towns of North Providence, Johnston, Lincoln and Smithfield; the Kent County Water Authority, Greenville Water District, East Smithfield Water District and Bristol County Water Authority.

Correspondence for Providence Water in this rate filing should be addressed to Ms. Pamela M. Marchand, Chief Engineer & General Manager, Providence Water Supply Board, 552 Academy Avenue, Providence, Rhode Island, 02908 and to Mr. Michael R. McElroy, Esq., Post Office Box 6721, Providence, Rhode Island, 02940-6721.

In accordance with the Commission Rules and Regulations, the documents accompanying this filing contain data, information, and testimony in support of Providence Water's application for a change in rates.



EXISTING TARIFFS

PROVIDENCE WATER SUPPLY BOARD TARIFF

Replaces Tariff
January 1, 2006

Effective: November 1, 2007

RI Public Utilities Commission Docket No. 3832

TARIFF SCHEDULES

Schedule

- A Service Charges – Retail
- B Metered Sales – Retail
- C Bulk Sales to Public Authorities for Resale
- D Public Fire Protection
- E Private Fire Service
- F Miscellaneous Charges

EXISTING TARIFFS

SCHEDULE A

**Providence Water Supply Board
Service Charges
Retail**

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

Applicability

Applicable to all metered customers for industrial, commercial and residential use, exclusive of fire service connection, in the Providence Water Supply Board service area.

Rates

For each service connected to the Providence Water Supply Board mains, the following customer service charges shall apply:

<u>Size of Meter</u>	<u>Quarterly</u>	<u>Monthly</u>
5/8"	\$15.73	\$9.28
3/4	16.70	9.60
1	19.60	10.57
1 ½	23.47	11.86
2	34.11	15.41
3	112.49	41.53
4	141.51	51.21
6	209.25	73.78
8	286.65	99.59
10	356.80	122.97
12	426.95	146.35

Terms of Payment

All customer service charges may be billed quarterly or monthly and are due and payable when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

EXISTING TARIFFS

SCHEDULE B

**Providence Water Supply Board
Metered Sales
Retail**

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

Applicability

Applicable to all general metered water service in the Providence Water Supply Board service area.

Rates

For all quantities used, except for bulk sales to public authorities for resale, the following rates per HCF shall apply:

Quarterly Accounts

Residential	\$2.134
Commercial	\$2.049
Industrial	\$2.011

Monthly Accounts

Residential	\$2.134
Commercial	\$2.049
Industrial	\$2.011

Terms of Payment

All metered sales bills are rendered in arrears quarterly or monthly at the option of the Providence Water Supply Board and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

EXISTING TARIFFS

SCHEDULE C

**Providence Water Supply Board
Bulk Sales to Public Authorities for Resale**

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

Applicability

Applicable to all public authorities in the Providence Water Supply Board service area purchasing water for resale.

Rates-Volume Charge

\$1,455.77 per million gallons, or
\$1.088913 per HCF

Terms of Payment

All bills for bulk sales are rendered monthly in arrears and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date

EXISTING TARIFFS

SCHEDULE D

**Providence Water Supply Board
Public Fire Protection**

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

Applicability

Applicable to all service to public fire hydrants in the Providence Water Supply Board service area.

Rates

For each hydrant: \$291.06

Terms of Payment

All bills for public fire service are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

EXISTING TARIFFS

SCHEDULE E

**Providence Water Supply Board
Private Fire Service**

Rhode Island Public Utilities Commission Docket No. 3832

Effective: November 1, 2007

Applicability

Applicable for service to private fire protection appliances owned and maintained by the customer in the Providence Water Supply service area.

Rates

For each fire service connection to the Providence Water Supply Board mains, the following charges shall apply:

<u>Size of Service</u>	<u>Quarterly</u>
3/4"	\$16.88
1	20.00
1 1/2	24.62
2	36.57
4	156.72
6	253.42
8	380.78
10	526.08
12	700.38
16	1,149.93

Terms of Payment

All bills for private fire services are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

EXISTING TARIFFS

**SCHEDULE F
PROVIDENCE WATER
TERMS & CONDITIONS
SERVICE FEE SCHEDULE
(effective November 1, 2007)
page 1 of 2**

NOTE: All applicants must complete financial arrangements prior to services being rendered. Applicants are responsible for obtaining and paying for all permits and any additional fees.

SERVICE	FEE
PHOTOCOPYING	
Distribution Sheet	\$ 3.00/copy
Letter or Legal Size Document	\$.15/copy
LIEN CERTIFICATE	\$ 6.00
RETURNED CHECK FEE	\$ 20.00
PLAN CHECKING/WATER AVAILABILITY REVIEW	\$ 57.00/hour
EASEMENT/ABANDONMENT REQUEST	\$ 50.00/hour
FIRE HYDRANT FLOW TEST	\$ 118.00
NEW WATER SERVICE INSTALLATION - BASIC	
1" Water Service	\$1,673.00
1 ½" Water Service	2,596.00
2" Water Service	2,931.00
4" Water Service	3,700.00
6" Water Service	3,998.00

NEW WATER SERVICE INSTALLATION - SPECIAL CIRCUMSTANCES

All services greater than 6" will be installed and charged on a time and materials basis, consistent with the methodology used in computing the above service charges. **Notwithstanding the above schedule**, any sites where special circumstances may be encountered (ie. ledge, special fittings, routing around other utilities) will also be charged on a time and materials basis. The average time rate for all manpower and equipment (including overhead) averages approximately \$400/hr.

PAVEMENT/SIDEWALK RESTORATION CHARGES

Applicants are responsible for all *actual* road and/or sidewalk restoration charges, as the charge varies with the size of the excavation and the pavement thickness. For illustrative purposes, on average, the charge is approximately \$300 for pavement restoration and \$75 for sidewalk.

EXISTING TARIFFS

SCHEDULE F
PROVIDENCE WATER
TERMS & CONDITIONS
SERVICE FEE SCHEDULE
 (effective November 1, 2007)
 page 2 of 2

SERVICE	FEE
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POLICE DETAILS

If the work being performed presents a safety hazard and it is necessary to employ police details for traffic control, the applicant will be responsible for such costs at the then current rate of the respective Town or City. For illustrative purposes, the hourly detail rates as of January 31, 2007 are as follows:

Cranston	\$37.11
Johnston	40.05
North Providence	37.00
Providence	42.92

NEW WATER METER INSTALLATION - INCLUDING ERT

5/8" Meter	\$ 184.00
3/4" Meter	230.00
1" Meter	266.00
1 1/2" Meter	457.00
2" Meter	545.00

All meters greater than 2" will be charged on an actual time and materials basis.

NEW ERT - ALL METER SIZES **\$ 109.00**

(Applies only to existing ERT's that are lost, stolen, or damaged by customers. There is no charge to retro-fit an existing meter to AMR technology.)

SERVICE SHUTOFF FEE **\$ 64.00**

SERVICE RESTORATION FEE **\$ 43.00**

SPECIAL REQUESTS FOR SERVICES NOT LISTED ABOVE THAT DO NOT BENEFIT ALL CUSTOMERS	Billed at actual Cost plus overhead Rates in effect
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PROPOSED TARIFFS

PROVIDENCE WATER SUPPLY BOARD TARIFF

Replaces Tariff
November 1, 2007

Effective: May 30, 2009

RI Public Utilities Commission Docket No.

TARIFF SCHEDULES

Schedule

- | | |
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| A | Service Charges – Retail |
| B | Metered Sales – Retail |
| C | Bulk Sales to Public Authorities for Resale |
| D | Public Fire Protection |
| E | Private Fire Service |
| F | Miscellaneous Charges |

PROPOSED TARIFFS

SCHEDULE A

**Providence Water Supply Board
Service Charges
Retail**

Rhode Island Public Utilities Commission Docket No.

Effective: May 30, 2009

Applicability

Applicable to all metered customers for industrial, commercial and residential use, exclusive of fire service connection, in the Providence Water Supply Board service area.

Rates

For each service connected to the Providence Water Supply Board mains, the following customer service charges shall apply:

<u>Size of Meter</u>	<u>Quarterly</u>	<u>Monthly</u>
5/8"	\$17.32	\$10.22
3/4	18.39	10.57
1	21.58	11.64
1 ½	25.84	13.06
2	37.55	16.97
3	123.83	45.72
4	155.78	56.38
6	230.35	81.22
8	315.55	109.63
10	392.77	135.37
12	469.99	161.11

Terms of Payment

All customer service charges may be billed quarterly or monthly and are due and payable when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

PROPOSED TARIFFS

SCHEDULE B

**Providence Water Supply Board
Metered Sales
Retail**

Rhode Island Public Utilities Commission Docket No.

Effective: May 30, 2009

Applicability

Applicable to all general metered water service in the Providence Water Supply Board service area.

Rates

For all quantities used, except for bulk sales to public authorities for resale, the following rates per HCF shall apply:

Quarterly Accounts

Residential	\$2.350
Commercial	\$2.256
Industrial	\$2.214

Monthly Accounts

Residential	\$2.350
Commercial	\$2.256
Industrial	\$2.214

Terms of Payment

All metered sales bills are rendered in arrears quarterly or monthly at the option of the Providence Water Supply Board and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

PROPOSED TARIFFS

SCHEDULE C

**Providence Water Supply Board
Bulk Sales to Public Authorities for Resale**

Rhode Island Public Utilities Commission Docket No.

Effective: May 30, 2009

Applicability

Applicable to all public authorities in the Providence Water Supply Board service area purchasing water for resale.

Rates-Volume Charge

\$1,602.52 per million gallons, or
\$1.198676 per HCF

Terms of Payment

All bills for bulk sales are rendered monthly in arrears and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date

PROPOSED TARIFFS

SCHEDULE D

**Providence Water Supply Board
Public Fire Protection**

Rhode Island Public Utilities Commission Docket No.

Effective: May 30, 2009

Applicability

Applicable to all service to public fire hydrants in the Providence Water Supply Board service area.

Rates

For each hydrant: \$320.40

Terms of Payment

All bills for public fire service are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

PROPOSED TARIFFS

SCHEDULE E

Providence Water Supply Board Private Fire Service

Rhode Island Public Utilities Commission Docket No.

Effective: May 30, 2009

Applicability

Applicable for service to private fire protection appliances owned and maintained by the customer in the Providence Water Supply service area.

Rates

For each fire service connection to the Providence Water Supply Board mains, the following charges shall apply:

<u>Size of Service</u>	<u>Quarterly</u>
3/4"	\$18.59
1	22.02
1 1/2	27.11
2	40.26
4	172.52
6	278.97
8	419.17
10	579.11
12	770.98
16	1,265.85

Terms of Payment

All bills for private fire services are rendered quarterly and are due and payable in full when rendered.

Interest at a rate of 1% per month will be charged on unpaid account balances over 30 days from due date.

PROPOSED TARIFFS

**SCHEDULE F
PROVIDENCE WATER
TERMS & CONDITIONS
SERVICE FEE SCHEDULE
(effective May 30, 2009)
page 1 of 2**

NOTE: All applicants must complete financial arrangements prior to services being rendered. Applicants are responsible for obtaining and paying for all permits and any additional fees.

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PROPOSED TARIFFS

SCHEDULE F PROVIDENCE WATER TERMS & CONDITIONS SERVICE FEE SCHEDULE (effective May 30, 2009) page 2 of 2

SERVICE	FEE
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POLICE DETAILS

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NEW ERT - ALL METER SIZES	\$ 109.00
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SERVICE SHUTOFF FEE	\$ 64.00
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Vice Chairman

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City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

City Clerk
City of Providence
City Hall
Providence, RI 02903

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

ANDREW K. MOFFIT
Chairman

JOSEPH D. CATALDI
Vice Chairman

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April 30, 2009

City Clerk
City of East Providence
145 Taunton Avenue
East Providence, RI 02914

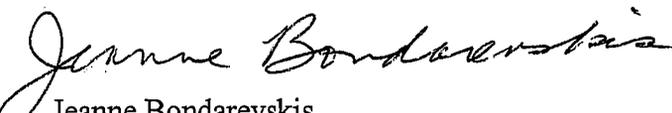
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Providence Water Supply Board


by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

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Member

EVERETT BIANCO
Member

April 30, 2009

City Clerk
City of Cranston
869 Park Avenue
Cranston, RI 02910

RE: Providence Water Supply Board - Abbreviated Rate Filing to
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Member

April 30, 2009

City Clerk
City of Warwick
3275 Post Road
Warwick, RI 02886

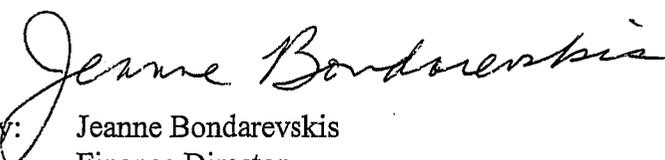
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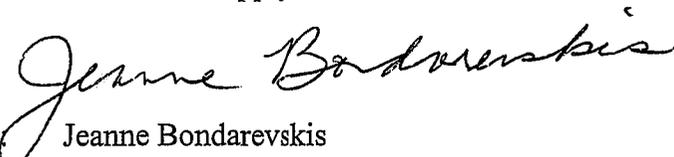
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Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board


by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

ANDREW K. MOFFIT
Chairman

JOSEPH D. CATALDI
Vice Chairman

BRUCE T. MILLER
Ex-Officio

CARISSA R. RICHARD
Secretary

NANDO S. CUNHA, ESQ.
Legal Advisor



DAVID N. CICILLINE
Mayor

PAMELA M. MARCHAND, P.E.
Chief Engineer & General Manager

JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Town Clerk
Town of Johnston
1385 Hartford Avenue
Johnston, RI 02919

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

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City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Town Clerk
Town of Lincoln
100 Old River Road
Lincoln, RI 02865

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

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Vice Chairman

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JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Town Clerk
Town of Smithfield
64 Farnum Pike
Smithfield, RI 02917

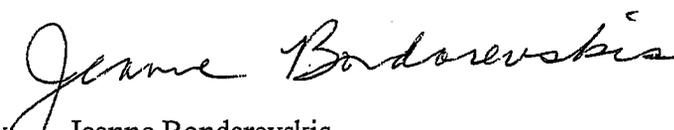
RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

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City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Kent County Water Authority
P.O. Box 192
West Warwick, RI 02893
Attn: Mr. Timothy Brown

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Mr. Brown:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

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Secretary

NANDO S. CUNHA, ESQ.
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City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Greenville Water District
P.O. Box 595
Greenville, RI 02828

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

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JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

East Smithfield Water District
307 Waterman Avenue
Smithfield, RI 02917

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Sir or Madam:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

ANDREW K. MOFFIT
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JOSEPH D. CATALDI
Vice Chairman

BRUCE T. MILLER
Ex-Officio

CARISSA R. RICHARD
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JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Mr. Pasquale DeLise
Bristol County Water Authority
49 Bradford Street
Bristol, RI 02809

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Mr. DeLise:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board

A handwritten signature in cursive script that reads "Jeanne Bondarevskis".

by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

ANDREW K. MOFFIT
Chairman

JOSEPH D. CATALDI
Vice Chairman

BRUCE T. MILLER
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City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

RI Water Resources Board
Attn: Mr. Kenneth Burke
235 Promenade Street, Suite 438
Providence, RI 02908

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Mr. Burke:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board


by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

ANDREW K. MOFFIT
Chairman

JOSEPH D. CATALDI
Vice Chairman

BRUCE T. MILLER
Ex-Officio

CARISSA R. RICHARD
Secretary

NANDO S. CUNHA, ESQ.
Legal Advisor



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JOSEPH DE LUCA
City Councilman

MICHAEL A. SOLOMON
City Councilman

JOHN A. FARGNOLI
Member

EVERETT BIANCO
Member

April 30, 2009

Office of the Attorney General
Attn: Paul Roberti, Esq.
150 South Main Street
Providence, RI 02903

RE: Providence Water Supply Board - Abbreviated Rate Filing to
the RI Public Utilities Commission for a Rate Adjustment Pursuant
to the Rules of Practice and Procedure of the RI Public Utilities Commission

Dear Mr. Roberti:

Pursuant to the Rules of Practice and Procedure of the RI Public Utilities Commission, the Providence Water Supply Board has filed the enclosed document with the Public Utilities Commission in support of its application for a rate increase.

Respectfully,

Providence Water Supply Board


by: Jeanne Bondarevskis
Finance Director

JB

Enclosure

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. _____

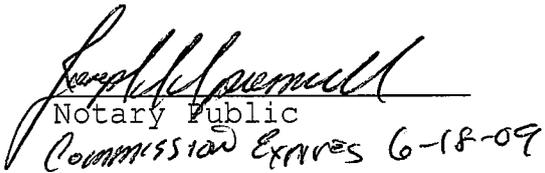
ATTESTATION UNDER RULE 2.7
OF THE RULES OF PRACTICE AND PROCEDURE
OF THE PUBLIC UTILITIES COMMISSION

I, Jeanne Bondarevskis, in conformance with Rule 2.7 of the Rules of Practice and Procedure of the Public Utilities Commission, hereby attest that the facts contained in the rate case, cost of service and other financial statements are true and correct to the best of my knowledge, information, and belief. The data reflects the books of Providence Water and the results of operations and all changes or differences between the books and test year data and any changes in the manner of recording said data during the test year have been expressly noted.


Jeanne Bondarevskis

STATE OF RHODE ISLAND
PROVIDENCE COUNTY

Subscribed and sworn to me this 7 of May, 2009.


Notary Public
Commission Expires 6-18-09

CITY OF PROVIDENCE, RHODE ISLAND
WATER SUPPLY BOARD

**FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2008 AND 2007**

CITY OF PROVIDENCE, RHODE ISLAND
WATER SUPPLY BOARD

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Providence Water Supply Board
Providence, Rhode Island

We have audited the accompanying statements of net assets of the Providence Water Supply Board (the "Water Supply Board") (an enterprise fund of the City of Providence, Rhode Island) as of June 30, 2008 and 2007, and the related statements of revenues and expenses and changes in fund net assets and cash flows for the years then ended. These financial statements are the responsibility of the Water Supply Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Providence Water Supply Board as of June 30, 2008 and 2007, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards", we have also issued our report dated December 29, 2008, on our consideration of the Providence Water Supply Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance and other matters. That report is an integral part of an audit performed in accordance with "Government Auditing Standards", and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 5 is not a required part of the basic financial statements, but is supplementary information required by accounting standards generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Braver PC

Braver, PC
Providence, Rhode Island

December 29, 2008

Boston

Newton

Providence

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008 AND 2007

The management of the Providence Water Supply Board (the Water Supply Board) offers readers of our financial statements the following narrative overview and analysis of our financial activities for the years ended June 30, 2008 and 2007.

Financial Statements

Our financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting an economic resources measurement focus and the accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include statements of net assets, statements of revenues, expenses and changes in net assets, and statements of cash flows. These statements are followed by notes to the financial statements.

- The statements of net assets present information on the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Water Supply Board is improving or deteriorating.
- The statements of revenues, expenses, and changes in net assets report the operating and non-operating revenues and expenses of the Water Supply Board for the fiscal year with the difference – the net income or loss – being combined with any capital contributions to determine the net change in assets for the fiscal year. That change combined with the previous year-end net assets total reconciles to the net assets at the end of the fiscal year.
- The statements of cash flows report cash and cash equivalents activity for the fiscal year resulting from operating activities, non-capital financing activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash balance reconciles to the cash and cash equivalents balance at the end of the fiscal year.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008 AND 2007

Condensed Financial Information (in thousands)

Condensed financial information from the statements of net assets and revenues, expenses, and changes in net assets is presented below.

	<u>2008</u>	<u>2007</u>
Current assets	\$ 67,255	\$ 37,145
Capital assets, net	190,522	180,113
Total assets	<u>257,777</u>	<u>217,258</u>
Current liabilities	13,215	15,631
Noncurrent liabilities	45,009	12,043
Total liabilities	<u>58,224</u>	<u>27,674</u>
Net assets:		
Invested in capital assets, net of related debt	143,479	165,284
Restricted	47,986	17,397
Unrestricted	8,088	6,903
Total net assets	<u>\$ 199,553</u>	<u>\$ 189,584</u>
Operating revenues	<u>\$ 56,032</u>	<u>\$ 52,748</u>
Operating expenses	36,144	35,046
Depreciation	<u>10,714</u>	<u>10,135</u>
Total operating expenses, including depreciation	<u>46,858</u>	<u>45,181</u>
Operating income	9,174	7,567
Nonoperating expense	(103)	(38)
Capital grants and contributions	<u>898</u>	<u>1,613</u>
Increase in net assets	<u>\$ 9,969</u>	<u>\$ 9,142</u>

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008 AND 2007

Financial Highlights

The Water Supply Board's net assets totaled \$ 200 million at June 30, 2008. Total net assets increased by \$10 million, or about 5.3% from June 30, 2007.

During the year, the Water Supply Board had operating revenues that exceeded operating expenses by \$9.2 million. This is primarily due to the large commitment to the replacement of infrastructure included in water rates.

At June 30, 2008, the Water Supply Board's net assets totaled \$ 200 million. Total assets were \$257.8 million, up \$ 40.5 million from last year's total assets of \$ 217.3 million.

At June 30, 2007, the Water Supply Board's net assets totaled \$ 189.6 million. Total assets were \$217.3 million, up \$ 4.7 million from the prior year's total assets of \$ 212.6 million.

The Water Supply Board's total operating revenues were \$ 56 million at June 30, 2008, which increased from \$52.7 million at June 30, 2007. The total cost of operating the water system, including property taxes and depreciation, was \$ 46.8 million. This resulted in an operating income of \$ 9.2 million. Non-operating revenue consists of interest and dividend income. Interest on long-term restricted debt is the largest non-operating expense, followed by miscellaneous and other expenses. Non-operating income for the fiscal year totaled (\$.1) million, with capital grants of \$.9 million. The total increase in net assets was \$ 10 million.

The Water Supply Board's total operating revenues were \$ 52.7 million at June 30, 2007 which increased from \$52.4 million at June 30, 2006. The total cost of operating the water system, including property taxes and depreciation, was \$ 45.2 million. This resulted in an operating income of \$ 7.5 million. Non-operating revenue consists of interest and dividend income. Interest on long-term restricted debt is the largest non-operating expense, followed by miscellaneous and other expenses. Non-operating income for the fiscal year totaled (\$.04) million, with capital grants of \$ 1.6 million. The total increase in net assets was \$ 9.1 million.

The increase in expenditures in both 2008 and 2007 were a result of normal inflation, contractual and external factors.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2008, the Water Supply Board had \$ 190.5 million invested in various capital assets, including land, buildings and improvements, transmission and distribution reservoirs, mains, services, hydrants and appurtenances, machinery and equipment and construction work in progress. This amount represents a net increase of \$ 10.4 million, or 5.8%, over last year.

At June 30, 2007, the Water Supply Board had \$ 180.1 million invested in various capital assets, including land, buildings and improvements, transmission and distribution reservoirs, mains, services, hydrants and appurtenances, machinery and equipment and construction work in progress. This amount represents a net increase of \$3.6 million, or 2.0%, over the prior year.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008 AND 2007

Major project expenditures included (in millions):

- Sludge handling and disposal, \$1.0
- Various distribution improvements, \$0.6
- Replace fire hydrants, \$0.2
- Replace lead services, \$10.4
- Replace meters, \$0.1
- AMR system, \$0.3
- Geographic Info. Systems (GIS), \$1.0
- Aqueduct Pump Station, \$0.1
- Neutaconkanut Reservoir, \$0.2
- Replace water mains, \$0.8
- 102" aqueduct improvements, \$2.0
- Sand Filters, \$0.8
- Access Roads, fencing and security, \$0.2
- Electrical and process control upgrades, \$0.1

The Water Supply Board's fiscal 2009 capital budget includes projected expenditures of \$25 million for infrastructure and capital projects. The major projects are lead service replacements, sludge removal and disposal, pump station rehabilitation, chemical system and treatment plant upgrades, GIS system implementation, meter replacements, distribution system improvements, and transmission main inspection and rehabilitation. Projects will be funded from bond proceeds available from bonds issued in prior fiscal years and with restricted cash funding from rate revenues. The majority of infrastructure projects are financed on a pay-as-you-go, cash basis. New capital additions, that benefit the ratepayers for many years, are paid for with debt financing on an as needed basis.

Debt

At June 30, 2008, the Water Supply Board had \$ 45 million in bonds and notes outstanding versus \$ 11.8 million in the previous year. This represented an increase of \$ 33.2 million or 281%.

\$35 million in new debt was issued in 2008 to fund the lead service replacement project, filter system rehabilitation and water main replacements.

At June 30, 2007, the Water Supply Board had \$ 11.8 million in bonds and notes outstanding versus \$ 14.7 million in the previous year. This represented a decrease of \$ 2.9 million or 19.7%.

Contacting Providence Water's Financial Management

This financial report is designed to provide our customers, investors and creditors with a general overview of the Water Supply Board's finances and to show the Water Supply Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director at the Providence Water Supply Board, 552 Academy Avenue, Providence, RI 02908.

(CONCLUDED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

STATEMENT OF NET ASSETS
JUNE 30, 2008 AND 2007 (000's)

	2008	2007
ASSETS		
Current unrestricted assets		
Cash and cash equivalents (Note 3)	\$ 2,034	\$ 3,064
Accounts receivable, net of allowance for uncollectible accounts of \$2,498 in 2008 and \$2,929 in 2007	8,015	8,056
Accounts receivable - unbilled	4,724	4,479
Inventory	440	295
Other assets	400	1,510
Total current unrestricted assets	15,613	17,404
 Current restricted assets (Note 2)		
Cash and cash equivalents (Note 3)	16,444	17,191
Investments (Note 3)	1,585	1,715
Accounts receivable	-	297
Accounts receivable - unbilled	545	538
Due from other governmental units	33,018	-
Other assets	50	-
Total current restricted assets	51,642	19,741
Total current assets	67,255	37,145
 Capital Assets (Note 10)		
Land	11,091	11,091
Building and improvements	31,110	28,224
Improvements other than buildings	184,077	169,755
Machinery and equipment	25,801	25,478
Assets under capital leases (Note 7)	13,846	13,846
Scituate Reservoir Project	18,682	18,682
Construction in progress	30,874	27,282
	315,481	294,358
Less accumulated depreciation and amortization	124,959	114,245
Total capital assets, net	190,522	180,113
Total assets	257,777	217,258

(CONTINUED)

The accompanying notes are an integral part of these financial statements.

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

STATEMENT OF NET ASSETS
JUNE 30, 2008 AND 2007 (000's)

	2008	2007
LIABILITIES		
Current liabilities		
Due to City of Providence General Fund (Note 6)	1,806	4,697
Accounts payable	1,690	1,947
Accrued expenses	1,747	1,825
Unearned revenues	1,885	1,732
Current portion of long-term debt (Note 5)	1,471	1,836
Current portion of obligations under capital lease (Note 7)	1,010	950
Line of credit (Note 8)	-	300
	9,609	13,287
Amounts to be paid from current restricted assets (Note 2)		
Due to Water Resources Board	368	453
Accounts payable	3,238	1,891
	3,606	2,344
Total current liabilities		
	13,215	15,631
Non-current liabilities		
General revenue bonds (Note 5)	43,572	10,043
Obligations under capital lease (Note 7)	990	2,000
Other post employment benefits (Note 11)	447	-
Total non-current liabilities	45,009	12,043
Total liabilities		
	58,224	27,674
NET ASSETS		
Invested in capital assets, net of related debt	143,479	165,284
Restricted	47,986	17,397
Unrestricted	8,088	6,903
Total net assets	\$ 199,553	\$ 189,584

(CONCLUDED)

The accompanying notes are an integral part of these financial statements.

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

**STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND NET ASSETS
 FOR THE YEARS ENDED JUNE 30, 2008 AND 2007 (000's)**

	2008	2007
Operating Revenues		
Charges for services:		
Water sales (Note 1):		
General customers	\$ 36,696	\$ 35,493
Other local water suppliers	14,821	12,927
Fire protection services	1,718	1,564
Maintenance charges and other revenue	2,797	2,764
Total operating revenues	56,032	52,748
 Operating Expenses		
Source of supply	1,924	1,895
Pumping operations	915	781
Water treatment	6,651	6,931
Transmission and distribution	4,496	3,806
Charge for services provided by other City departments (Note 6)	785	730
Customer accounts and service	2,825	4,072
Administrative and general	12,319	12,406
Depreciation and amortization	10,714	10,135
Property taxes - other local governments	6,229	4,425
Total operating expenses	46,858	45,181
 Operating income	9,174	7,567
 Nonoperating Revenues (Expenses)		
Interest income	649	885
Interest expense and other	(752)	(923)
Net nonoperating expenses	(103)	(38)
 Capital Grants and Contributions	898	1,613
 Change in net assets	9,969	9,142
 Net Assets, beginning of year	189,584	180,442
 Net Assets, end of year	\$ 199,553	\$ 189,584

The accompanying notes are an integral part of these financial statements.

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007 (000's)

	2008	2007
Cash Flows From Operating Activities		
Cash received from customers	\$ 57,331	\$ 49,875
Cash paid to vendors	(22,020)	(24,058)
Cash paid to employees	(12,894)	(13,402)
Net cash provided by operating activities	22,417	12,415
Cash Flows From Non-Capital and Related Financing Activities		
Due to/from other funds	(2,891)	1,837
Cash Flows From Capital and Related Financing Activities		
Acquisition and construction of capital assets	(21,124)	(13,783)
Interest paid on debt	(752)	(923)
Repayment to line of credit	(300)	(85)
Repayment of long-term debt and capital leases	(2,786)	(3,744)
Proceeds from long-term debt and capital leases	1,982	-
Capital grants	898	1,613
Net cash used in capital and related financing activities	(22,082)	(16,922)
Cash Flows From Investing Activities		
Purchase of investment securities	130	(239)
Investment income	649	885
Net cash provided by investing activities	779	646
Net increase (decrease) in cash and cash equivalents	(1,777)	(2,024)
Cash and cash equivalents		
Beginning	20,255	22,279
Ending	\$ 18,478	\$ 20,255
Unrestricted cash and cash equivalents	\$ 2,034	\$ 3,064
Restricted cash and cash equivalents	16,444	17,191
	\$ 18,478	\$ 20,255
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Operating income	\$ 9,174	\$ 7,567
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	10,714	10,135
Changes in assets and liabilities:		
Accounts receivable	87	(1,456)
Inventories	(146)	108
Other assets	1,060	(1,510)
Accounts payable and accrued expenses	1,377	(2,522)
Unearned revenue	152	93
Net cash provided by operating activities	\$ 22,417	\$ 12,415

The accompanying notes are an integral part of these financial statements.

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

The Providence Water Supply Board, an enterprise fund of the City of Providence, (the "Water Supply Board") was created in 1940 by Chapter 832 of the Public Laws of the State of Rhode Island. Membership of the Water Supply Board is comprised of four persons appointed by the Mayor, who serve for four-year staggered terms and two City Council members elected by the City Council who serve during their four-year City Council term. The Finance Director of the City of Providence also serves as an ex-officio Water Supply Board member.

The Water Supply Board provides water supply services through metered sales in Providence and parts of the surrounding communities of North Providence, Johnston and Cranston. The Water Supply Board also sells water to other local water supply systems on a wholesale basis. The Water Supply Board's source of water supply is the Scituate Reservoir, located in the Town of Scituate, Rhode Island, and five tributary reservoirs.

Significant accounting policies are as follows:

Basis of Presentation

The Water Supply Board is considered an enterprise fund of the City of Providence (the "City"). The operations of the Water Supply Board are accounted for with a separate set of self-balancing accounts organized on a Proprietary Fund type (Enterprise Fund) basis.

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The Water Supply Board utilizes the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred.

Regulations and Operation

The Water Supply Board is subject, as to rates, and other matters, to the regulatory authority of the State of Rhode Island Public Utilities Commission (PUC).

Cash equivalents

The Water Supply Board considers all highly liquid debt instruments with an original maturity of three months or less, when purchased, to be cash equivalents.

Investments

The Water Supply Board accounts for investments at fair values which are established by quoted market prices.

Inventory

Inventory, consisting of materials and supplies, is valued at the lower of average cost or market using the first-in, first-out method.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital assets, depreciation and amortization

Capital assets owned by the Water Supply Board are stated at cost. They are defined as assets with an initial cost of more than \$3,000 and an estimated useful life in excess of 1 year. Depreciation and amortization is provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building, source of supply structures, and improvements	5-75 years
Improvements other than buildings	3-75 years
Equipment	3-50 years

Depreciation expense is not reflected for construction in progress until such time as it is placed in service. Assets under capital leases are amortized under the Water Supply Board's normal depreciation policies for similar assets.

Restricted funds for construction of assets

Restricted funds for construction of assets represent unexpended revenue bond proceeds obtained specifically for construction of water facilities. These funds are included in restricted assets.

Capital contributions

Capital contributions consist of property and equipment paid for by customers for water installations. Once the installation is complete, the property and equipment transfers to the Water Supply Board at fair value.

Revenues, operating revenues and expenses

Revenues include amounts billed and unbilled to all customers, including those customers outside the City of Providence, Rhode Island. All billed charges are based on rates approved by the PUC. Revenues for unbilled amounts to general customers are estimated based on billing amounts subsequent to year-end. The Water Supply Board distinguishes operating revenues and expenses from non-operating. Operating revenues result from charges to customers for water and related services. Operating expenses include the cost of operations, maintenance, sales and service, administrative expenses and depreciation. All revenues and expenses not meeting this definition are reported as non-operating or capital contributions.

Proprietary fund accounting

The Water Supply Board has implemented Statement No. 20 of the Governmental Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." This Statement provides guidance on the applicability of accounting pronouncements from other standard setting organizations. Under the Board's election, it must apply all GASB pronouncements and the following pronouncements issued before November 30, 1989 unless they contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, and Accounting Research Bulletins of the committee on Accounting Procedures.

Concentration of credit risk

The Water Supply Board's financial instruments that are exposed to concentrations of credit risk consist primarily of accounts receivable. Exposure to losses on receivables is principally dependent on each customer's financial condition. Concentration of credit risk with respect to receivables is limited due to the large number of customers. The Water Supply Board monitors its exposure for credit losses and maintains allowances for anticipated losses.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Compensated absences

Employees accumulate sick leave hours for subsequent use or for payment upon retirement. Sick leave and vacation vest and may be carried forward into the following calendar year, but not to exceed 135 days and 30 days, respectively.

Vested sick leave and accumulated vacation leave are recorded as expenses and liabilities as the benefits accrue to employees.

2. RESTRICTED ASSETS

The State of Rhode Island enacted the Public Drinking Water Protection Act of 1987 (the "Act") that empowers suppliers of public drinking water to levy a surcharge (the "surcharge") on one cent (\$0.01) per hundred gallons of water for all customers. The surcharge has been amended several times since 1987. The last increase was on July 1, 2002, when the surcharge increased to \$0.0292 per hundred gallons of water for all customers. In addition to the increase, the Water Supply Board will retain 36.1% of the surcharge in its Water Quality Protection fund, remit 57.0% to the State Water Resources Board and retain 6.9% for general operations. The funds collected in the Water Quality Protection fund are to be expended in the following manner:

- 1) at a minimum, 55% of the funds are to be spent for the acquisition of land or land rights or physical improvements to acquired land to protect the quality of the raw water of the water supply system;
- 2) 35% may be used to acquire a fee simple interest or a conservation restriction that directly protects the quality and safety of the public drinking water supply; and 3) 10% may be used by the supplier for any purpose relating to its operations.

The restricted investments are pooled with the cash and cash equivalents and investments of other funds maintained by the City of Providence. The earnings from investments are allocated in proportion to each fund's balance.

3. CASH AND INVESTMENTS

The following is a summary of cash and investments:

	<u>Fair Value</u>
Cash and cash equivalents	\$ 2,034
Restricted cash and cash equivalents	16,444
Equity Mutual Funds	<u>1,585</u>
Total	<u>\$ 20,063</u>

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

3. CASH AND INVESTMENTS (CONTINUED)

Responsibility for custodial credit risk of deposits and investments and interest rate risk and risk and concentration of investments rests with the City; accordingly separate disclosure is not possible. The City's financial statements should be read to determine the associated risks of the Water Supply Board's deposits and investments.

4. PENSION PLANS

Substantially all employees of the Water Supply Board participate in the Employees' Retirement System of the City of Providence (the "Plan"), a defined-benefit, single-employer plan. Disclosures about this plan, as a whole, are presented in the City of Providence, Rhode Island's basic financial statements. As of June 30, 2008 and 2007, the City recorded a liability for unpaid pension contributions of \$124,400 and \$122,500, respectively. Separate actuarial information related to the Water Supply Board employees is not available. Accordingly, only disclosures about the Water Supply Board's participation in the Plan are presented herein.

All Water Supply Board employees participating in the Plan are eligible to retire at age 55 or at any age after 25 years of service. The total retirement allowance is equal to an annuity, which is the actuarial equivalent of accumulated contributions at the time of retirement, plus a pension which when added together, equals 1/40 of final compensation for each year of total service up to 20 years and 1/50 of final compensation for each year of service in excess of 20 years. These benefit provisions and all other requirements are established by City ordinance.

The Water Supply Board's allocation of the actuarial required contribution and amount contributed for the year ended June 30, 2008 were \$2,727. The Water Supply Board's allocation of the actuarial required contribution and amount contributed for the year ended June 30, 2007 were \$2,566. The employer and employees contribution rates are approximately 25% and 23%, respectively, for both 2008 and 2007.

The historical schedules of employer contributions and funding progress for the Plan are included in the City of Providence, Rhode Island's basic financial statements.

5. LONG-TERM DEBT

Long-term liability activity for the years ended June 30, 2008 and 2007 were as follows:

	2008				
	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 11,879	\$ 35,000	\$ (1,836)	\$ 45,043	\$ 1,471
Total bonds	11,879	35,000	(1,836)	45,043	1,471
Capital leases	2,950	-	(950)	2,000	1,010
Total long-term liabilities	\$ 14,829	\$ 35,000	\$ (2,786)	\$ 47,043	\$ 2,481

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

5. LONG-TERM DEBT (CONTINUED)

	2007				
	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 14,708	\$ -	\$ (2,829)	\$ 11,879	\$ 1,836
Total bonds	14,708	-	(2,829)	11,879	1,836
Capital leases	3,865	-	(915)	2,950	950
Total long-term liabilities	\$ 18,573	\$ -	\$ (3,744)	\$ 14,829	\$ 2,786

The following is a summary of bonds and notes outstanding at June 30, 2008 and 2007:

Description	June 30, 2008	
	Interest Rate	Balance
Revenue bonds:		
Safe Drinking Water Bonds (CWFA FY2002)	2.97%	1,897
Safe Drinking Water Bonds (CWFA FY2003)	2.59%	-
Scituate Reservoir Project (PPBA I)	5.40%	2,264
Safe Drinking Water Bonds (CWFA FY2005)	2.25%	5,882
Safe Drinking Water Bonds (CWFA FY2008)	2.85%	35,000
		\$ 45,043

Description	June 30, 2007	
	Interest Rate	Balance
Revenue bonds:		
Safe Drinking Water Bonds (CWFA FY2002)	2.97%	\$ 2,001
Safe Drinking Water Bonds (CWFA FY2003)	2.59%	415
Scituate Reservoir Project (PPBA I)	5.40%	2,825
Safe Drinking Water Bonds (CWFA FY2005)	2.25%	6,638
		\$ 11,879

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

5. LONG-TERM DEBT (CONTINUED)

Scheduled principal maturities of long-term debt are as follows:

Fiscal year ending June 30:	Principal	Interest	Balance
2009	1,471	429	1,900
2010	1,524	1,665	3,189
2011	2,868	1,372	4,240
2012	2,699	1,285	3,984
2013	2,345	1,181	3,526
2014-2018	9,886	5,100	14,986
2019-2023	9,287	3,602	12,889
2024-2028	10,290	1,874	12,164
2029-2033	4,673	180	4,853
	<u>\$ 45,043</u>	<u>\$ 16,688</u>	<u>\$ 61,731</u>

In-Substance Defeasance Prior-Years

In prior years, the Water Supply Board has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the financial statements. As of June 30, 2008, the amount of defeased debt outstanding but removed from the Water Supply Board's statements was \$5,930.

6. TRANSACTIONS WITH CITY OF PROVIDENCE, RHODE ISLAND

The City of Providence performs various services for the Water Supply Board including certain accounting, personnel and cash management services and working capital support. The total billing to the Water Supply Board for services performed amounted to \$785 and \$730 for the years ended June 30, 2008 and 2007, respectively. This amount is established by the City, approved by the Water Supply Board and ultimately approved by the PUC. The Water Supply Board also provides services to various City funds and departments, the charges for which have been included as revenue in the accompanying financial statements. Included within the accounts payable balance are the related balances due for these services and pension payments which at June 30, 2008 and 2007 totaled \$322 and \$3,208, respectively.

7. LEASES

On July 1, 1988, the City of Providence, through its Water Supply Board, entered into a lease agreement with the Rhode Island Water Resources Board. The Water Supply Board has leased the project, which expires on September 15, 2009. At the expiration of the lease term, the Water Supply Board has the option to purchase the facilities for one dollar (\$1.00). This lease has been accounted for as a capital lease.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

7. LEASES (CONTINUED)

The assets and liabilities under all capital leases are recorded at the present value of the minimum lease payments. Amortization of these assets charged to expense amounted to \$185 for each of the years ended June 30, 2008 and 2007. Summary of book value is as follows:

	2008	2007
Cost	\$ 13,846	\$ 13,846
Accumulated amortization	(2,774)	(2,589)
Book value	\$ 11,072	\$ 11,257

Minimum future lease payments under capital leases as of June 30, 2008 are as follows:

	RI Water Resources Board
2009	\$ 1,083
2010	1,014
Total minimum lease payments	2,097
Less amount representing interest	(97)
	\$ 2,000

8. LINE OF CREDIT

The Water Supply Board had a \$2,750 line of credit with an outstanding balance of \$300 as of June 30, 2007. The line of credit matured August 10, 2007. The line of credit was not renewed.

Line of credit transactions for the year ended June 30, 2008 were as follows:

Outstanding, July 1, 2007	\$ 300
Borrowings	-
Repayments	(300)
Outstanding, June 30, 2008	\$ -

Line of credit transactions for the year ended June 30, 2007 were as follows:

Outstanding, July 1, 2006	\$ 385
Borrowings	-
Repayments	(85)
Outstanding, June 30, 2007	\$ 300

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

9. COMMITMENTS AND CONTINGENCIES

Risk Management

The Water Supply Board has a complete comprehensive insurance program protecting all facilities, employees and liability claims.

The Water Supply Board is subject to various claims and litigation that arise in the ordinary course of its operations. Legal counsel and management are of the opinion that the Water Supply Board's liabilities in such cases, if decided adversely to the Water Supply Board, would not materially affect the financial statements.

Union Contract

The labor force of the Water Supply Board, with the exception of management, is covered by a union contract which is effective for the period of July 1, 2008 to June 30, 2011.

Contingent Liability to City of Providence per Rhode Island G.L.

A law passed in 2003 (R.I.G.L. § 39-3-11.3 and § 46-15.3-21) required an annual payment by the Water Supply Board to the City of Providence of 5% of the Board's gross revenues for the fiscal years ending June 30, 2004, 2005 and 2006. The law specifically provides that this payment shall not be included as part of the Water Supply Board's rates for these years. These payments would total approximately \$2,500 per year.

The Water Supply Board has no material funds (other than revenues from rates) from which to make these payments and therefore has not made the payments. Further, since the payments can not be made from rate revenues the Board believes it is not liable for any amount to the City and therefore has not accrued an amount for the potential liability.

No action has been taken by either the City of Providence or the Rhode Island Public Utilities Commission concerning this matter.

Lead Service Replacement Program

The Water Supply Board is required to test for lead and copper in its water. In August 2006, 16 of 100 samples taken throughout the water system tested for trace lead levels higher than 15 parts per billion (ppb). The U.S. Environmental Protection Agency (EPA) regulations mandate specific actions that need to be taken by water utilities when more than 10% of test samples exceed the 15 ppb lead level. While there is no detectable lead in the drinking water that leaves the Water Supply Board's treatment plant, some older homes with lead pipes and lead connections to the water main in the street can show trace amounts of lead in the water.

Due to the results of the testing, the Water Supply Board was required by the U.S EPA, through the Rhode Island Department of Health (RIDOH), to engage in public education efforts related to lead in water, and to replace a minimum of 7% of the active lead services in its system by September 30, 2007, and 7% each year thereafter. The Water Supply Board entered into a consent agreement with RIDOH to replace 14% of its active lead services by September 30, 2008, and to then continue on with a minimum of 7% in each ensuing year. Approximately 26,000 of the 75,000 total service connections in the Water Supply Board's distribution system are lead services.

In July 2007, the Water Supply Board embarked on a Lead Service Replacement (LSR) program and engaged an engineering firm for a period of three years to provide assistance in managing the LSR program, and contracted with three construction firms for two-year periods to perform the actual replacement work. The Water Supply Board entered into contracts not to exceed \$22 million with these firms. By June 30, 2008 a total of 3,180 lead services had been replaced, and the Water Supply Board expects that the requirement for 3,600 service replacements to be completed by September 30, 2008 will be accomplished by August 15, 2008, a month and a half ahead of schedule.

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
 (An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

9. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Retirees Health Care

During 2006 the City of Providence, as well as the Water Supply Board, discovered that the City was not charging the Water Supply Board for the health care costs for retired Water Supply Board employees. All City retirees are placed into a separate retirement payroll with associated fringe benefits. Former Water Supply Board employees were not separately tracked.

A schedule was prepared of the Water Supply Board's retiree's health care costs for 2006, which was paid to the City of Providence. A schedule was also prepared including the Water Supply Board's actual retiree's health care costs for 2004 and 2005 and the calculated costs for the years from 1997 through 2003. This amount was included in the Water Supply Board's rate filing to the RI Public Utilities Commission (PUC) in March of 2007. During discovery for the rate case, the outstanding obligation amount was revised to \$1,489. The Water Supply Board agreed with the Division of Public Utilities, to a repayment term of six years, without interest. The RI PUC at an open meeting on October 30, 2007 denied the Water Supply Board's request to repay the City of Providence. The City has appealed the decision to the Supreme Court. A liability for \$1,489 is included in Due to City of Providence General Fund on the Statement of Net Assets as of June 30, 2008 and 2007.

10. CAPITAL ASSETS

The following is a summary of the activity in capital assets as of June 30, 2008:

	Balance June 30, 2007	Additions	Disposals	Balance June 30, 2008
Capital assets not being depreciated:				
Land	\$ 11,091	\$ -	\$ -	\$ 11,091
Scituate Reservoir Project	18,682	-	-	18,682
Construction in progress	27,282	20,296	16,704	30,874
Total capital assets not being depreciate	<u>57,055</u>	<u>20,296</u>	<u>16,704</u>	<u>60,647</u>
Capital assets being depreciated:				
Buildings and improvements	28,224	2,886	-	31,110
Improvements other than buildings	169,755	14,322	-	184,077
Machinery and equipment	25,478	323	-	25,801
Assets under capital lease	13,846	-	-	13,846
Total capital assets being depreciated	<u>237,303</u>	<u>17,531</u>	<u>-</u>	<u>254,834</u>
Less accumulated depreciation for:				
Buildings and improvements	20,751	2,504	-	23,255
Improvements other than buildings	70,589	7,000	-	77,589
Machinery and equipment	19,324	1,025	-	20,349
Assets under capital lease	3,581	185	-	3,766
	<u>114,245</u>	<u>10,714</u>	<u>-</u>	<u>124,959</u>
Total capital assets being depreciated,	<u>123,058</u>	<u>6,817</u>	<u>-</u>	<u>129,875</u>
Total capital assets, net	<u>\$ 180,113</u>	<u>\$ 27,113</u>	<u>\$ 16,704</u>	<u>\$ 190,522</u>

(CONTINUED)

PROVIDENCE WATER SUPPLY BOARD
(An enterprise fund of the City of Providence, Rhode Island)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007 (000's)

10. CAPITAL ASSETS (CONTINUED)

The following is a summary of the activity in capital assets as of June 30, 2007:

	Balance June 30, 2006	Additions	Disposals	Balance June 30, 2007
Capital assets not being depreciated:				
Land	\$ 10,289	\$ 802	\$ -	\$ 11,091
Scituate Reservoir Project	18,682	-	-	18,682
Construction in progress	23,150	11,315	7,183	27,282
Total capital assets not being depreciate	52,121	12,117	7,183	57,055
Capital assets being depreciated:				
Buildings and improvements	25,600	2,624	-	28,224
Improvements other than buildings	163,976	5,779	-	169,755
Machinery and equipment	25,032	446	-	25,478
Assets under capital lease	13,846	-	-	13,846
	228,454	8,849	-	237,303
Less accumulated depreciation for:				
Buildings and improvements	18,814	1,937	-	20,751
Improvements other than buildings	64,017	6,572	-	70,589
Machinery and equipment	17,956	1,368	-	19,324
Assets under capital lease	3,323	258	-	3,581
	104,110	10,135	-	114,245
Total capital assets being depreciated,	124,344	(1,286)	-	123,058
Total capital assets, net	\$ 176,465	\$ 10,831	\$ 7,183	\$ 180,113

11. POST EMPLOYMENTS BENEFITS

The Water Supply Board adopted GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", during the fiscal year ended June 30, 2008.

The Water Supply Board's Post-Retirement Benefits Program of the City of Providence (the "Program") is a defined-benefit, single-employer post-retirement health and life insurance program. The Program provides lifetime health care and life insurance benefits to substantially all retired employees and their spouses. Disclosures about this program, as a whole, are presented in the City of Providence, Rhode Island's basic financial statements. As of June 30, 2008, the City recorded a liability for unpaid post-retirement contributions of \$4,787. Prior to adoption of GASB 45, the Water Supply Board funded these post-retirement benefits on a pay-as-you-go basis. The total cost of these benefits for June 30, 2007 was \$421. Separate actuarial information related to the Water Supply Board employees is not available. Accordingly, only disclosures about the Water Supply Board's participation in the Plan are presented herein.

The Water Supply Board's allocation of the actuarial required contribution was \$917 and the amount contributed for the year ended June 30, 2008 was \$470. The unpaid balance of the actuarial required contribution at June 30, 2008 of \$447 is included in non-current liabilities on the Statement of Net Assets.

The historical schedules of employer contributions and funding progress for the Program are included in the City of Providence, Rhode Island's basic financial statements.

(CONCLUDED)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Water Supply Board
City of Providence, Rhode Island

We have audited the financial statements of the Providence Water Supply Board (the "Water Supply Board"), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Water Supply Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Water Supply Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Water Supply Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Water Supply Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Water Supply Board's financial statements that is more than inconsequential will not be prevented or detected by the Water Supply Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Water Supply Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Boston

Newton

Providence

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Water Supply Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Water Supply Board, in a separate letter dated December 29, 2008.

This report is intended solely for the information and use of management and the Water Supply Board and is not intended to be and should not be used by anyone other than these specified parties.



Providence, Rhode Island

December 29, 2008

APPENDIX

PROVIDENCE WATER Exhibit No. 3

Index and responses in Compliance with Part Two

Item 2.10(a) Response	Availability Information required by R.I.G.L. § 39-3-12.1 is included in the testimony of Pam Marchand, Exhibit 1 Tables A through E.
Item 2.10(b) Response	Limitation on Revenue Increase of 25% See HJS-3, Providence Water is well within limitation.
Item 2.10 (b)(1) Response	Debt Service See Attachment A.
Item 2.10 (b)(2) Response	Salaries, Wages and Benefits See Schedules HJS-5 & HJS-8 and supporting schedules.
Item 2.10 (b)(3) Response	Property Taxes See Schedule HJS-6 and supporting schedules.
Item 2.10 (b)(4) Response	Chemicals See Schedule HJS-10 and supporting schedules.
Item 2.10(b)(5) Response	Insurance See Schedule HJS-7 and supporting schedules.
Item 2.10(b)(6) Response	Infrastructure Replacement Program See Schedule HJS-12 and supporting schedules.
Item 2.10(b)(7) Response	Purchased Water Not applicable for this filing.
Item 2.10(c)	Restriction on Abbreviated Filing:
Item 2.10(c)1 Response	Net utility operating loss prior two fiscal years Not Applicable.
Item 2.10(c)2 Response	General Rate Order not issued in prior five years. Not applicable. Last General Rate order #19145 issued 12/13/07.
Item 2.10(c)3 Response	Significant change in revenue recovery among classes. Not requested in this filing.
Item 2.10(c)4 Response	Annual Reports to the Commission All annual reports have been filed.

APPENDIX

PROVIDENCE WATER Exhibit No. 3

Index and responses in Compliance with Part Two

- | | |
|---------------------------|--|
| Item 2.10(c)5
Response | Compliance with prior orders
Providence Water is in compliance. |
| Item 2.10(d1)
Response | Cost of service schedules for the test year and the proposed rate year; a balance sheet for the test year.
Please see schedules HJS-1 through schedules HJS-4 for test year and rate year cost of service; for balance sheet see Audited Financial Statements attached as an Appendix. |
| Item 2.10(d2)
Response | Supporting calculations and data for known and measurable changes allowed per Rule 2.10(b).
Please see Harold J. Smith's testimony and supporting schedules. |
| Item 2.10(d3)
Response | A comparative statement of revenues and expenditures for the past three(3) fiscal years.
Please see Schedules HJS-1 and HJS-2. |
| Item 2.10(d4)
Response | Workpapers detailing the test year revenues by source, tariff, rate class, etc. The sales volumes/quantities and customer counts by rate class shall be presented.
See schedule HJS-1A. |
| Item 2.10(d5)
Response | A schedule presenting the principal and interest amounts paid on debt service for the test year and the amounts projected for the rate year.
See Attachment A. |
| Item 2.10(d6)
Response | For rate filing requesting an increase in debt service requirements:
(i) a capital program in support of the debt service requested;
(ii) evidence of board approval for the debt issuance;
(iii) a summary of debt issuance costs.
No overall debt service increase requested, however increases in debt service for pro-forma adjustments to previously approved debt is reflected on Attachment A and schedule HJS-12A. |
| Item 2.10(d7)
Response | A summary of expenses incurred and projected to be incurred related to the instant rate case filing.
Please See Schedule HJS-9 for the projected rate case amounts. |
| Item 2.10(d8) | A summary of the status of compliance and reporting required by prior Commission orders. |

APPENDIX

PROVIDENCE WATER Exhibit No. 3

Index and responses in Compliance with Part Two

- Response Providence Water is in compliance with all Orders and with all reporting requirements.
- Item 2.10(d9) Accounting summary of restricted accounts to provide the funding, interest accrual, and expenditure of each restricted account since the date of the last rate order.
- Response See Attachment B for restricted fund activity since November 2007.
- Item 2.6(a) 2.6(b) Test Year and Rate Year.
- Response Please see attached Motion for Relief approved by the Commission at an open meeting March 12, 2009.

STATE OF RHODE ISLAND
PUBLIC UTILITIES COMMISSION

IN RE: PROVIDENCE WATER SUPPLY BOARD : DOCKET NO. _____
ABBREVIATED RATE FILING

**PROVIDENCE WATER SUPPLY BOARD'S MOTION FOR
RELIEF FROM RULES 2.6(a) and 2.6(b)**

1. Commission Rule 2.6(a) requires the use of a test year which constitutes "a historic year of actual data for a period ending within nine (9) months of the filing date." Providence Water Supply Board (Providence Water) expects to file an abbreviated rate case on or before April 30, 2009. This date is within ten (10) months of Providence Water's June 30, 2008 test year, which is also Providence Water's fiscal year.

2. Also, PUC Rule 2.6(b), dealing with the rate year, states that:

"The rate year is the twelve-month period for which new rates are designed to recover the proposed cost of service. The rate year period shall be the filed test year or such other yearly period which commences no later than six (6) months after the proposed effective date of the new tariffs."

Providence Water hopes to use a calendar year rate year of January 1, 2010 to December 31, 2010. This would exceed the six (6) month rule.

3. Commission Rule 2.3(b) provides that:

"In the event that any information, document or data required by this Part is unavailable and/or its ascertainment or submission would be unduly burdensome or it is not relevant in light of the schedule change which is the subject of the application, the applicant may file with the application a motion for an exemption from the requirement."

4. Pursuant to Commission Rules 1.15 and 2.3(b), Providence Water seeks relief from Rules 2.6(a) and 2.6(b) in order to allow Providence Water to (1) file an abbreviated rate case on or before April 30, 2009, (2) utilize a June 30, 2008 test year, and (3) utilize a January 1, 2010 to December 31, 2010 rate year.

5. Providence Water's financial information is maintained on a fiscal year ending June 30 basis. Providence Water also makes appropriate cut offs for the semi-annual filing with the PUC covering the period July 1 through December 31 of each year. Providence Water does not cut off its financial statements at any other time.

6. Providence Water has used calendar year rate years in the last few consecutive rate cases.

7. Providence Water does not want to expend significant ratepayer dollars that would be needed to develop a test year that does not begin on July 1st, or a rate year that does not begin on January 1st.

8. Providence Water has been diligently working on this rate filing, but Providence Water is not able to file its rate case by March 31, 2009 because Providence Water has been extremely busy in recent weeks with various regulatory matters, including:

- (a) Pursuing Docket 4022 regarding the Scituate tax settlement and the \$5 million tax refund;
- (b) Preparing for what to do if the bill that would allow municipalities to opt out of hydrant fees becomes law;
- (c) Preparing for the PUC-mandated conservation rate filing; and
- (d) Preparing for this abbreviated filing.

9. For these foregoing reasons, because (1) an abbreviated rate filing made on April 30, 2009, would be outside of the nine (9) month period set forth in Rule 2.3(a) for test years, and (2) a 2010 calendar year rate year would be outside of the six (6) month period set forth in Rule 2.6(b) for rate years, Providence Water respectfully requests relief from Rules 2.6(a) and (b) to allow the calendar year 2010 to be used as the rate year in the abbreviated rate case Providence Water will be filing on or before April 30, 2009, using a June 30, 2008, test year.

10. The Division has informed Providence Water that it has no objection to this motion.

WHEREFORE Providence Water respectfully requests relief as set forth above.

Respectfully submitted,
PROVIDENCE WATER SUPPLY BOARD
By its attorney

Date: 3/5/09

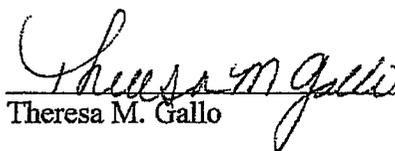


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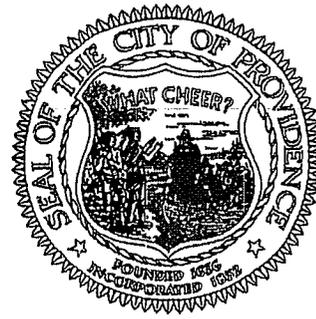
CERTIFICATE OF SERVICE

I hereby certify that on the 5th day of March, 2009, I mailed a true copy of the foregoing by first class mail to the following:

Paul Roberti, Esq.
Leo Wold, Esq.
Attorney General's Office
150 South Main Street
Providence, RI 02903



Theresa M. Gallo



AGREEMENT

between

CITY OF

PROVIDENCE, RHODE ISLAND

and

RHODE ISLAND LABORERS' DISTRICT COUNCIL

on behalf of

PUBLIC SERVICE EMPLOYEES'

LOCAL UNION 1033

of the

LABORERS' INTERNATIONAL UNION

OF NORTH AMERICA, AFL-CIO

Effective: July 1, 2008 to June 30, 2011

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AGREEMENT

THIS AGREEMENT is made and entered into as of the 1st day of July, 2008, by and between the CITY OF PROVIDENCE, RHODE ISLAND, (hereinafter referred to as the "Employer"), and the RHODE ISLAND LABORERS' DISTRICT COUNCIL acting for and on behalf of PUBLIC SERVICE EMPLOYEES' LOCAL UNION 1033, PROVIDENCE, RHODE ISLAND, of the Laborers' International Union of North America, AFL-CIO, (hereinafter referred to as the "Union").

PREAMBLE

This Agreement is entered into to facilitate the adjustment of grievances and disputes between the Employer and employees, to provide, insofar as possible, for the continuous employment of labor and to establish necessary procedures for the amicable adjustment of all disputes which may arise between the Employer and the Union.

The Employer and the Union encourage the highest possible degree of practical, friendly, cooperative relationships between their respective representatives at all levels. The officials of the Employer and the Union realize that this goal depends primarily on cooperative attitudes between people in their respective organizations and at all levels of responsibility, and that proper attitudes must be based on full understanding of and regard for respective rights and responsibilities of both the Employer and the Union. To further this goal, the parties shall jointly sponsor quarterly meetings of their respective Representatives.

All references to employees in this Agreement designate both sexes and wherever the male gender is used it shall be construed to include male and female employees.

ARTICLE I

UNION RECOGNITION

Section 1: The Employer hereby recognizes and acknowledges that the Union is the exclusive representative of, and this Agreement shall apply to, all employees of the Employer who are included within the current definition of "municipal employee" set forth in RIGL 28-9.4-2, excluding elected officials, administrative employees, board and commission members, certified teachers, policemen, firefighters, supervisors (as defined pursuant to RIGL 28-9.4-2), confidential secretaries (as defined by the parties), attorneys, members of the Mayor's staff, temporary employees, and seasonal employees.

Section 2(a)(1). The term "temporary employee" shall mean an individual employed for a limited period, or an individual employed as a replacement for an employee or employees on authorized leave for the duration of said leave, provided that a "temporary employee" may not be employed to replace an employee on Workers' Compensation for a period beyond one (1) year. Temporary employees shall be paid at least the lowest contract rate of pay established by this Agreement, but shall be entitled to no other benefits under this Agreement, except those specifically stated herein. Unless otherwise agreed to and consistent with the language of this Agreement, temporary employees shall be utilized only in entry level positions.

Section 2 (a) (2). TEMPORARY EMPLOYEES - The parties agree that temporary employees are not entitled to any rights under the Collective Bargaining Agreement until they are hired as permanent employees. Unless the parties agree otherwise in regards to a specific position and subsequent to posting pursuant to Article X, any position that represents the lowest grade level in a department that the Employer determines to fill shall be offered to temporary employees in the order of their seniority as temporary employees, in their respective seniority group (Blue Collar or White Collar). Upon hire as permanent employees the probationary period prescribed by the Collective Bargaining Agreement shall begin. Upon completion of the

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probationary period, permanent employee seniority shall apply retroactively to the employee's date of hire as a permanent employee. The Employer also agrees that the number of temporary employees shall not exceed sixty (60) temporary employees unless otherwise agreed to by the parties.

Section 2(a) (3). Apprentice employees are municipal employees and shall receive all the benefits set forth herein including a minimum probationary period of six (6) months. Apprentice employees shall enjoy the wage rate and other such conditions as established by the Apprentice Council which shall include continued employment and progression based on successful completion of said probationary period. Apprentice employees may exceed six (6) months probation as determined by continued progressive criteria established by the Apprentice Council.

Section 2(b). Seasonal employees are employees employed during the months of June through September who are assigned to perform only recreational duties and do not perform bargaining unit work of any nature whatsoever.

In no event shall the use of any seasonal employee displace or otherwise affect a member of the bargaining unit.

ARTICLE II

UNION SECURITY AND DUES DEDUCTION

Section 1. All present employees who are members of the Union on the effective date of this Agreement shall remain members in good standing by the payment of their regular monthly dues as a condition of continued employment. All present employees who are not members of the Union, all employees who are hired hereafter in the classifications covered by this Agreement, and all Temporary Employees shall become and remain members in good standing by the payment of the required initiation fee and regular monthly dues on the 31st day following the execution of this Agreement or the date of their employment, whichever is later, and shall thereafter maintain such good dues standing for the term of this Agreement.

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Section 2. Upon receipt of written notice from the Union, the Employer shall discharge any Employee who fails to become or is not a member of the Union on the prescribed day, provided membership was available under the same terms and conditions as generally applicable to other members. Further, all employees who fail to maintain their Union membership in good dues standing shall be summarily discharged by the Employer. The Union agrees to indemnify, defend and hold the Employer harmless from any claim arising from any such discharge.

Section 3. "Membership in good standing" as referred to herein means solely the tender of payment of normal dues and the standard initiation fee.

Section 4. The Employer agrees not to enter into any agreement or contract with members of the bargaining unit, individually or collectively, nor negotiate or bargain with them, unless it is through the duly authorized representative of the Union, and any such agreement entered into shall be null and void.

Section 5. The Employer agrees to deduct membership dues in an amount designated in writing by the Union's Secretary-Treasurer from the weekly pay of each employee who authorizes such deduction in writing as provided in this section. Deductions shall be made weekly from the net pay of each employee who is or who becomes a member of the Union within the scope of the bargaining unit and is covered by this Agreement, provided such employee has voluntarily authorized the Employer to do so in writing with the "Dues Deduction Authorization" form, to be furnished to the Employer as set forth below:

PUBLIC SERVICE EMPLOYEES' LOCAL UNION 1033
Providence, Rhode Island
Dues Deduction Authorization

I authorize you to deduct from my weekly pay the sum of -----per week for Union dues payable to the Secretary-Treasurer of Local Union 1033.

Date

Employee's Signature

12/11/2008

Employee's S.S. Number

Employee's ID No.

Address

Such authorization form, deduction, practices and procedures enumerated in this Article shall be in compliance with the requirements of all State laws and regulations regarding same.

The Employer will remit the deduction withheld weekly to the Secretary-Treasurer of Local Union 1033, 410 South Main Street, Providence, Rhode Island 02903 on Payroll Optional reports listing the employee's name, identification number, department number, and amount of dues deducted.

In addition, the Employer shall deduct the sum of two cents (\$.02) per hour for each hour worked or paid for from the pay of those employees who so authorize on a voluntary basis to the Rhode Island Laborers Public Employees' Political Action Committee (RILPEPAC), created by the Union in accordance with Title 25 Chapter 17, RIGL, as a voluntary contribution.

Such deduction, if authorized by the employee, shall be made from the employee's pay on each regularly scheduled pay day and shall be remitted to the RILPEPAC monthly and by the 15th day of each month based upon the previous month's payroll. Authorization is granted by the employee's execution of the form attached to this Agreement as Exhibit A.

The Union shall indemnify and hold harmless the Employer for any and all claims, liabilities and costs incurred by the Employer as a result of the Employer's compliance with the above provisions of this Article II.

Section 6. During the term of this Agreement, the Employer shall have the right to transfer and/or redeploy temporary employees, as defined in Article I, and bargaining unit employees who have less than five (5) years' seniority, to vacant positions on a temporary basis and such transfer and/or redeployment shall not be the subject of the grievance procedure. The 12/11/2008

parties agree that any transfer/redeployment shall only occur within the affected employee's class, i.e. white collar/blue collar, and will not reduce the salary and benefits afforded to the affected employee. Further, the parties agree that no transfer/redeployment to promotional positions, as defined in Article X, shall occur unless the promotional process of Article X is exhausted. Should a transfer/redeployment to a promotional position occur after the process is exhausted, then the affected employee shall receive the wage rate of the new position for the duration of the transfer/redeployment. Any transfer/redeployment under this provision shall be for a length of time determined by the Employer, but shall not exceed six (6) months. There shall be no pyramiding of transfers/redeployments to the same position. This provision shall not apply to the Communications Department.

Section 7. Redeployment of Crossing Guards. It is the intention of the parties to redeploy bargaining unit Crossing Guards during the initial 12 months of this Agreement, but in no event beyond the initial 21 months of this Agreement. This redeployment shall be implemented through transition to other City and School Department bargaining unit positions that the Crossing Guard is otherwise qualified to perform. In furtherance of this provision, the Union Training Fund shall offer, to all bargaining unit Crossing Guards, Computer and other Office and Clerical training in July and August, 2008. Additionally, the Union Training Fund shall suspend the per member fiscal cap of the tuition reimbursement program, for Crossing Guard members, during the period of July 1, 2008 to December 31, 2009. The parties also agree that all white collar positions in the classification of Clerk II and lesser rated positions (as well as any position mutually agreed to by the parties) shall be offered to qualified Crossing Guards, by seniority, prior to posting or otherwise filling said positions, as stated elsewhere in this agreement. On April 1, 2010, should any Crossing Guard(s) not have transitioned to other employment, then the parties hereto agree that said individuals shall be transferred to the Providence School Department and serve as Crossing Guards under the Union's Collective Bargaining Agreement 12/11/2008

with the School Department. Crossing Guards who are so transferred shall carry with their transfer all seniority accrued as a City Crossing Guard and shall for all purposes be considered as having uninterrupted service. Similarly, Crossing Guards who transition to other City and School Department positions prior to April 1, 2010 shall maintain their seniority, including departmental seniority. During the period of time in which any member continues to serve as a City Crossing Guard, up to April 1, 2010, said member shall receive the wages of a Crossing Guard existing on May 31, 2008 and shall not receive any wage increase provided herein nor shall said member be required to pay any healthcare insurance employee co share that exceeds that which existed on May 31, 2008.

ARTICLE III

NON-DISCRIMINATION

There shall be no discrimination against any employee by reason of race, color, creed, sex, age, national origin, physical or mental disability, sexual orientation or Union membership.

The Employer and the Union affirm their joint opposition to any such discriminatory practices in connection with employment, promotion, or training, remembering that the public interest remains in full utilization of an employee's skill and ability without regard to consideration of race, color, creed, sex, age physical or mental disability, sexual orientation or Union membership.

No employee covered by this Agreement shall be discharged, laid off, demoted, suspended, transferred, or affected in any way because of political beliefs or activities.

ARTICLE IV

HOURS OF WORK AND OVERTIME

Section 1. The regular workweek for all employees covered by this Agreement, who are employed in the classifications listed in Schedule "A" hereto, shall consist of five (5) consecutive eight (8) hour days: Monday, Tuesday, Wednesday, Thursday and Friday. The regular work
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shift for day workers shall commence at 8:00 A.M. and shall finish at 4:30 P.M. with one half (½) hour lunch period. Existing exceptions to the foregoing, and exceptions codified within Section 2 and Section 5 below may be continued during the term of this Agreement.

The regular workweek for Automobile Drivers shall consist of thirty-five (35) hours per week, consisting of five (5) consecutive seven (7) hour days: Monday, Tuesday, Wednesday, Thursday, and Friday.

The regular workweek for School Crossing Guards shall be twenty-two (22) hours per week.

Section 2. The regular workweek for all employees covered by this Agreement, who are employed in the classifications listed in Schedule "B" hereto, shall consist of five (5) consecutive seven (7) hour days: Monday, Tuesday, Wednesday, Thursday and Friday. The regular work shift for day workers shall commence at 8:30 A.M. and shall finish at 4:30 P.M. with a one (1) hour lunch period. Existing exceptions to the foregoing, and exceptions codified within this section and Section 5 below may be continued during the term of this Agreement.

(A) Flex Hours. The parties agree that the Employer may seek qualified volunteers within a department needing flextime, on a rotating basis by seniority, as may be needed by a specific department, to work scheduled flextime. When this need arises, the Employer shall notify the Union no later than two weeks prior to the requested implementation of flex time. However, in the event of a situation determined by the Employer to be an emergency, the Employer may implement Flex hours under this section with less than two weeks notice. In such a case notice will be given to the Union as soon as practical. If the Employer is not able to secure enough volunteers during an emergency, the Employer will identify and select the most junior qualified employees within the department or Citywide to fill the necessary time slots. Implementation of this section shall be considered a normal work week and shall not be considered an alternate work schedule and the provisions of Article IV Section 5 shall not apply,

12/11/2008

and the work week shall fall within Monday through Friday.

Section 3. Effective October 23, 1999, the workweek for any employee hired and assigned or promoted from a department other than Communications to a position in the Providence Police Control Center shall be four (4) consecutive days on, followed by two (2) consecutive days off and then repeating.

Section 4. Overtime. Time and one-half shall be paid in each of the following instances:

(A) Hourly Basis of Pay. Any regular employee of the Employer, whose pay is established on an hourly basis shall be entitled to and shall be paid overtime pay at the rate of one hundred fifty percent (150%) of his hourly rate of pay for each full hour, or part of an hour, of employment in excess of the standard hours of employment worked or credited in any one workweek. In the event an Employee is sick during the workweek, the sick day shall be considered as part of the workweek for the purpose of computing overtime.

(B) Daily Basis of Pay. Any regular employee whose pay is established on a daily basis in the City Compensation Plan shall be entitled to and shall be paid overtime at the rate of one hundred fifty percent (150%) of the rate of payment established in the City Compensation Plan for the particular position which he holds, for each full day or part of in excess of standard days of employment worked or credited in any one workweek.

(C) The Employer may require employees to work reasonable overtime in those areas such as the Department of Public Parks, Department of Public Safety, Department of Public Works, Water Supply Board, and other essential services.

(D) Overtime will be offered equally to employees by classification in each department, on the basis of seniority based on the work the employee customarily and ordinarily performed during that week. A list of eligible employees of each

department shall be posted and maintained by the superintendent and the steward of each department. Should a dispute arise under the application of this clause, and upon request, the Employer shall furnish the Union a record of overtime.

(E) Bargaining Unit members, excluding employees assigned to the Providence Police Control Center and Fire Dispatchers, assigned to a less than forty-hour workweek, may elect to take compensatory time in lieu of cash for the hours worked or credited beyond thirty five and up to forty (40) in a given workweek provided that the department director or designee and the employee are in agreement as to the election of such time. If there is no agreement as to the election of such time then hours worked or credited shall be compensated with overtime wages. The discharge of such compensatory time must be scheduled and approved in advance by the Employee's Department Director. The accumulation or use of such compensatory time, to a maximum of one hundred-five (105) straight time hours (i.e. 157.5 compensatory time hours), cannot be carried over from one contract year to another unless the employee is denied reasonable opportunities to discharge said time prior to the end of the contract year. Requests to discharge compensatory time during the time period of November 15 to January 5 must be submitted in writing by October 15.

(F) An Employee who discharges leave of any type that equals fifty percent (50%) of the employee's regular workweek as of the time that the overtime opportunity occurs, shall not be offered or be eligible for overtime during that workweek unless the entire list, including agreed to alternate lists, of eligible employees is exhausted. Said employee shall remain in the existing location on the overtime list and become eligible for the following workweek for any overtime unless the employee's absence disqualifies him/her under this section.

Section 5. It is recognized that in some circumstances employees may have an existing regular schedule that requires work during a period not included in the workweek as defined in Section 1 of this Article. Such employees shall not be paid one hundred fifty percent (150%) of his hourly rate of pay for work during such periods, but shall receive an additional One Dollar (\$1.00) per hour for all hours worked or credited. This section shall apply to Zoo Keepers at Roger Williams Park. Notwithstanding any provision to the contrary, the Employer shall have the option of maintaining an alternate workweek of Tuesday to Saturday for a maximum of fourteen (14), unless otherwise agreed to by the parties, of which no greater than three (3) shall be from DPW, three (3) from Zoo, excluding the complement of employees currently assigned to an alternate workweek, three (3) from Grounds Maintenance, and two (2) from Traffic Engineering. The complement of WSB employees currently assigned to the alternate work week shall not count toward this maximum number of fourteen (14). Employees assigned to the alternate workweek shall receive regular wages plus One Dollar (\$1.00) per hour for all hours worked or credited. The Employer shall first post this opportunity and award said positions to the senior bidder in the classification assigned to the alternate workweek, then to the senior bidder in the department, then the senior bidder Citywide. If no bidders, then the Employer shall offer this opportunity to temporary employees as identified in Article I.

Section 6. Any employee covered by this Agreement, who is called into work outside of his regular hours, for a period of time that is not connected to his regular hours, shall be paid at the rate of one and one-half (1-1/2) times his regular rate of pay for all such hours worked, but in any event, shall be guaranteed four (4) hours' straight time pay. In the event that such hours worked are in excess of the applicable workweek, the employee shall not be paid overtime in addition to the premium pay or guarantee provided by this section. If otherwise eligible, employees may elect compensatory time per Section 4 (E) above

Section 7. Summer Hours. During the months of July and August, the regular workday shall end a half (½) hour earlier at no loss of pay for members of the bargaining unit in accordance with current practice. The parties shall train Foreman of outside crews in appropriate safety measures and equipment for hot weather working conditions.

Section 8. Subcontracting. The Employer shall have the right to enter into subcontracts for the performance of work, where the work is of a type which has never been performed by bargaining unit employees covered by this Agreement, or of a type that has previously been subcontracted, or where the subcontractor which is the lowest responsible bidder selected by the Employer subscribes and agrees to be bound by the same economic conditions and the Union security provisions in this Agreement.

Section 9. Coffee Breaks. Employees shall receive one fifteen (15) minute coffee break during the first four (4) hours of their daily assignment and one fifteen (15) minute coffee break during the balance of their daily assignment.

ARTICLE V

MANAGEMENT RIGHTS

Section 1. Except as abridged or restricted by any provision of this Agreement or by applicable law, the Employer shall have the exclusive right to supervise and control all of its departments and employees, to issue reasonable rules and regulations, and to exercise any and all rights and authority granted to the City as an Employer by statute, ordinance, and applicable regulations, and to comply with its responsibilities thereunder. The Employer agrees that no such rights or authority shall be exercised in violation of this Agreement. Further, the exercise of rights normally entrusted to management shall be subject to any obligations the Employer may have under RIGL Section 28-9.4, or obligations imposed upon the Employer by relevant statute.

Section 2. With regard to any vacancies or unfilled positions, the filling of any/all such vacancies or unfilled positions shall be within the sole discretion of the Employer. Nothing contained in Article II, Section 6 shall negate, contradict, or modify in any way the Employer's rights pursuant to this provision.

Section 3. Reorganization

Except as abridged or restricted by any provision of this Agreement and subject to the following provisions and any obligations imposed on the Employer by applicable law, the Employer may reorganize any one or more departments or areas as set forth below.

1. The Employer shall notify the Union at least fifteen (15) calendar days in advance of notification to bargaining unit members of its intentions to reorganize.
2. The Union and the Employer shall meet to review and discuss the plan for such reorganization.
3. That plan shall include a thirty (30) day notification to the affected employees.
4. (A) All affected employees shall be given the right to bid on new assignments by seniority and shall carry departmental seniority to the new department and/or position.

(B) Affected employees who have no available assignments within their classification will be offered vacant positions which have been posted and not filled in accordance with Article X. If the reassigned employee is assigned to duties below his class but within his seniority group, said assignment shall not be subject to the grievance and arbitration clause and shall be without the loss of pay.

ARTICLE VI

SALARIES AND HOURLY RATE SCHEDULE

Section 1. The economic increases (excepting Crossing Guards) shall be as follows and as provided for in the below paragraphs:

- a. Effective July 1, 2008 an amount equal to an across-the-board wage increase for all bargaining unit employees of one percent (1.0%), over the June 30, 2008 rate.
- b. Effective January 1, 2009 an amount equal to an across-the-board wage increase for all bargaining unit employees of one percent (1.0%), over the December 31, 2008 rate.

- c. Effective July 1, 2009 an amount equal to an across-the-board wage increase for all bargaining unit employees of two percent (2.0%), over the June 30, 2009 rate.
- d. Effective January 1, 2010 an amount equal to an across-the-board wage increase for all bargaining unit employees of one percent (1.0%), over the December 31, 2009 rate.
- e. Effective July 1, 2010 an amount equal to an across-the-board wage increase for all bargaining unit employees of two percent (2.0%), over the June 30, 2010 rate.
- f. The City shall upgrade the following bargaining unit positions as designated :
 - i) Land Records Clerk Pay Grade 15, effective July 1, 2008
 - ii) Senior Land Records Clerk Pay Grade 19, effective July 1, 2010
 - iii) Foreman \$.50 per hour effective June 30, 2009 and an additional \$.50 per hour effective June 30, 2010
 - iv) General Foreman \$.75 per hour effective June 30, 2009 and \$.50 per hour June 30, 2010.
 - v) Senior Parking Enforcement Officer \$.50 per hour, effective July 1, 2008.

g. In addition, all employees who possess a CDL and who are assigned to a classification with a wage rate less than the EQUIPMENT OPERATOR wage rate and who agree to work reasonable hours, including overtime, in Snow and Ice removal operations shall receive a stipend of fifty cents (\$.50) per hour for all hours worked or paid for in a classification with a wage rate less than the EQUIPMENT OPERATOR wage rate. This stipend is conditioned on maintaining a valid CDL.

ARTICLE VII

LONGEVITY PAY

Section 1. In addition to the salaries listed in this Agreement, there shall be paid a longevity supplement which shall be considered part of the employee's salary for other purposes in this Agreement, including pension purposes. This supplement shall be computed semiannually, on December 31 and June 30, of each year, on the basis of the employee's salary and years of service, as of said December 31 and as of said June 30. Longevity payments shall be payable within thirty (30) days thereafter, based upon fifty (50%) percent of the annual formula for

employees severing on or after December 31 and prior to June 30 and for current employees as of June 30 (100%) as described below:

FOR EMPLOYEES HIRED ON OR PRIOR TO OCTOBER 23, 1999

<u>Years of Service</u>	<u>Annual Percentage Amount</u>
5 yrs. but less than 10 yrs.	5%
10 yrs. but less than 15 yrs.	6%
15 yrs. but less than 20 yrs.	7%
20 yrs. or more	8%

FOR EMPLOYEES HIRED AFTER OCTOBER 23, 1999

<u>Year of Service</u>	<u>Annual Percentage Amount</u>
7 but less than 12 yrs.	4%
12 but less than 17 yrs.	5%
17 but less than 20 yrs.	6%
20 or more	7%

ARTICLE VIII

SHIFT DIFFERENTIALS

Section 1. Any bargaining unit member who is regularly assigned to commence work subsequent to 11:30 A.M. or prior to 7:00 A.M. shall receive seventy-five cents (\$.75) per hour in addition to his regular rate of pay as contained herein.

ARTICLE IX

SENIORITY AND PROMOTION

Section 1. Definition. Seniority shall be defined as the total length of service with the Employer. Seniority preference shall be defined as length of service within a Department and shall be applicable to filling vacancies and scheduling vacation leave.

Seniority shall be acquired by a full-time employee after the completion of a six (6) month probationary period, at which time seniority shall be retroactive to the first day of employment. Probationary employees shall not be entitled to avail themselves or utilize the grievance and arbitration procedures, as set forth in Article XXI hereof, regarding disciplinary

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matters or termination with or without cause, but shall be entitled to any and all other rights, benefits and entitlements pursuant to the terms of this Agreement.

Section 2. Accumulation. Seniority shall accumulate during absence because of illness, injury, vacation or other authorized leave.

Section 3. Break in Seniority. Seniority shall be considered broken only for the following reasons:

- a. When an employee has been discharged for just cause.
- b. When an employee voluntarily terminates his employment.
- c. When an employee exceeds an authorized leave of absence.
- d. When an employee fails to respond to a recall notice.
- e. When an employee engages in other work without authorization while on leave of absence.
- f. When an employee is laid off in excess of two (2) consecutive years.
- g. Absent extenuating circumstances, when an employee fails to report an absence from work of five (5) consecutive working days within that period.

Section 4. Seniority Groups. It is agreed that there shall be two seniority groups: one for employees in "Blue Collar" classifications and another for employees in "White Collar" classifications; and the application of seniority under this Agreement with respect to one group shall be separate and apart from the other group.

Section 5. It is understood that it is the employee's responsibility to advise the Personnel Department of his current address and telephone number.

Section 6. The Employer shall forward a seniority list to the Union, by Department, on an annual basis no later than December 31 of each year so that the Union may review said list and respond with acceptance or correction within 45 days. Disputes regarding seniority shall be processed through Expedited Arbitration.

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Section 7. Redeployment/Reduction in the Workforce

Subject to the procedures and limitations contained herein, due to reasons of lack of work or lack of funding, the Employer may implement a redeployment of the workforce or a reduction in the workforce.

The Employer will initially address the issue of lack of work through redeployment of the workforce. The Employer will initially seek volunteers for reassignment to vacant and funded positions after affording the vacant and funded positions to all bargaining unit members in accordance with Article X. Said volunteers, by seniority, who possess the job description qualifications for the vacant and funded position shall then be reassigned and shall carry departmental seniority to the new department and/or position. Said volunteers shall receive the wages of the position. If sufficient volunteers are not obtained, the Employer shall reassign the most junior employee in the affected seniority group (Blue or White Collar), affected department and job classification. The reassigned employee shall receive the greater of the wages of the position or the wage rate of his classification prior to reassignment. If the reassigned employee is assigned to duties below his class but within his seniority group, said action shall not be subject to the grievance and arbitration clause. Positions to which junior employees are reassigned do not require re posting pursuant to Article X.

The Employer will initially address the issue of lack of funding through redeployment of the workforce. The Employer will initially seek volunteers for reassignment to vacant and funded positions after affording the vacant and funded positions to all bargaining unit members in accordance with Article X. Said volunteers, by seniority, who possess the job description qualifications for the vacant and funded position shall then be reassigned and shall carry departmental seniority to the new department and/or position. Said volunteers shall receive the wages of the position. If sufficient volunteers are not obtained, the Employer shall reassign the most junior employee in the affected seniority group (Blue or White Collar) and affected

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department. The reassigned employee shall receive the-greater of the wages of the position or the wage rate of his classification prior to reassignment. If the reassigned employee is assigned to duties below his class but within his seniority group, said action shall not be subject to the grievance and arbitration clause. Positions to which junior employees are reassigned do not require re posting pursuant to Article X.

Following the exhaustion of the Employer's best effort to address the issue of lack of work or lack of funding by reassignment, the Employer shall seek volunteers for layoff (employees who volunteer to be laid off will not be allowed to exercise bumping rights but will retain rights to recall). If a sufficient number of employees do not volunteer for layoff, the Employer may layoff employees by inverse total employment seniority, i.e. last employee hired shall be the first employee laid off, and based upon the then existing proportion of White Collar/Blue Collar employees, the number of which can not exceed ten (10%) percent of the bargaining unit workforce. All temporary employees within the affected seniority group and the affected department shall be laid off prior to affecting permanent bargaining unit employees. All affected employees shall receive a two-week notice prior to implementing a layoff or pay in lieu of notice. Additionally, all affected employees shall be placed on a reemployment list for a twenty-four (24) month period and recalled in the inverse order of layoff to any position that the employee possesses the job description qualifications subsequent to the position being initially offered to all bargaining unit employees pursuant to Article X.

Union Stewards shall be considered senior in service for layoff purposes only.

The Recall process shall be as specified in the parties Recall Memorandum of Agreement.

ARTICLE X

FILLING OF VACANCIES

Section 1. This Article shall apply to the filling of all vacancies and positions within the bargaining unit above that of Laborer and Clerk I, which are vacant, and the Employer determines to fill.

Section 2. The Employer agrees to fill all vacancies from the best qualified applicants in the bargaining unit as defined in subsection D and in accordance with the provisions set forth below.

Section 3. The Employer agrees that the first consideration will be given to filling all vacancies from within the department where the vacancy exists. Vacancies in positions that are staffed on more than a single work shift within a department shall initially be offered to bargaining unit employees of the same classification, by seniority, as a lateral transfer.

(A) Notice of a vacancy in any position above that of Laborer and Clerk I shall be posted for a period of three (3) working days on appropriate Employer bulletin boards.

(B) Any employee who is interested in filling the vacancy shall apply in writing to the Department of Human Resources within seven (7) working days after said notice has been posted.

Probationary employees shall be eligible to bid for and fill vacancies; however, regardless of the position occupied, said employees shall serve a full six (6) month probationary period. Apprentice employees shall be required to successfully complete their apprenticeship prior to bidding on vacant positions.

(C) All Crossing posts shall be posted for a period of five (5) working days on bulletin boards conspicuous to all Providence Crossing Guards. The most senior Crossing Guard shall have the preference of being assigned to crossing posts of their choosing.

(D) Vacancies shall be filled on the basis of qualifications and ability, as determined by the Employer. The vacancy shall be filled on the basis of qualifications and ability, as determined by the Employer based on the requirements listed in the parties' job descriptions. Where qualifications and ability are relatively equal, seniority shall be the determining factor. Should a question arise out of the decision made by the Employer on the question of qualifications and ability, this shall constitute a grievance and be subject to the grievance and arbitration procedure included in this Agreement.

The parties shall meet quarterly for the purpose of modifying all existing job descriptions so as to delineate actual duties and minimum qualifications.

Disputes arising out of the modification of the job descriptions shall be referred to Expedited Arbitration.

Section 4. The Employer agrees that when detailing employees to higher level duties on a temporary basis, the criteria provided in Section 3 (D) shall be utilized.

Section 5. The successful bidder shall be given a trial period of up to sixty (60) days; and if he is not deemed qualified for the position during that period, he shall be restored to his former job and position.

Section 6. Unless otherwise agreed to by the parties, any posted vacancy shall be filled no later than either forty-five (45) days from the date of posting, or upon the expiration of the retiring employee's vacation leave, whichever is greater.

ARTICLE XI

HOLIDAYS

Section 1. All employees covered by this Agreement shall be paid the regular rate of pay for each of the following designated holidays:

New Year's Day
Martin Luther King Jr.'s Birthday
Presidents' Day
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Labor Day
Columbus Day
Veteran's Day

Memorial Day
Fourth of July
Victory Day
even year)

Thanksgiving Day
Day after Thanksgiving
Christmas Day Election Day (November of each

(3) Three Floating Holidays *

Easter Sunday- only for employees who actually work on said day.

*The procedure for requesting time-off shall be handled in the same manner as request for vacation leave. The Floating Holidays may be discharged by the hour.

Section 2. In the event that any of the foregoing holidays fall on a Saturday, the previous day, Friday, shall be the day of celebration. If any of the foregoing holidays fall on a Sunday, the next day, Monday, shall be the day of celebration. Notwithstanding the foregoing, the Employer shall have the option of paying any or all employees an additional day's pay for any holiday occurring on Saturday or Sunday, in lieu of declaring Friday or Monday as the day of celebration.

Section 3. Employees shall be paid for each of the above-enumerated holidays when not worked, provided they meet all of the following eligibility requirements:

(1) The employee works during the payroll week during which the holiday occurs, except when the holiday occurs within his vacation period, or when the employee is absent for the entire payroll week but has worked within the preceding payroll week, or he is absent during the entire payroll week, in which the holiday occurs, because of jury duty, or received bereavement pay for one or more days during the week.

(2) When a holiday occurs during an eligible employee's scheduled vacation, he shall be paid for the unworked holiday in addition to his vacation pay at the same time or shall be granted an additional day off with pay.

Section 4. In addition, the Employer shall allow one-half (½) day off with pay the afternoon of the last regular working day prior to Christmas Day and New Year's Day (or the days of observance of Christmas Day and New Year's Day), when Christmas Day and New

Year's Day fall or are celebrated on Tuesday through Saturday. Good Friday shall be a full work day.

ARTICLE XII

VACATION LEAVE

Section 1. Any employee who has been in the employ of the Employer for more than six (6) months in the aggregate shall receive one (1) week's vacation leave with pay.

Section 2. Any employee hired prior to July 1, 1987, who has completed one year of employment, shall be granted three (3) weeks' annual vacation leave each calendar year with pay. Employees hired on or after July 1, 1987, who have completed one (1) year of employment, shall be entitled to two (2) weeks' annual vacation leave each calendar year with pay.

Section 3. Any employee hired on or after July 1, 1987, who has completed five (5) years of employment, shall be granted three (3) weeks' annual vacation leave each calendar year with pay.

Section 4. Any employee who has completed ten (10) years of employment shall be granted four (4) weeks' annual vacation leave each calendar year with pay.

Section 5. Any employee who has completed fifteen (15) years of employment shall be granted five (5) weeks' annual vacation leave each calendar year with pay.

Section 6. Employees may discharge vacation leave in amounts less than a full workweek, but not less than one half (1/2) of a full work day.

Section 7. Vacation credit in excess of six (6) weeks may not be carried over from one calendar year to the next. All vacation time in excess of six weeks (6) as of January 1 must be taken during the calendar year or shall be lost, except in the event that the Employer prevents the employee from taking said excess vacation time during the calendar year.

Section 8. Except for employees on leave due to medical reasons, employees on unpaid leave of any nature shall cease to accrue vacation leave after 26 weeks of unpaid leave.

ARTICLE XIII

SICK LEAVE/PERSONAL DAYS

Section 1. All-employees of the bargaining unit regularly employed continuously for at least one (1) month shall be entitled to sick leave with full pay. Sick leave shall be granted for the following reasons:

(A) Personal illness or physical incapacity to such an extent as to be rendered thereby unable to perform the duties of his position.

(B) Attendance upon members of the family within the household of the employee, whose illness requires the care of such employee, provided that not more than seven (7) working days with pay shall be granted to employees for this purpose in any one calendar year.

(C) Enforced quarantine when established and declared by the Department of Health, or their competent authority for the period of such quarantine only.

(D) Two (2) Personal Days per contract year, which shall be deducted from accrued sick leave.

Section 2. Sick leave with full pay for the employees of this bargaining unit shall be computed at the rate of one and one quarter (1-1/4) working days per month.

Such annual sick leave of fifteen (15) working days with pay, of which two (2) days shall be personal days as defined in (D) above, when not used, shall be cumulative, but the accumulated and unused portion of such sick leave shall not exceed one hundred thirty-five (135) days at one time; provided, however, any employee with at least five (5) years of continuous service, who contracts a serious illness, may be granted, with the approval of the Personnel Director, the Finance Director, and the Mayor, a further leave with pay, not to exceed ninety (90) days.

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days in addition to his accumulated sick leave, as of the date such illness occurs. Personal days which are not discharged shall accrue as sick leave and not personal leave.

Section 3. Sick leave shall not be discharged in periods of less than one-half ($\frac{1}{2}$) of a work day.

Section 4. The Department Head may require a physician's certificate or other satisfactory evidence in support of any request for sick leave, provided the employee affected has been told on the occasion of his last prior absence for sickness, that such evidence might be required for any future sick leave request in accordance with the Employer's Sick Leave Abuse Policy. However, such evidence shall be required for each sick leave with pay covering an absence of more than three (3) consecutive working days.

Section 5. Employees who retire and receive a retirement benefit under the City of Providence Retirement System shall, upon retirement, be entitled to a lump-sum payment equal to the sum of twenty-five percent (25%) of the value of the first fifty (50) days of unused sick leave accumulated from January 1, 1986, to the date of their retirement and fifty percent (50%) of the value of the days over fifty (50) of unused sick leave accumulated during said period.

Section 6. Except for employees on leave due to medical reasons, employees on unpaid leave of any nature shall cease to accrue sick leave after 26 weeks of unpaid leave.

ARTICLE XIV

LEAVE OF ABSENCE

Section 1. It is agreed that upon written application an employee with permanent status may be granted a leave without pay, not to exceed one year, for reason of personal illness, disability, or other purpose deemed proper and approved by the Personnel Director.

At the expiration of such leave, the employee shall be returned to the position from which he is on leave at the same step of the then current range for his class of position. Seniority shall be retained and shall accumulate during all leaves without pay.

ARTICLE XV

BEREAVEMENT LEAVE

Section 1. All employees of the bargaining unit shall be allowed leave without loss of pay, when death occurs in an employee's immediate family, [i.e. employee's legal spouse, employee's domestic partner of the same or opposite sex who has lived in the same household as the employee for at least six (6) months and when the employee and partner have made a commitment to continue to live as a family, mother, father, son, daughter, brother, sister, or other members of the immediate household] provided that in such cases the leave shall not exceed more than one (1) day beyond the date of burial; in the case of employees of the Jewish faith, said leave shall be for the actual period of mourning observed, but not to exceed seven (7) days from the day of burial.

Section 2. All employees covered by this Agreement shall be granted one (1) day leave with pay to attend funeral services for grandparents, mother-in-law, father-in-law, aunts or uncles.

Section 3. In the event there is a death in the employee's family, but not in the immediate household, as defined above, the employee shall be granted sufficient time to attend the funeral service without loss of pay.

ARTICLE XVI

JURY LEAVE

Section 1. An employee who is called for jury service in a court of law shall be excused from work for the days on which the employee serves and shall receive, for each such day of jury
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service on which the employee otherwise would have worked, the straight-time rate of pay for each hour of absence, less the amount received for jury duty. The employee will present proof of such service and the amount received therefor.

ARTICLE XVII

SPECIAL TIME OFF

Section 1. The Union Negotiating Committee shall consist of not less than three (3) employees nor more than five (5) employees designated by the Union who shall be afforded time off with pay required to negotiate agreements. Not more than five (5) employees who constitute part of the Negotiating Committee shall be excused from duty with pay for the purpose of participation and the negotiating of any agreement, providing reasonable notice is given to the appropriate Department Head.

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

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

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

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

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

ARTICLE XVIII

HEALTH AND WELFARE

Section 1(A). The Employer shall provide all permanent employees hired prior to October 1, 2004 and who are covered by this agreement and their eligible family members with health care coverage as follows:

LOCAL UNION 1033 HEALTH CARE PLAN

COVERAGE LEVELS:

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

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

PARTICIPATING PROVIDERS:

Includes the broad-based BC/BS RI and Coast-to-Coast network of hospitals and primary care physicians, plus specialized networks for eye care, lab & x-ray services, DME, chiropractic, home care, mental health/substance abuse.

PRE-AUTHORIZATION:

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

DEDUCTIBLES:

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

ANNUAL MAXIMUM EXPENSE:

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

LIFETIME MAXIMUMS:

Unlimited.

DEPENDENT COVERAGE:

Spouse and unmarried dependent children through the end of the year in which the child turns age 19 (or age 25 if a full-time student).

OUTPATIENT SERVICES

PREVENTIVE CARE:

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

OFFICE VISITS:

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

EYE EXAMS:

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

OUTPATIENT SURGERY:

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

DIAGNOSTIC LAB & X-RAY:

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

CHIROPRACTIC CARE:

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

WISDOM TEETH:

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

INPATIENT SERVICES

HOSPITAL ROOM & BOARD:

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

SURGICAL-MEDICAL:

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

EMERGENCY ROOM:

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

MATERNITY:

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

ORGAN TRANSPLANT:

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

MENTAL HEALTH & SUBSTANCE ABUSE (MHSA)

INPATIENT MH:

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

OUTPATIENT MH:

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

INPATIENT SA:

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

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

OUTPATIENT SA:

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

ADDITIONAL SERVICES:

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

SELF ADMINISTERED INNOCULATIONS: 80% coverage.

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

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

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

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

SKILLED NURSING CARE: - \$20 co-payment

Section 1(B). The Employer shall provide all permanent employees hired on or after October 1, 2004 and who are covered by this agreement and their eligible family members with health care coverage as follows:

Rhode Island Blue Cross/Blue Shield BlueCHiP Plan 10 as modified by the parties and as delineated on Addendum A.

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

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

Individual Plans at .01 of base wages not to exceed \$400.00 per year.
Family Plans at .025 of base wages not to exceed \$1,000.00 per year.

Effective July 1, 2008 (excepting Crossing Guards)

Individual Plans at .011 of base wages not to exceed \$600.00 per year.
Family Plans at .0255 of base wages not to exceed \$1,350.00 per year.

Effective July 1, 2009 (excepting Crossing Guards)

Individual Plans at .013 of base wages not to exceed \$750.00 per year.
Family Plans at .0265 of base wages not to exceed \$1600.00 per year.

Effective July 1, 2010 (excepting Crossing Guards)

Individual Plans at .0145 of base wages not to exceed \$900.00 per year.
Family Plans at .0285 of base wages not to exceed \$1,900.00 per year.

* Rhode Island Blue Cross/Blue Shield BlueCHiP Plan 10 as modified by the parties includes some modifications from the date of implementation. See Addendum A.

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

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

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

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

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

Effective July 1, 2008 new employees shall no longer receive Retiree Post Medicare health benefits paid for by the employer but the employer shall allow said employees to purchase Post Medicare eligible healthcare at the retirees cost and at the employers group rate. Said employees shall be required to participate in a Health Savings Account (HSA) at a rate of \$.05 per hour with the fund being used for said Retiree Post Medicare healthcare.

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

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

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

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Section 4. Notwithstanding the foregoing, with thirty (30) days' prior notice to the Union, the Employer shall have the right at any time during this Agreement to provide substantially equal medical insurance benefits under a different plan than those specified in Section 1 and in lieu thereof.

Section 5. Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, employees eligible for paid City Blue or United Healthcare of New England insurance under this agreement may choose not to be covered under the Employer's group health insurance policies. Eligible employees enrolled in a family plan making this choice shall receive \$1,500.00 for each full contract year in which they are not covered for family coverage and for those dropping individual coverage, the compensation shall be \$750.00 for each full contract year of non-coverage by a City plan. The parties understand and agree that employees whose spouses are employed by the City and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the employee opts out under this Section, he shall receive no coverage pursuant to this Article, except that employees may opt back into the Plan in the event of a major life event causing loss of alternative and/or equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage and/or equivalent coverage may be required by the Employer before the employee is re-enrolled. Payments to employees under this provision shall be made at the end of each year, in arrears, for the period of October to September with payment made in September. If an employee has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this Section for that year.

Section 6. Upon presentation of proof of alternative health care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, retirees eligible for paid City Blue or United Healthcare of New England insurance under this Agreement may

choose not to be covered under the Employer's group health insurance policies. Eligible retirees enrolled in a plan making this choice shall receive \$750.00 for each full contract year of non-coverage by an Employer plan. The parties understand and agree that retirees whose spouses are employed by the Employer and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the retiree opts out under this section, he shall receive no coverage pursuant to this Article, except that retirees may opt back into the Plan in the event of a major life event causing loss of alternative and equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage or equivalent coverage may be required by the Employer before the retiree is re-enrolled. Payments to retirees under this provision shall be made at the end of each year, in arrears for the period of October to September with payment made in September. If a retiree has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this section for that year.

ARTICLE XIX

DENTAL BENEFITS

Section 1. The Employer shall furnish Delta Dental Levels I-IV coverage with student rider to age twenty-five (25) for all permanent employees and their families. An annual maximum benefit of \$2,000 per person and a lifetime orthodontic maximum of \$2,000.

Section 2. Notwithstanding the foregoing, with thirty (30) days' prior notice to the Union, the Employer shall have the right at any time during this Agreement to provide substantially equal dental benefits with the Blue Cross Dental Plan or under a different plan than that specified in Section 1 and in lieu thereof. Should a change in carrier occur, the Employer shall conduct all necessary educational and informational seminars required.

Section 3. Upon presentation of proof of alternative dental care coverage pursuant to a non-Employer paid plan satisfactory to the Employee's Benefit Coordinator, employees eligible
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for paid dental benefits under this Agreement may choose not to be covered under the Employer's group dental insurance policy. Eligible employees enrolled in a family plan making this choice shall receive \$500.00 for each full contract year in which they are not covered for family coverage and for those dropping individual coverage, the compensation shall be \$250.00 for each full contract year of non-coverage by an Employer plan. The parties understand and agree that employees whose spouses are employed by the Employer and those who have chosen not to be covered by Employer policies shall not be eligible for this benefit. For each year in which the employee opts out under this section, he shall receive no coverage pursuant to this Article, except that employees may opt back into the Plan in the event of a major life event causing loss of alternative and equivalent coverage, such as death or loss of employment of a spouse. Proof of loss of said alternative coverage or equivalent coverage may be required by the Employer before the employee is re-enrolled. Payments to employees under this provision shall be made at the end of each year, in arrears for the period of October to September with payment made in September. If an employee has opted back into Employer coverage during the course of a contract year, he shall not be entitled to any payment under this section for that year.

ARTICLE XX

UNION BENEFIT TRUST FUNDS

Section 1. In order to provide each employee covered by this Agreement and their dependents with the benefits described below and which are provided through Union Benefit Trust Funds. Effective July 1, 2008, the Employer agrees to contribute \$2.57 per hour for each straight-time hour each employee covered by this Agreement is paid to the "Rhode Island Public Employees' Benefit Trust Fund Administrative Account." Effective July 1, 2009, the Employer agrees to contribute \$2.72 per hour for each straight-time hour each employee covered by this Agreement is paid. Effective July 1, 2010, the Employer agrees to contribute \$2.76 per hour for 12/11/2008

each straight-time hour each employee covered by this Agreement is paid. The above language notwithstanding, the Employer's contribution shall be paid for the full day [seven (7) or eight (8) hours] for every day that the employee receives pay, including days of holiday and leave, or a contribution is otherwise due under Section 3 below.

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

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

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

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

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

Section 7. Each employee covered by this Agreement and their dependents shall be provided with assistance in defraying the cost of legal counsel through the "Rhode Island Public Service Employees' Legal Services Fund", established by a Declaration of Trust dated September 20, 1974. The Fund is administered by a Board of Trustees selected and appointed under the provisions of the Trust Agreement executed by the Union. The Fund shall not be used to provide benefits which defray any expenses for disputes, grievances, or legal proceedings between employee-participant, his spouse, or dependents and the Employer, the Union or any of its members, their agents, or any legal entity of which they are a part.

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

Section 8(B). Effective no later than April 1, 2002 the Employer shall establish a bargaining unit position of Training Coordinator, the primary duty of which shall be designating required training for employees covered by this Agreement and coordinating the development and implementation of said training with the aforesaid Funds. Said position shall enjoy wage parity with the position of Employee Benefits Coordinator. This position shall be staffed by an individual nominated by the Rhode Island Public Service Employees' Training Fund.

ARTICLE XXI

GRIEVANCE AND ARBITRATION PROCEDURE

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

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

Step 1. The Union shall present such grievance in writing to the appropriate Director, Department Head, Director of Personnel Bureau and/or the Chief of Police or a designee. The Director and/or Department Head, Director of Personnel Bureau and/or Chief of Police or a designee shall have five (5) working days to respond to the grievance in writing.

Step 2. In the event the grievance is not satisfactorily adjusted, the Union shall present such grievance in writing to the Director of Personnel or his designee within five (5) working days from the receipt of the Step 1 response. The Director of Personnel or his designee shall have five (5) working days to respond to the grievance in writing.

Step 3. If unable to reach a satisfactory adjustment within five (5) working days, the Union shall submit the grievance in writing within five (5) working days to the Mayor or the Commissioner of Public Safety, for those affected employees working under his supervision, who must then meet or respond to the grievance in writing within five (5) working days.

- a) Section 3. Arbitration. If a grievance is not settled, such grievance may at the request of the Union, be referred to the Labor Relations Connection in accordance with its rules then obtaining. The Arbitrator's decision shall be final and binding upon the parties. The expenses of such arbitrator shall be borne equally by the parties. The arbitrator shall have no power to disregard, alter, amend, add to or deduct from the provisions of this Agreement. The submission to arbitration must be made within fifteen (15) working days of receipt of the Mayor's or Commissioner's answer, as stated in Step 3 or else it shall be deemed to have been waived.

b) All Demands for Arbitration, absent an expressed agreement of the parties, shall be heard within 120 days of the initial filing of the Demand for Arbitration and conclude within 180 days of the filing of the Demand for Arbitration. All Demands for Expedited Arbitration shall be heard within 15 days of the initial filing.

The Employer and the Union agree to apply the decision of the arbitrator to all substantially similar situations.

Any grievance which is not presented at Step 1 within five (5) working days excluding Saturdays, Sundays and Holidays, of the date of occurrence or injury (whichever is later) shall be deemed to have been waived. Failure of the Union to comply with the other time limitations set forth in this Article shall also constitute a waiver of the grievance. Failure of the Employer to respond timely at any step of the grievance procedure shall enable the Union to proceed to the next step, including arbitration.

Section 4. Sustained grievances and grievance resolution agreements shall be implemented within thirty (30) days. If the Employer fails to implement the same, the matter shall be submitted to expedited arbitration.

ARTICLE XXII

NO STRIKE/NO LOCKOUT

Section 1. Cognizant of the statutory prohibition against strikes by employees covered by this Agreement, neither the Union nor any employees covered by this Agreement shall engage in, induce, cause, or encourage any strike, slowdown, refusal to perform duties (including collective absenteeism for alleged illness), work stoppage, or withholding of services of any kind for any reason during the life of this Agreement.

Section 2. The Employer agrees that there shall be no lockouts during the term of this Agreement.
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ARTICLE XXIII

PROTECTIVE CLOTHING, BULLETIN BOARDS, SAFETY, AUTOMOBILE ALLOWANCE AND COMPENSATION

Section 1. Protective Clothing. The Employer shall provide required protective clothing for those employees engaged in activities which subject their regular clothing to extraordinary wear and tear.

Section 2. Bulletin Boards. The Employer shall provide Bulletin Boards in conspicuous places to be used solely for the posting of Union notices, rules and regulations.

Section 3. Safety. A Local Union 1033/City of Providence Safety Committee shall be appointed, composed of three (3) representatives selected by the Union, two (2) representatives selected by the Mayor and one (1) representative selected by the City Council. The Committee shall meet at least quarterly and report recommendations and findings to their respective appointing authorities.

Both the Employer and the Union shall cooperate in the enforcement of safety rules and regulations and shall promote sound safety practices and rules for the protection of employees and the public.

Section 4. Automobile Allowance. Employees covered by this Agreement who are required to use their own automobile in connection with services rendered shall receive Two Hundred Twenty-Five (\$225.00) Dollars per month as a monthly allowance. Employees who use their own automobile in connection with services rendered three or more times per week shall receive Three Hundred Twenty-Five (\$325.00) Dollars per month as a monthly allowance. This amount shall be adjusted each October 1 by the increase or decrease in Federal travel regulations for government use of privately owned vehicles.

Section 5. Compensation. Employees covered by this Agreement who are authorized by the Employer to work in a higher-rated classification shall receive the higher rate of pay. In the

event an employee starts the work day in a higher-rated classification, the employee shall receive the higher pay of that classification for the full day.

Section 6. Uniforms. For those employees required by the Employer to wear uniforms, the Employer shall provide and maintain such uniforms. The Employer, at its option, shall either (1) provide an annual clothing and maintenance allowance of \$450.00 to all permanent Park Rangers, Animal Control Officers, Parking Enforcement Officers, and Crossing Guards, along with an initial issue of uniforms and in-kind replacement as needed; or (2) provide said employees with uniforms and be responsible for cleaning/maintaining said uniforms for the employees. If the Employer selects the payment option, payment shall be made to the employees in the above identified positions no later than July 1 following the employee's assignment to the position and every year thereafter as long as the employee remains in the designated position. The Employer will be responsible for providing each employee within the designated position with sufficient uniforms, no later than 15 days after assignment. Damage to uniforms caused by usage not associated with normal wearing of the uniform will be the employee's responsibility to repair.

The Employer shall provide a complete issue of uniforms to all Park Rangers and to all Crossing Guards who have not received a complete issue subsequent to July 1, 2001, no later than November 15, 2004.

Section 7. Parking Enforcement Officers. Parking Enforcement Officers shall be provided with radios to communicate with the Police Control Center.

ARTICLE XXIV

APPRENTICESHIP PROGRAM

Section 1. The Employer and the Union recognize and acknowledge that the delivery of efficient Municipal Services is dependent on the ability to recruit and train highly motivated, productive, and skilled Public Employees, and in furtherance

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Section 2. There shall be an Apprenticeship Council consisting of seven (7) members: three (3) appointed by the Union Business Manager, three (3) appointed by the Mayor, and one (1) appointed by the City Council. The members shall meet on a quarterly basis.

Section 3. Within thirty (30) days of the execution of this agreement, the parties will meet and confer to establish the job progression, educational and on-the-job training criteria for all new bargaining unit employees entering the Apprenticeship Program, all in accordance with Article 1 Section 2 (a) (3).

Section 4. The Apprenticeship Program will coordinate additional career and citizenship enhancement training with the Rhode Island Public Service Employees' Training Fund.

ARTICLE XXV

CHANGES OR AMENDMENTS

Section 1. This Agreement constitutes the entire agreement and complete understanding between the Employer and the Union arrived at as a result of collective bargaining, except such amendments hereto or modifications hereof as shall be reduced to writing and executed by the parties following the execution of this Agreement.

ARTICLE XXVI

SEVERABILITY

Section 1. Should any final decision of any Court of competent jurisdiction affect any provision of this Agreement, only the provision so affected shall become null and void; otherwise, all other provisions of this Agreement shall remain in full force and effect.

ARTICLE XXVII

DURATION OF AGREEMENT

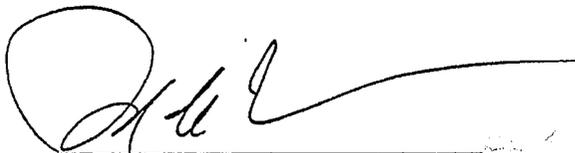
Section 1. The terms and conditions of this Agreement shall be effective July 1, 2008 and shall continue in full force and effect through June 30, 2011 and from year to year thereafter unless either party at least one hundred and twenty (120) days prior to June 30, 2011, gives
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notice in writing to the other party of its intention to terminate this Agreement, in which event this Agreement shall terminate at the end of the contract year in which said notice is given. In the event that such notice is given, negotiations shall begin immediately, no later than sixty (60) days prior to the termination of the Agreement.

Section 2. The provisions of the preceding section shall not prevent the parties, by written Agreement, from extending any portion of this Agreement, after the one hundred twenty (120) day notice has been given for any agreed upon period beyond its expiration date.

IN WITNESS WHEREOF, the parties herein have caused these presents to be signed by their duly authorized representatives on the _____ day of _____, 2008.

CITY OF PROVIDENCE
RHODE ISLAND

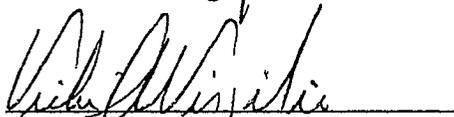


DAVID N. CICILLINE
Mayor, City of Providence
Providence, RI

RHODE ISLAND LABORERS'
DISTRICT COUNCIL OF THE
LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA
on behalf of LOCAL UNION 1033

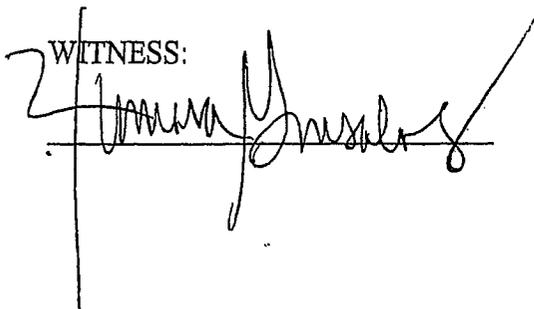


DONALD S. IANNAZZI, ESQ.
Business Manager

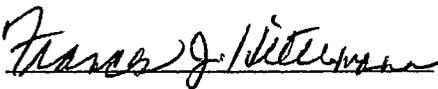


VICKI A. VIRGLIO
President, Local Union 1033

WITNESS:



WITNESS:



ADDENDUM A
Local Union 1033 HMO PLAN
(For all permanent employees hired on or after October 1, 2004)

<i>Benefit</i>	<i>*When you coordinate care with your Primary Care Physician, you pay:</i>	<i>*With the Flex Plan, after your deductible, you pay:</i>	<i>Notes</i>
OUTPATIENT SERVICES			
Office visits (PCP)	\$15	20%	Includes annual physicals, and well-baby visits
Office visits (specialist)	\$20	20%	Includes prenatal office visits and self-referral for a routine annual gynecological exam. Pap smears and mammograms covered in full. Prenatal visits covered in full after first office visit copayment (in network only). Also includes allergists, dermatologists, and mental healthcare/chemical dependency.
Routine eye exam	\$15	All costs (covered in network only)	You may self-refer for one routine eye exam per calendar year.
Lab tests and X-rays	\$0	All costs (covered in network only)	You may self-refer for one routine eye exam per calendar year.
Out patient surgical care	\$100	20%	Includes ambulatory surgical centers and outpatient surgery. \$100 per inpatient or outpatient hospitalization occurrence deductible with \$200 individual/\$300 family out-of-pocket maximum per calendar year.
INPATIENT SERVICES			
Hospitalization	\$100	20%	Includes maternity and medical/surgical care for unlimited days in semi-private room. \$100 per inpatient or outpatient hospitalization occurrence deductible with \$200 individual/\$300 family out-of-pocket maximum per calendar year.
Organ transplant	\$0	All costs	Coverage for eligible costs associated with

		(covered in network only)	kidney, cornea, homologous bone marrow, heart, lung, heart-lung, liver, small intestine, and pancreas transplants, as well as transplants for leukemia and aplastic anemia, and for children with biliary artresia.
EMERGENCY AND URGENT CARE SERVICES			
Emergency room care	\$100	\$100	Coverage for defined medical emergencies only. Copayment waived if you are admitted to hospital within 24 hours.
Ambulance services	20%	20%	Coverage for medically necessary/emergency ambulance services. Please refer to your subscriber agreement for details, or call Customer Service.
Urgent Care center services	\$20	20%	All preventive care received at an urgent care center will be applied to the Flex Plan benefit. PCP referral not required.
BEHAVIORAL HEALTH SERVICES			
Inpatient mental healthcare	\$100 deductible	All costs (covered in network only)	It is recommended that your participating provider call the behavioral health administrator at 1-800-544-5977 to coordinate your care before you receive inpatient, residential substance abuse program, partial hospital, or intermediate care services.
Outpatient mental healthcare	\$20	All costs (covered in network only)	Unlimited number of days. \$100 per inpatient or outpatient hospitalization occurrence deductible with \$200 individual/\$300 family out-of-pocket maximum per calendar year.
Inpatient chemical dependency care	\$100 deductible	All costs (covered in network only)	Up to 30 visits per member per calendar year. (Medication visits are unlimited.)
Outpatient chemical dependency care	\$20	All costs (covered in network only)	Detoxification: Up to five admissions or 30 days in any calendar year, whichever comes first. Rehabilitation: Hospital or community residential care services covered up to 30 days per calendar year. \$100 per inpatient or outpatient hospitalization occurrence deductible with \$200 individual/\$300 family out-of-pocket maximum per calendar year.
Emergency mental healthcare			Up to 30 hours per member per calendar year for facility-based or office-based counseling.
ADDITIONAL			
			Contact behavioral health administrator.