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February 1, 2012

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

**Re: *Pawtucket Water Supply Board***  
***Docket 4171***

Dear Ms. Massaro:

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

1. The Pawtucket Water Supply Board's Petition to Amend Multi-Year Rate Plan;
2. Testimony of James L. DeCelles in Support of the Pawtucket Water Supply Board's Petition to Amend Multi-Year Rate Plan;
3. Testimony of Robert E. Benson in Support of the Pawtucket Water Supply Board's Petition to Amend Multi-Year Rate Plan.

Please note that an electronic copy of these documents has been sent to the service list.

Sincerely,



Joseph A. Keough Jr.

JAK/kf  
Enclosures  
cc: Docket 4171 Service List (via electronic mail)

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

**IN RE:           PAWTUCKET WATER SUPPLY BOARD**

**DOCKET NO: 4171**

**PETITION TO AMEND MULTI-YEAR RATE PLAN**

**I.       INTRODUCTION**

Now comes the Pawtucket Water Supply Board (“PWSB”), and pursuant to RIGL §39-15.1-4(d), petitions the Rhode Island Public Utilities Commission (“Commission”) to amend the multi-year rate plan approved in the above-captioned Docket.

**II.     FACTS**

1. On April 14, 2010, the PWSB filed an application for a general rate increase.
2. In its application, the PWSB proposed a multi-year rate plan pursuant to RIGL §39-15.1-4.
3. The primary impetus behind this request was the PWSB’s increased debt service requirements.
4. The PWSB anticipated borrowing approximately \$7,485,000 in August 2010 and \$6,165,000 in August 2011 to fund capital projects.
5. The Commission authorized a multi-year rate plan for the PWSB in Docket 4171.
6. The multi-year rate plan allowed the PWSB to increase rates in two separate phases.
7. The first phase allowed for a revenue increase of \$1,869,918 applied to usage on and after January 1, 2011.
8. The second phase allowed for a \$405,149 increase effective January 1, 2012.
9. The majority of the phase two increase provided revenues for increased debt service (\$396,661 for new debt and \$2,500 for Trustee Fees).

10. However, the PWSB's anticipated borrowings were delayed.
11. The \$7,485,000 borrowing anticipated for August 2010 did not close until November 2011.
12. Further, the \$6,165,000 borrowing anticipated for August 2011 will likely not occur until the Spring of 2012.
13. In addition, the PWSB saved money on past capital projects funded through debt, and it can use the savings to reduce the \$6,165,000 borrowing.
14. The PWSB also made a strategic decision to shift funding for certain future capital projects from debt funded to capital funded.
15. The combination of past capital projects savings and the funding shift for future capital projects reduces the amount of the PWSB's future borrowings.
16. In addition, the PWSB can use the accumulated balance in its Debt Service Fund for debt service payments for the period October 1, 2012 to September 30, 2015.
17. Thus, the PWSB does not have to increase rates specifically for debt service until 2015.

### **III. CONCLUSION**

Based on the facts set forth above, the PWSB asserts that it is in its rate payers' best interest to delay the phase two increase effective January 1, 2012. In support of this motion, the PWSB relies on the testimony of James L. DeCelles, Chief Engineer of the Pawtucket Water Supply Board, and Robert E. Benson, Chief Financial Officer of the Pawtucket Water Supply Board, which is incorporated herein and attached hereto.

WHEREFORE, the Pawtucket Water Supply Board prays that the Rhode Island Public Utilities Commission grant the relief sought herein.

THE PAWTUCKET WATER  
SUPPLY BOARD

By its attorney,

A handwritten signature in black ink, appearing to read "J. Keough, Jr.", written over the printed name.

Joseph A. Keough, Jr.  
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### **CERTIFICATION**

I hereby certify that on February 1, 2012, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

<b>Parties/Address</b>	<b>E-mail Distribution</b>	<b>Phone/Fax</b>
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**TESTIMONY**

**Of**

**JAMES L. DeCELLES  
CHIEF ENGINEER**

**IN SUPPORT OF**

**THE PAWTUCKET WATER SUPPLY BOARD'S  
PETITION TO AMEND MULTI-YEAR RATE PLAN**

**BEFORE THE**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**Docket No. 4171**

**FEBRUARY 1, 2012**

1 **I. INTRODUCTION**

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

3 A. James L. DeCelles, P.E., Chief Engineer, Pawtucket Water Board, 85 Branch Street,  
4 Pawtucket, RI 02860  
5

6 **Q. How long have you been employed the Pawtucket Water Supply Board?**

7 A. I was hired as Assistant Chief Engineer on March 14, 2005. I assumed the duties of  
8 Acting Chief Engineer in February 2006, and I became Chief Engineer as of June 20,  
9 2007.  
10

11 **Q. What are your responsibilities at the PWSB?**

12 A. I serve as the general manager of the Pawtucket Water Supply Board ("PWSB"),  
13 which includes water supply, treatment, and distribution systems. The PWSB serves a  
14 population of approximately 99,167 in the City of Pawtucket, the City of Central Falls,  
15 and the Valley Falls section of the Town of Cumberland.  
16

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

18 A. From May 1988 to February 1990, I worked for the RIDEM Division of Water  
19 Resources as a Junior Sanitary Engineer responsible for design review and construction  
20 management. From 1990 to 2000, I held the position of Water and Sewer  
21 Superintendant for the Town of North Smithfield. As the Superintendant, I was  
22 responsible for the complete operation and maintenance of the water and wastewater  
23 systems for the Town of North Smithfield. From 2000 to 2005 I was the Utilities  
24 Manager for the Town of North Attleboro, MA and was responsible for the management  
25 of the water and wastewater systems for the Town.  
26



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

2   A. I hold a Masters Degree in Civil Engineering from Worcester Polytechnic Institute and  
3   a BS in Environmental Engineering Technology from Norwich University.

4  
5   **Q. Do you have any professional affiliations?**

6   A. I am a registered professional engineer in the State of Rhode Island and a member of  
7   the Rhode Island Water Works Association, American Water Works Association, the  
8   New England Water Works Association, and American Public Works Association. For the  
9   New England Water Works Association, I am a member of the Financial Management  
10   Committee and a member of the Program and Legislative Committees, as well as the  
11   Executive Board for the Rhode Island Water Works Association. I am also a member of  
12   the American Society of Civil Engineers.

13  
14   **Q. What is the purpose of your testimony?**

15   A. To support the PWSB's motion to amend the multi-year rate increase approved by  
16   the Rhode Island Public Utilities Commission ("Commission") in Docket 4171.

17  
18   **Q. Please provide an overview of why the PWSB is filing the motion to amend?**

19   A. In April 2010, the PWSB filed an application for a general rate increase (Docket 4171).  
20   In its application, the PWSB proposed a multi-year rate plan pursuant to R.I.G.L. §39-  
21   15.1-4. The primary impetus behind this request was the PWSB's increased debt service  
22   requirements. The PWSB anticipated borrowing approximately \$7,485,000 in August  
23   2010 and \$6,165,000 in August 2011.

24  
25   In its report and order (No. 20376), the Commission authorized a multi-year rate plan,  
26   which allowed the PWSB to increase rates in two separate phases. The first phase

1 allowed for a revenue increase of \$1,869,918 applied to usage on and after January 1,  
2 2011. The second phase allowed for a \$405,149 increase effective January 1, 2012.

3  
4 However, the PWSB's borrowings were delayed. The proposed \$7,485,000 borrowing in  
5 August 2010 did not close until November 2011. Further, the PWSB anticipates that the  
6 proposed August 2011 borrowing will not occur until the Spring of 2012, and it will be  
7 less than originally anticipated. As such, the PWSB did not need to increase its rates on  
8 January 1, 2012.

9  
10 It is my understanding that R.I.G.L. §39-15.1-4(c) requires the PWSB to submit a  
11 compliance filing sixty (60) days before instituting the second phase of its multi-year  
12 plan. Since the PWSB did not need to increase rates on January 1, 2012, it did not  
13 submit a compliance filing. In addition, as I understand it, R.I.G.L. §39-15.1-4(d) allows  
14 the PWSB to file a petition to amend the approved plan. Since the timing of any future  
15 increase under the multi-year plan will differ from that approved by the Commission,  
16 the PWSB filed the motion to amend.

17  
18 **II. FACTORS SUPPORTING MOTION TO AMEND**

19 **Q. Are the borrowing delays the sole reason the PWSB filed the motion to amend?**

20 **A.** No. Three factors contribute to the PWSB's motion to amend:

- 21 a. The borrowing delays;  
22 b. The lower than anticipated cost of past capital projects; and  
23 c. The PWSB's shifting of funding for certain capital projects from debt service to  
24 IFR.

1 As s result, the PWSB can reduce its future borrowings and use accumulated funds in its  
2 restricted Debt Service Fund to offset future borrowing costs without implementing the  
3 second phase increase authorized by the Commission in Docket 4171.

4  
5 **Q. Before you address these three factors, please explain how the PWSB funds its**  
6 **restricted Debt Service Fund.**

7 A. The PWSB's Revenue Bond Trust Indenture ("Indenture") requires it to establish a  
8 Debt Service Fund. Within this Fund are two accounts: (1) The Debt Service Account,  
9 and (2) The Debt Service Stabilization Account. The Trustee holds these accounts in  
10 accordance with the Indenture.

11  
12 The PWSB makes its debt service payments for the Rhode Island Clean Water Finance  
13 Agency ("RICWFA") revenue bonds from the Debt Service Account. Thus, the Indenture  
14 requires the PWSB to deposit the amount necessary to make these payments into the  
15 Debt Service Account. (See Robert Benson testimony, Schedule 3)

16  
17 The remainder of the PWSB's authorized debt service funding is deposited in the Debt  
18 Service Stabilization Account. (See Robert Benson testimony, Schedule 3)

19 The PWSB pays its portion of the City of Pawtucket's general obligation bond debt  
20 service payments and revenue bond expenses (not required to be paid from the Debt  
21 Service Account) from this restricted Debt Service Stabilization Account.

22  
23 **Q. Please address the borrowing delay and how it contributed to the PWSB's Motion**  
24 **to Amend.**

25 A. The proposed August 2010 borrowing (\$7.485 million) was delayed because the  
26 RICWFA originally planned to lend this money as part of a pooled borrowing. Thus,

1 there were several delays while waiting for other pool participants. Eventually, the  
2 pooled borrowing did not occur, and the PWSB obtained funding through a direct loan.  
3 However, this direct loan did not close until November 2011.

4  
5 **Q. How did this contribute to the PWSB's filing the Motion to Amend?**

6 A. The PWSB's rates in Docket 4171 were approved January 1, 2011, and the PWSB  
7 began collecting the increased rates. However, the PWSB did not close the \$7.485  
8 million loan until November 2011. Thus, and adjusting for the regulatory delay in  
9 collections, the PWSB collected funds for increased debt service, yet did not make  
10 corresponding increased loan payments as scheduled in Docket 4171. As documented in  
11 Schedule 1 attached to Mr. Benson's testimony, the first interest payment for this loan,  
12 including agency fees, is due March 1, 2012 and the first principal installment, including  
13 interest and agency fees, is due September 1, 2012. Until these payments start, the  
14 PWSB will deposit funds to service this loan in the Debt Service Stabilization Account. As  
15 a result, the balance in this account will continue to grow, and the PWSB can use this  
16 balance to offset future borrowing costs.

17  
18 **Q. Please explain how lower costs for past capital projects impact the PWSB's debt**  
19 **service needs.**

20 A. The PWSB saved money as a result of lower than expected project costs for main  
21 replacement projects ("MR") 5 and 6. The PWSB funded these projects through debt,  
22 and the savings gave the PWSB excess money in its project fund that can be used for MR  
23 7. As referenced above, the PWSB anticipated borrowing \$6,165,000 in August 2011.  
24 However, the savings on MR 5 and 6 and the resulting money in the project fund allows  
25 the PWSB to borrow less for MR 7. Please refer to the testimony of Robert Benson for  
26 the detail on future debt service requirements. In addition, the PWSB saved money on

1 the Robin Hollow Dam rehabilitation project, which it funded through IFR. These savings  
2 gave the PWSB more capacity in its IFR account and allowed us to switch certain capital  
3 projects from debt funding to IFR funding, which further reduced future borrowing  
4 amounts.

5  
6 **Q. Please explain how this shift in funding from Debt Service to IFR affects the PWSB's**  
7 **debt service needs.**

8 A. The PWSB made a strategic decision to only fund main replacement projects with  
9 debt service and to complete all other projects with IFR funds. The most important  
10 reason for this decision is that since the schedules and scope of our main replacement  
11 projects are so well defined, we can more accurately project cash flow needs for these  
12 projects into the future. This projection process allows us to be more accurate in  
13 determining when and how much we need to borrow from the RICWFA. Since the  
14 PWSB has completed so many main replacement projects, we are confident that the  
15 schedules and cost estimates in our Capital Improvement Plan are accurate.

16  
17 By contrast, experience has shown that many of the schedules and budgets for other  
18 types of capital projects are difficult to pinpoint early on in the process, which makes  
19 borrowing the correct amount money more difficult. In some cases we also had  
20 difficulty meeting the three year limit for spending the borrowed proceeds. By utilizing  
21 IFR funds, we can complete projects as funding becomes available.

22  
23 This decision lessens the PWSB's future debt needs. Thus, as explained in Mr. Benson's  
24 testimony, the combination of the PWSB reducing future borrowings and using the Debt  
25 Service Stabilization Account to pay a portion of future borrowings, allows the PWSB to  
26 meet its increasing debt service requirements without increasing rates for debt service.

1   **Q. When does the PWSB anticipate it will have to raise rates for debt service?**

2   A. As set forth in Mr. Benson's testimony, the PWSB anticipates it will not need to  
3   increase revenue specifically for debt service until 2015.

4

5   **Q. If the PWSB does not need an increase until 2015 to service increasing debt, will it**  
6   **implement the second phase of the multi-year plan at that time?**

7   A. At this point, we don't know. The PWSB may have to file a rate case before 2015 due  
8   to issues such as increased operation and maintenance expenses and decreased  
9   consumption. If that happens, the PWSB would likely do away with the second step  
10   increase granted in Docket 4171 and request overall rates to reflect its needs at the time  
11   of the filing, including its future debt service needs.

12

13   **III. CONCLUSION**

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

15   A. Yes it does.

16



**TESTIMONY**

**Of**

**Robert E. Benson  
Chief Financial Officer**

**In Support Of**

**THE PAWTUCKET WATER SUPPLY BOARD'S  
PETITION TO AMEND MULTI-YEAR RATE PLAN**

**Before the**

**RHODE ISLAND PUBLIC UTILITIES COMMISSION**

**Docket No. 4171**

**FEBRUARY 1, 2012**

1 **I. INTRODUCTION**

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

3 A. Robert E. Benson, Chief Financial Officer, Pawtucket Water Supply Board, 85 Branch  
4 Street, Pawtucket, RI 02860  
5

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

7 A. Since January 18, 2005.  
8

9 **Q. What are your responsibilities at the Pawtucket Water Supply Board (PWSB)?**

10 A. I supervise and oversee the financial administration of the PWSB including financial  
11 reporting and monitoring financial compliance with all regulations and legal restrictions  
12 issued by all regulatory agencies and bonding agreements.  
13

14 **Q. Please provide a brief description of your previous work experience?**

15 A. I have over thirty years of progressive financial responsibility in private industry,  
16 public accounting and municipal accounting. Prior to joining the PWSB, I held the  
17 position of Chief Accountant with the City of Pawtucket. My responsibilities have  
18 included managing the accounting department for a 50 million dollar global  
19 manufacturer and the City of Pawtucket.  
20

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

22 A. I have a B.S.B.A. and MBA with concentrations in accounting from Bryant College  
23 (now known as Bryant University).  
24

25 **Q. Do you have any professional certifications?**

26 A. I have been a Certified Public Accountant in the State of Rhode Island since 1988.  
27



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

2 A. I am presently a member of the American Institute of Certified Public Accountants,  
3 Rhode Island Society of Certified Public Accountants, Government Finance Officers  
4 Association, American Water Works Association, New England Water Works Association  
5 and the Rhode Island Water Works Association. I am also a member of the Financial  
6 Management Committee of the New England Water Works Association.

7

8 **Q. Have you previously testified before any regulatory agencies on utility rate**  
9 **matters?**

10 A. Yes. I previously testified on behalf of the PWSB in three rate filings before the Rhode  
11 Island Public Utilities Commission ("Commission").

12

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

14 A. To support the PWSB's motion to amend the multi-year rate increase approved by  
15 the Commission in Docket 4171.

16

17 **Q. Please provide an overview of why the PWSB is filing the motion to amend?**

18 A. In April 2010, the PWSB filed an application for a general rate increase (Docket 4171).  
19 In its application, the PWSB proposed a multi-year rate plan pursuant to R.I.G.L. §39-  
20 15.1-4. The primary impetus behind this request was the PWSB's increased debt service  
21 requirements. The PWSB anticipated borrowing approximately \$7,485,000 in August  
22 2010 and \$6,165,000 in August 2011.

23

24 In its report and order (No. 20376), the Commission authorized a multi-year rate plan,  
25 which allowed the PWSB to increase rates in two separate phases. The first phase  
26 allowed for a revenue increase of \$1,869,918 applied to usage on and after January 1,  
27 2011. The second phase allowed for a \$405,149 increase effective January 1, 2012.

1 However, the PWSB's borrowings were delayed. The proposed \$7,485,000 borrowing in  
2 August 2010 did not close until November 2011. Further, the PWSB anticipates that the  
3 proposed August 2011 borrowing will not occur until the Spring of 2012, and it will be  
4 less than originally anticipated. As such, the PWSB did not need to increase its rates on  
5 January 1, 2012.

6  
7 **II. PWSB'S MOTION TO AMEND**

8 **Q. Why is the PWSB filing a motion to amend the multi-year rate plan approved in**  
9 **Docket 4171?**

10 A. Three main factors contributed to the PWSB's motion to amend:

- 11 a. Delays in the PWSB's borrowing schedule;  
12 b. Lower than anticipated cost of past capital projects; and  
13 c. The shift of funding for certain capital projects from debt service to IFR.

14  
15 As a result, the PWSB can reduce future borrowings and use accumulated funds in its  
16 restricted Debt Service Fund to offset future borrowing costs without implementing the  
17 second phase increase authorized by the Commission in Docket 4171. Mr. DeCelles  
18 addresses each of these factors in his testimony, and I will address them as well. I will  
19 also focus on the timing of the PWSB's future borrowings and the need to increase rates  
20 for these borrowings.

21  
22  
23 **Q. Before you address these factors, can you please explain how the PWSB funds its**  
24 **restricted debt service account?**

25 A. The PWSB's Revenue Bond Trust Indenture ("Indenture") requires it to establish a  
26 Debt Service Fund. Within this Fund are two accounts: (1) The Debt Service Account,

1 and (2) The Debt Service Stabilization Account. The Trustee holds these accounts in  
2 accordance with the Indenture.

3  
4 The PWSB makes its debt service payments for the Rhode Island Clean Water Finance  
5 Agency ("RICWFA") revenue bonds from the Debt Service Account. Thus, the Indenture  
6 requires the PWSB to deposit the necessary amount in the Debt Service Account to  
7 make these payments.

8  
9 The remainder of the PWSB's authorized debt service funding is deposited in the Debt  
10 Service Stabilization Account. The PWSB pays its portion of the City of Pawtucket's  
11 general obligation bond debt service payments and revenue bond expenses (not  
12 required to be paid from the Debt Service Account) from this account.

13  
14 Attached to my testimony is Schedule 3, which shows the deposits to and payments  
15 from these accounts from October 1, 2011 to September 30, 2016. The Schedule is  
16 based on a 10/1 to 9/30 year as the PWSB's principal debt payments are made in  
17 September.

18  
19 **Q. Turning to the three factors referenced above, can you first explain how the**  
20 **PWSB's borrowing delays impact its future debt service needs?**

21 A. Yes. The PWSB began collecting increased rates following the Commission's January  
22 1, 2011 decision in Docket 4171. A portion of the increased revenues was for increased  
23 debt service. However, the \$7.485 million loan, anticipated to close in August 2010, did  
24 not close until November 2011. Thus, and adjusting for the regulatory delay in  
25 collections, the PWSB collected funds for increased debt service for a period of time  
26 when it did not make corresponding increased payments as scheduled in Docket 4171.

27

1 In fact, the PWSB will not begin making payments on this loan until March 1, 2012. (See  
2 Schedule 1 - Debt Service Schedule for the \$7.485 million loan) This March payment  
3 consists of semi-annual interest and agency fee payments, and the PWSB will make its  
4 first principal payment on September 1, 2012, which also includes semi-annual interest  
5 and agency fees. (See Schedule 1) Until these payments begin, the PWSB will deposit  
6 the amount collected for this loan in the Debt Service Stabilization Account. The balance  
7 in this account can be used to make debt service payments due between October 1,  
8 2012 and September 30, 2015 without negatively affecting the balance in the Debt  
9 Service Fund.

10  
11 **Q. Please explain how shifting certain projects from debt funding to capital funding**  
12 **impacts the PWSB's need to borrow \$6,165,000 in August 2011 as anticipated in**  
13 **Docket 4171?**

14 A. As set forth in Mr. DeCelles testimony, the PWSB is now only using debt for main  
15 replacement projects. Thus, the PWSB shifted funding for all other capital projects to  
16 the IFR account. This reduced the \$6,165,000 borrowing amount the PWSB anticipated  
17 in the summer of 2012. The PWSB is only going to fund the completion of its main  
18 replacement ("MR") 7 project in this borrowing, and the PWSB does not need to borrow  
19 the full amount (\$4,158,167).

20  
21 **Q. Please explain why the PWSB does not have to borrow the full amount needed for**  
22 **the MR 7 project.**

23 A. As explained in Mr. DeCelles' testimony, the PWSB saved money on its MR 5 and 6  
24 projects. These savings left the PWSB approximately \$2,439,600 of unspent project  
25 funds that it can apply to the MR 7 project. Thus, the PWSB only needs to borrow  
26 approximately \$1,955,000 (project cost and fees) for the MR 7 project (see table below).

1 **Q. When does the PWSB anticipate it will have to raise rates for debt service?**

2 A. The PWSB anticipates it will not need to increase revenue for debt service until 2015.

4 **Q. Can you explain why?**

5 A. Yes. The PWSB's anticipated borrowing schedule to finance the completion of its  
6 main replacement/refurbishment program, as revised since Docket 4171, is set forth  
7 below. The completion of the program consists of the MR 6, MR 7, MR 8, MR 9, MR 10  
8 and MR 11 projects.

**SCHEDULE OF PROJECT COSTS AND DEBT FINANCING REQUIREMENTS**

PROJECTS	PROJECT COSTS	LOAN DATE	BORROWED AMOUNT	ANNUAL PAYMENT
MR-6 & 7		November 2011	\$7,485,000	\$533,800.00
MR-7	\$4,158,167 <u>(\$2,439,600)</u> \$1,718,567	SUMMER 2012	\$1,955,000	\$143,000.00
MR-8 & MR-9	\$3,936,043 <u>\$3,891,313</u> \$7,827,356	SPRING 2013	\$8,645,000	\$656,000.00
MR-10 & MR-11	\$4,196,865 <u>\$3,895,959</u> \$8,092,824	SPRING 2015	\$8,950,000	\$692,700.00

9  
10 Attached to my testimony are Schedules 1, 2 and 3, which in combination show  
11 sufficient cash balances in the Debt Service and Debt Service Stabilization Accounts to  
12 meet the PWSB's increased debt service requirements through September 2015 without  
13 a rate increase for debt service. Schedules 1 and 2 show the estimated debt service  
14 requirements for the projects listed in the table above. Schedule 3 shows the projected  
15 cash balances for the Debt Service and Debt Stabilization Accounts from October 2011  
16 to September 2016. The projected cash balances are based on the collection of revenue

1 at the rates approved as of 1/1/2011 in Docket 4171<sup>1</sup>, and do not include the second  
2 phase approved by the Commission.

3  
4 By transferring money from the accumulated balance in the Debt Service Stabilization  
5 Account in 2014 and 2015, the PWSB can meet its increased debt service needs through  
6 September 2015 without a rate increase for debt service.

7  
8 **III. CONCLUSION**

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

10 **A.** Yes it does.

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<sup>1</sup> The estimated revenue also assumes the consumption level projected by the Commission in Docket 4171.

Series 2011

Fiscal Year	Calendar Year	Payment Date	2011 Principal Payment	2011 Interest Payment	2011 Agency Fees @ 0.5%
6/30/2012	12/31/2011	9/1/2011			
6/30/2012	12/31/2012	3/1/2012		44,601.19	7,933.18
<b>6/30/2012 Total</b>			-	44,601.19	7,933.18
6/30/2013	12/31/2012	9/1/2012	288,000.00	82,304.00	14,639.36
6/30/2013	12/31/2013	3/1/2013		102,360.22	18,206.75
<b>6/30/2013 Total</b>			288,000.00	184,664.22	32,846.11
6/30/2014	12/31/2013	9/1/2013	293,000.00	103,590.80	17,992.50
6/30/2014	12/31/2014	3/1/2014		101,950.00	17,260.00
<b>6/30/2014 Total</b>			293,000.00	205,540.80	35,252.50
6/30/2015	12/31/2014	9/1/2014	297,000.00	101,950.00	17,260.00
6/30/2015	12/31/2015	3/1/2015		100,034.55	16,517.50
<b>6/30/2015 Total</b>			297,000.00	201,984.55	33,777.50
6/30/2016	12/31/2015	9/1/2015	303,000.00	100,034.55	16,517.50
6/30/2016	12/31/2016	3/1/2016		97,973.95	15,760.00
<b>6/30/2016 Total</b>			303,000.00	198,008.50	32,277.50
6/30/2017	12/31/2016	9/1/2016	308,000.00	97,973.95	15,760.00
6/30/2017	12/31/2017	3/1/2017		95,402.15	14,990.00
<b>6/30/2017 Total</b>			308,000.00	193,376.10	30,750.00
6/30/2018	12/31/2017	9/1/2017	315,000.00	95,402.15	14,990.00
6/30/2018	12/31/2018	3/1/2018		92,315.15	14,202.50
<b>6/30/2018 Total</b>			315,000.00	187,717.30	29,192.50
6/30/2019	12/31/2018	9/1/2018	323,000.00	92,315.15	14,202.50
6/30/2019	12/31/2019	3/1/2019		88,746.00	13,395.00
<b>6/30/2019 Total</b>			323,000.00	181,061.15	27,597.50
6/30/2020	12/31/2019	9/1/2019	332,000.00	88,746.00	13,395.00
6/30/2020	12/31/2020	3/1/2020		84,645.80	12,565.00
<b>6/30/2020 Total</b>			332,000.00	173,391.80	25,960.00
6/30/2021	12/31/2020	9/1/2020	341,000.00	84,645.80	12,565.00
6/30/2021	12/31/2021	3/1/2021		80,093.45	11,712.50
<b>6/30/2021 Total</b>			341,000.00	164,739.25	24,277.50
6/30/2022	12/31/2021	9/1/2021	352,000.00	80,093.45	11,712.50
6/30/2022	12/31/2022	3/1/2022		75,165.45	10,832.50
<b>6/30/2022 Total</b>			352,000.00	155,258.90	22,545.00
6/30/2023	12/31/2022	9/1/2022	364,000.00	75,165.45	10,832.50
6/30/2023	12/31/2023	3/1/2023		69,705.45	9,922.50
<b>6/30/2023 Total</b>			364,000.00	144,870.90	20,755.00
6/30/2024	12/31/2023	9/1/2023	377,000.00	69,705.45	9,922.50
6/30/2024	12/31/2024	3/1/2024		63,748.85	8,980.00
<b>6/30/2024 Total</b>			377,000.00	133,454.30	18,902.50
6/30/2025	12/31/2024	9/1/2024	390,000.00	63,748.85	8,980.00
6/30/2025	12/31/2025	3/1/2025		57,333.35	8,005.00
<b>6/30/2025 Total</b>			390,000.00	121,082.20	16,985.00
6/30/2026	12/31/2025	9/1/2025	405,000.00	57,333.35	8,005.00
6/30/2026	12/31/2026	3/1/2026		50,448.35	6,992.50
<b>6/30/2026 Total</b>			405,000.00	107,781.70	14,997.50
6/30/2027	12/31/2026	9/1/2026	421,000.00	50,448.35	6,992.50
6/30/2027	12/31/2027	3/1/2027		43,122.95	5,940.00
<b>6/30/2027 Total</b>			421,000.00	93,571.30	12,932.50
6/30/2028	12/31/2027	9/1/2027	438,000.00	43,122.95	5,940.00
6/30/2028	12/31/2028	3/1/2028		35,414.15	4,845.00
<b>6/30/2028 Total</b>			438,000.00	78,537.10	10,785.00
6/30/2029	12/31/2028	9/1/2028	455,000.00	35,414.15	4,845.00
6/30/2029	12/31/2029	3/1/2029		27,269.65	3,707.50
<b>6/30/2029 Total</b>			455,000.00	62,683.80	8,552.50
6/30/2030	12/31/2029	9/1/2029	474,000.00	27,269.95	3,707.50
6/30/2030	12/31/2030	3/1/2030		18,642.85	2,522.50
<b>6/30/2030 Total</b>			474,000.00	45,912.80	6,230.00
6/30/2031	12/31/2030	9/1/2030	494,000.00	18,642.85	2,522.50
6/30/2031	12/31/2031	3/1/2031		9,553.25	1,287.50
<b>6/30/2031 Total</b>			494,000.00	28,196.10	3,810.00
6/30/2032	12/31/2031	9/1/2031	515,000.00	9,553.25	1,287.50
6/30/2032	12/31/2032	3/1/2032			
<b>6/30/2032 Total</b>			515,000.00	9,553.25	1,287.50
6/30/2033	12/31/2032	9/1/2032			
6/30/2033	12/31/2033	3/1/2033			
<b>6/30/2033 Total</b>			-	-	-
6/30/2034	12/31/2033	9/1/2033			
6/30/2034	12/31/2034	3/1/2034			
<b>6/30/2034 Total</b>			-	-	-
6/30/2035	12/31/2034	9/1/2034			
6/30/2035	12/31/2035	3/1/2035			
<b>6/30/2035 Total</b>			-	-	-
6/30/2036	12/31/2035	9/1/2035			
<b>6/30/2036 Total</b>			-	-	-
<b>Grand Total</b>			7,485,000.00	2,715,987.21	417,646.79

**Rhode Island Clean Water Finance Agency****Drinking Water SRF - Direct Loan****MMD Rates as of 1/25/2012 + 0.75%****Sources & Uses****Pawtucket WSB - (A Revenue Pledge) - \$1,955,000 Drinking Water Direct Loan****Sources:**

Par Amount of Loan	1,955,000.00
Original Issue Premium	-
Total Sources	<u>1,955,000.00</u>

**Uses:**

Deposit to Construction Fund	1,718,915.60
Capitalized Interest	-
Deposit to DSRF	141,534.40
Loan Origination Fee (1.0%)	19,550.00
Costs of Issuance - Local Level	75,000.00
Misc.	-
Total Uses	<u>1,955,000.00</u>

Weighted Average Maturity (WAM)	11.7764 years
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Loan Yields Exclusive of Costs & Fees	
Subsidized Yield on the Loan:	3.421%
Market Yield on the Loan:	4.771%
Effective Subsidy %:	28.29%



**Rhode Island Clean Water Finance Agency**

**Drinking Water SRF - Direct Loan**

**MMD Rates as of 1/25/2012 + 0.75%**

**Construction Fund Cash Flow**

**Pawtucket WSB - (A Revenue Pledge) - \$1,955,000 Drinking Water Direct Loan**

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance	6-Month Const. Draws	Percentage Spent
07/01/12		1,955,000.00	94,550.00		141,534.40	236,084.40	1,718,915.60		
08/01/12	1,718,915.60						1,718,915.60		
09/01/12	1,718,915.60						1,718,915.60		
10/01/12	1,718,915.60						1,718,915.60		
11/01/12	1,718,915.60			258,400.00		258,400.00	1,460,515.60		
12/01/12	1,460,515.60			500,000.00		500,000.00	960,515.60		
01/01/13	960,515.60			250,000.00		250,000.00	710,515.60	1,008,400.00	61%
02/01/13	710,515.60			250,000.00		250,000.00	460,515.60		
03/01/13	460,515.60			250,000.00		250,000.00	210,515.60		
04/01/13	210,515.60			208,166.65		208,166.65	2,348.95		
05/01/13	2,348.95						2,348.95		
06/01/13	2,348.95			2,348.95		2,348.95			
07/01/13								710,515.60	100%
08/01/13									
09/01/13									
10/01/13									
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1,955,000.00	94,550.00	1,718,915.60	141,534.40	1,955,000.00	1,718,915.60
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**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Balance**

**Pawtucket WSB - (A Revenue Pledge) - \$1,955,000 Drinking Water Direct Loan**

(1)							
Date	Loan Draws	Principal Paid	Loan Balance	Interest @ 3.060%	Interest Requirements	Loan Fees @ 0.500%	Loan Fees Payable
07/01/12	236,084.40		236,084.40				
08/01/12			236,084.40	602.05		98.37	
09/01/12		(1,000.00)	235,084.40	602.05	1,204.10	98.37	196.74
10/01/12			235,084.40	599.50		97.95	
11/01/12	258,400.00		493,484.40	599.50		97.95	
12/01/12	500,000.00		993,484.40	1,258.46		205.62	
01/01/13	250,000.00		1,243,484.40	2,533.54		413.95	
02/01/13	250,000.00		1,493,484.40	3,171.08		518.12	
03/01/13	250,000.00		1,743,484.40	3,808.62	11,970.70	622.29	1,955.88
04/01/13	208,166.65		1,951,651.05	4,446.16		726.45	
05/01/13			1,951,651.05	4,977.02		813.19	
06/01/13	2,348.95		1,954,000.00	4,977.02		813.19	
07/01/13			1,954,000.00	4,983.01		814.17	
08/01/13			1,954,000.00	4,983.01		814.17	
09/01/13		(73,000.00)	1,881,000.00	4,983.01	29,349.23	814.17	4,795.34
10/01/13							
11/01/13							
12/01/13							
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08/01/15							

1,955,000.00	(74,000.00)	42,524.03	42,524.03	6,947.96	6,947.96
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- (1) Interest rate represents the weighted average loan rate for the entire loan amortization.  
Detailed loan rates for each maturity are as shown on the following page.

**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Debt Service**

**Pawtucket WSB - (A Revenue Pledge) - \$1,955,000 Drinking Water Direct Loan**

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
07/01/12							
9/1/2012	1,000.00	1.31%	1,204.10	196.74	1,400.84	2,400.84	2,400.84
3/1/2013			11,970.70	1,955.88	13,926.58	13,926.58	
9/1/2013	73,000.00	1.31%	29,349.23	4,795.34	34,144.57	107,144.57	121,071.15
3/1/2014			29,435.20	4,702.50	34,137.70	34,137.70	
9/1/2014	74,000.00	1.57%	29,435.20	4,702.50	34,137.70	108,137.70	142,275.40
3/1/2015			28,854.30	4,517.50	33,371.80	33,371.80	
9/1/2015	76,000.00	1.86%	28,854.30	4,517.50	33,371.80	109,371.80	142,743.60
3/1/2016			28,147.50	4,327.50	32,475.00	32,475.00	
9/1/2016	78,000.00	2.02%	28,147.50	4,327.50	32,475.00	110,475.00	142,950.00
3/1/2017			27,359.70	4,132.50	31,492.20	31,492.20	
9/1/2017	80,000.00	2.15%	27,359.70	4,132.50	31,492.20	111,492.20	142,984.40
3/1/2018			26,499.70	3,932.50	30,432.20	30,432.20	
9/1/2018	82,000.00	2.28%	26,499.70	3,932.50	30,432.20	112,432.20	142,864.40
3/1/2019			25,564.90	3,727.50	29,292.40	29,292.40	
9/1/2019	84,000.00	2.41%	25,564.90	3,727.50	29,292.40	113,292.40	142,584.80
3/1/2020			24,552.70	3,517.50	28,070.20	28,070.20	
9/1/2020	86,000.00	2.61%	24,552.70	3,517.50	28,070.20	114,070.20	142,140.40
3/1/2021			23,430.40	3,302.50	26,732.90	26,732.90	
9/1/2021	89,000.00	2.77%	23,430.40	3,302.50	26,732.90	115,732.90	142,465.80
3/1/2022			22,197.75	3,080.00	25,277.75	25,277.75	
9/1/2022	92,000.00	2.89%	22,197.75	3,080.00	25,277.75	117,277.75	142,555.50
3/1/2023			20,868.35	2,850.00	23,718.35	23,718.35	
9/1/2023	95,000.00	3.14%	20,868.35	2,850.00	23,718.35	118,718.35	142,436.70
3/1/2024			19,376.85	2,612.50	21,989.35	21,989.35	
9/1/2024	99,000.00	3.31%	19,376.85	2,612.50	21,989.35	120,989.35	142,978.70
3/1/2025			17,738.40	2,365.00	20,103.40	20,103.40	
9/1/2025	102,000.00	3.43%	17,738.40	2,365.00	20,103.40	122,103.40	142,206.80
3/1/2026			15,989.10	2,110.00	18,099.10	18,099.10	
9/1/2026	106,000.00	3.54%	15,989.10	2,110.00	18,099.10	124,099.10	142,198.20
3/1/2027			14,112.90	1,845.00	15,957.90	15,957.90	
9/1/2027	111,000.00	3.64%	14,112.90	1,845.00	15,957.90	126,957.90	142,915.80
3/1/2028			12,092.70	1,567.50	13,660.20	13,660.20	
9/1/2028	115,000.00	3.72%	12,092.70	1,567.50	13,660.20	128,660.20	142,320.40
3/1/2029			9,953.70	1,280.00	11,233.70	11,233.70	
9/1/2029	120,000.00	3.79%	9,953.70	1,280.00	11,233.70	131,233.70	142,467.40
3/1/2030			7,679.70	980.00	8,659.70	8,659.70	
9/1/2030	125,000.00	3.86%	7,679.70	980.00	8,659.70	133,659.70	142,319.40
3/1/2031			5,267.20	667.50	5,934.70	5,934.70	
9/1/2031	131,000.00	3.92%	5,267.20	667.50	5,934.70	136,934.70	142,869.40
3/1/2032			2,699.60	340.00	3,039.60	3,039.60	
9/1/2032	136,000.00	3.970%	2,699.60	340.00	3,039.60	139,039.60	142,079.20
3/1/2033			-	-	-	-	
	<u>1,955,000.00</u>		<u>766,165.33</u>	<u>110,662.96</u>	<u>876,828.29</u>	<u>2,831,828.29</u>	<u>2,831,828.29</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.060%.

**Rhode Island Clean Water Finance Agency****Drinking Water SRF - Direct Loan****MMD Rates as of 1/25/2012 + 0.75%****Sources & Uses****Pawtucket WSB - (A Revenue Pledge) - \$8,645,000 Drinking Water Direct Loan****Sources:**

Par Amount of Loan	8,645,000.00
Original Issue Premium	-
Total Sources	<u>8,645,000.00</u>

**Uses:**

Deposit to Construction Fund	7,830,618.40
Capitalized Interest	-
Deposit to DSRF	652,931.60
Loan Origination Fee (1.0%)	86,450.00
Costs of Issuance - Local Level	75,000.00
Misc.	-
Total Uses	<u>8,645,000.00</u>

Weighted Average Maturity (WAM)	11.4491 years
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Loan Yields Exclusive of Costs & Fees	
Subsidized Yield on the Loan:	3.463%
Market Yield on the Loan:	5.039%
Effective Subsidy %:	31.29%

**Rhode Island Clean Water Finance Agency**

**Drinking Water SRF - Direct Loan**

**MMD Rates as of 1/25/2012 + 0.75%**

**Construction Fund Cash Flow**

**Pawtucket WSB - (A Revenue Pledge) - \$8,645,000 Drinking Water Direct Loan**

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance	6-Month Const. Draws	Percentage Spent
04/01/13		8,645,000.00	161,450.00		652,931.60	814,381.60	7,830,618.40		
05/01/13	7,830,618.40						7,830,618.40		
06/01/13	7,830,618.40			700,000.00		700,000.00	7,130,618.40		
07/01/13	7,130,618.40			500,000.00		500,000.00	6,630,618.40		
08/01/13	6,630,618.40			500,000.00		500,000.00	6,130,618.40		
09/01/13	6,130,618.40			500,000.00		500,000.00	5,630,618.40		
10/01/13	5,630,618.40			500,000.00		500,000.00	5,130,618.40	2,700,000.00	36%
11/01/13	5,130,618.40			500,000.00		500,000.00	4,630,618.40		
12/01/13	4,630,618.40			250,000.00		250,000.00	4,380,618.40		
01/01/14	4,380,618.40			250,000.00		250,000.00	4,130,618.40		
02/01/14	4,130,618.40			150,000.00		150,000.00	3,980,618.40		
03/01/14	3,980,618.40			86,042.88		86,042.88	3,894,575.52		
04/01/14	3,894,575.52						3,894,575.52	1,236,042.88	51%
05/01/14	3,894,575.52			700,000.00		700,000.00	3,194,575.52		
06/01/14	3,194,575.52			500,000.00		500,000.00	2,694,575.52		
07/01/14	2,694,575.52			500,000.00		500,000.00	2,194,575.52		
08/01/14	2,194,575.52			500,000.00		500,000.00	1,694,575.52		
09/01/14	1,694,575.52			500,000.00		500,000.00	1,194,575.52		
10/01/14	1,194,575.52			500,000.00		500,000.00	694,575.52	3,200,000.00	91%
11/01/14	694,575.52			250,000.00		250,000.00	444,575.52		
12/01/14	444,575.52			250,000.00		250,000.00	194,575.52		
01/01/15	194,575.52			150,000.00		150,000.00	44,575.52		
02/01/15	44,575.52			41,312.73		41,312.73	3,262.79		
03/01/15	3,262.79			3,262.79		3,262.79			
04/01/15								694,575.52	100%
05/01/15									
06/01/15									
07/01/15									
08/01/15									
09/01/15									
10/01/15									
11/01/15									
12/01/15									
01/01/16									
02/01/16									
03/01/16									
04/01/16									
05/01/16									

8,645,000.00	161,450.00	7,830,618.40	652,931.60	8,645,000.00	7,830,618.40
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**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Balance**

**Pawtucket WSB - (A Revenue Pledge) - \$8,645,000 Drinking Water Direct Loan**

(1)							
Date	Loan Draws	Principal Paid	Loan Balance	Interest @ 3.130%	Interest Requirements	Loan Fees @ 0.500%	Loan Fees Payable
04/01/13	814,381.60		814,381.60				
05/01/13			814,381.60	2,124.27		339.33	
06/01/13	700,000.00		1,514,381.60	2,124.27		339.33	
07/01/13	500,000.00		2,014,381.60	3,950.17		630.99	
08/01/13	500,000.00		2,514,381.60	5,254.39		839.33	
09/01/13	500,000.00	(1,000.00)	3,013,381.60	6,558.61	20,011.71	1,047.66	3,196.64
10/01/13	500,000.00		3,513,381.60	7,860.22		1,255.58	
11/01/13	500,000.00		4,013,381.60	9,164.44		1,463.91	
12/01/13	250,000.00		4,263,381.60	10,468.66		1,672.24	
01/01/14	250,000.00		4,513,381.60	11,120.77		1,776.41	
02/01/14	150,000.00		4,663,381.60	11,772.88		1,880.58	
03/01/14	86,042.88		4,749,424.48	12,164.15	62,551.12	1,943.08	9,991.80
04/01/14			4,749,424.48	12,388.59		1,978.93	
05/01/14	700,000.00		5,449,424.48	12,388.59		1,978.93	
06/01/14	500,000.00		5,949,424.48	14,214.49		2,270.59	
07/01/14	500,000.00		6,449,424.48	15,518.71		2,478.93	
08/01/14	500,000.00		6,949,424.48	16,822.93		2,687.26	
09/01/14	500,000.00	(341,000.00)	7,108,424.48	18,127.15	89,460.46	2,895.59	14,290.23
10/01/14	500,000.00		7,608,424.48	18,541.89		2,961.84	
11/01/14	250,000.00		7,858,424.48	19,846.11		3,170.18	
12/01/14	250,000.00		8,108,424.48	20,498.22		3,274.34	
01/01/15	150,000.00		8,258,424.48	21,150.33		3,378.51	
02/01/15	41,312.73		8,299,737.21	21,541.60		3,441.01	
03/01/15	3,262.79		8,303,000.00	21,649.36	123,227.51	3,458.22	19,684.10
04/01/15			8,303,000.00	21,657.87		3,459.58	
05/01/15			8,303,000.00	21,657.87		3,459.58	
06/01/15			8,303,000.00	21,657.87		3,459.58	
07/01/15			8,303,000.00	21,657.87		3,459.58	
08/01/15			8,303,000.00	21,657.87		3,459.58	
09/01/15			8,303,000.00	21,657.87	129,947.22	3,459.58	20,757.48
10/01/15							
11/01/15							
12/01/15							
01/01/16							
02/01/16							
03/01/16							
04/01/16							
05/01/16							

8,645,000.00	(342,000.00)	425,198.02	425,198.02	67,920.25	67,920.25
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- (1) Interest rate represents the weighted average loan rate for the entire loan amortization.  
Detailed loan rates for each maturity are as shown on the following page.

**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Debt Service**

**Pawtucket WSB - (A Revenue Pledge) - \$8,645,000 Drinking Water Direct Loan**

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
04/01/13							
9/1/2013	1,000.00		20,011.71	3,196.64	23,208.35	24,208.35	24,208.35
3/1/2014			62,551.12	9,991.80	72,542.92	72,542.92	
9/1/2014	341,000.00	1.57%	89,460.46	14,290.23	103,750.69	444,750.69	517,293.61
3/1/2015			123,227.51	19,684.10	142,911.61	142,911.61	
9/1/2015	348,000.00	1.86%	132,622.90	20,757.50	153,380.40	501,380.40	644,292.01
3/1/2016			129,386.50	19,887.50	149,274.00	149,274.00	
9/1/2016	357,000.00	2.02%	129,386.50	19,887.50	149,274.00	506,274.00	655,548.00
3/1/2017			125,780.80	18,995.00	144,775.80	144,775.80	
9/1/2017	366,000.00	2.15%	125,780.80	18,995.00	144,775.80	510,775.80	655,551.60
3/1/2018			121,846.30	18,080.00	139,926.30	139,926.30	
9/1/2018	375,000.00	2.28%	121,846.30	18,080.00	139,926.30	514,926.30	654,852.60
3/1/2019			117,571.30	17,142.50	134,713.80	134,713.80	
9/1/2019	386,000.00	2.41%	117,571.30	17,142.50	134,713.80	520,713.80	655,427.60
3/1/2020			112,920.00	16,177.50	129,097.50	129,097.50	
9/1/2020	397,000.00	2.61%	112,920.00	16,177.50	129,097.50	526,097.50	655,195.00
3/1/2021			107,739.15	15,185.00	122,924.15	122,924.15	
9/1/2021	409,000.00	2.77%	107,739.15	15,185.00	122,924.15	531,924.15	654,848.30
3/1/2022			102,074.50	14,162.50	116,237.00	116,237.00	
9/1/2022	423,000.00	2.89%	102,074.50	14,162.50	116,237.00	539,237.00	655,474.00
3/1/2023			95,962.15	13,105.00	109,067.15	109,067.15	
9/1/2023	437,000.00	3.14%	95,962.15	13,105.00	109,067.15	546,067.15	655,134.30
3/1/2024			89,101.25	12,012.50	101,113.75	101,113.75	
9/1/2024	453,000.00	3.31%	89,101.25	12,012.50	101,113.75	554,113.75	655,227.50
3/1/2025			81,604.10	10,880.00	92,484.10	92,484.10	
9/1/2025	470,000.00	3.43%	81,604.10	10,880.00	92,484.10	562,484.10	654,968.20
3/1/2026			73,543.60	9,705.00	83,248.60	83,248.60	
9/1/2026	489,000.00	3.54%	73,543.60	9,705.00	83,248.60	572,248.60	655,497.20
3/1/2027			64,888.30	8,482.50	73,370.80	73,370.80	
9/1/2027	508,000.00	3.64%	64,888.30	8,482.50	73,370.80	581,370.80	654,741.60
3/1/2028			55,642.70	7,212.50	62,855.20	62,855.20	
9/1/2028	529,000.00	3.72%	55,642.70	7,212.50	62,855.20	591,855.20	654,710.40
3/1/2029			45,803.30	5,890.00	51,693.30	51,693.30	
9/1/2029	552,000.00	3.79%	45,803.30	5,890.00	51,693.30	603,693.30	655,386.60
3/1/2030			35,342.90	4,510.00	39,852.90	39,852.90	
9/1/2030	575,000.00	3.86%	35,342.90	4,510.00	39,852.90	614,852.90	654,705.80
3/1/2031			24,245.40	3,072.50	27,317.90	27,317.90	
9/1/2031	601,000.00	3.92%	24,245.40	3,072.50	27,317.90	628,317.90	655,635.80
3/1/2032			12,465.80	1,570.00	14,035.80	14,035.80	
9/1/2032	628,000.00	3.97%	12,465.80	1,570.00	14,035.80	642,035.80	656,071.60
3/1/2033			-	-	-	-	
9/1/2033			-	-	-	-	
3/1/2034			-	-	-	-	
	<u>8,645,000.00</u>		<u>3,219,709.80</u>	<u>460,060.27</u>	<u>3,679,770.07</u>	<u>12,324,770.07</u>	<u>12,324,770.07</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.130%.

**Rhode Island Clean Water Finance Agency****Drinking Water SRF - Direct Loan****MMD Rates as of 1/25/2012 + 0.75%****Sources & Uses****Pawtucket WSB - (A Revenue Pledge) - \$8,950,000 Drinking Water Direct Loan****Sources:**

Par Amount of Loan	8,950,000.00
Original Issue Premium	-
Total Sources	<u>8,950,000.00</u>

**Uses:**

Deposit to Construction Fund	8,094,570.60
Capitalized Interest	-
Deposit to DSRF	690,929.40
Loan Origination Fee (1.0%)	89,500.00
Costs of Issuance - Local Level	75,000.00
Misc.	-
Total Uses	<u>8,950,000.00</u>

Weighted Average Maturity (WAM)	11.5254 years
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Loan Yields Exclusive of Costs & Fees	
Subsidized Yield on the Loan:	3.704%
Market Yield on the Loan:	5.392%
Effective Subsidy %:	31.30%



**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Construction Fund Cash Flow**  
**Pawtucket WSB - (A Revenue Pledge) - \$8,950,000 Drinking Water Direct Loan**

Date	Beginning Balance	Deposit	Cost of Issuance	Construction Draws	DSRF & Cap-I	Total Draws	Ending Fund Balance	6-Month Const. Draws	Percentage Spent
04/01/15		8,950,000.00	164,500.00		690,929.40	855,429.40	8,094,570.60		
05/01/15	8,094,570.60			700,000.00		700,000.00	7,394,570.60		
06/01/15	7,394,570.60			500,000.00		500,000.00	6,894,570.60		
07/01/15	6,894,570.60			500,000.00		500,000.00	6,394,570.60		
08/01/15	6,394,570.60			500,000.00		500,000.00	5,894,570.60		
09/01/15	5,894,570.60			500,000.00		500,000.00	5,394,570.60		
10/01/15	5,394,570.60			500,000.00		500,000.00	4,894,570.60	3,200,000.00	41%
11/01/15	4,894,570.60			300,000.00		300,000.00	4,594,570.60		
12/01/15	4,594,570.60			300,000.00		300,000.00	4,294,570.60		
01/01/16	4,294,570.60			200,000.00		200,000.00	4,094,570.60		
02/01/16	4,094,570.60			196,865.00		196,865.00	3,897,705.60		
03/01/16	3,897,705.60						3,897,705.60		
04/01/16	3,897,705.60						3,897,705.60	996,865.00	53%
05/01/16	3,897,705.60			300,000.00		300,000.00	3,597,705.60		
06/01/16	3,597,705.60			500,000.00		500,000.00	3,097,705.60		
07/01/16	3,097,705.60			500,000.00		500,000.00	2,597,705.60		
08/01/16	2,597,705.60			500,000.00		500,000.00	2,097,705.60		
09/01/16	2,097,705.60			500,000.00		500,000.00	1,597,705.60		
10/01/16	1,597,705.60			500,000.00		500,000.00	1,097,705.60	2,800,000.00	87%
11/01/16	1,097,705.60			500,000.00		500,000.00	597,705.60		
12/01/16	597,705.60			400,000.00		400,000.00	197,705.60		
01/01/17	197,705.60			195,959.00		195,959.00	1,746.60		
02/01/17	1,746.60			1,746.60		1,746.60			
03/01/17									
04/01/17								1,097,705.60	100%
05/01/17									
06/01/17									
07/01/17									
08/01/17									
09/01/17									
10/01/17									
11/01/17									
12/01/17									
01/01/18									
02/01/18									
03/01/18									
04/01/18									
05/01/18									

8,950,000.00	164,500.00	8,094,570.60	690,929.40	8,950,000.00	8,094,570.60
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**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Balance**

**Pawtucket WSB - (A Revenue Pledge) - \$8,950,000 Drinking Water Direct Loan**

(1)							
Date	Loan Draws	Principal Paid	Loan Balance	Interest @ 3.400%	Interest Requirements	Loan Fees @ 0.500%	Loan Fees Payable
04/01/15	855,429.40		855,429.40				
05/01/15	700,000.00		1,555,429.40	2,423.73		356.43	
06/01/15	500,000.00		2,055,429.40	4,407.07		648.10	
07/01/15	500,000.00		2,555,429.40	5,823.74		856.43	
08/01/15	500,000.00		3,055,429.40	7,240.41		1,064.76	
09/01/15	500,000.00	(1,000.00)	3,554,429.40	8,657.08	28,552.03	1,273.10	4,198.82
10/01/15	500,000.00		4,054,429.40	10,070.92		1,481.01	
11/01/15	300,000.00		4,354,429.40	11,487.59		1,689.35	
12/01/15	300,000.00		4,654,429.40	12,337.59		1,814.35	
01/01/16	200,000.00		4,854,429.40	13,187.60		1,939.35	
02/01/16	196,865.00		5,051,294.40	13,754.27		2,022.68	
03/01/16			5,051,294.40	14,312.05	75,150.02	2,104.71	11,051.45
04/01/16			5,051,294.40	14,312.05		2,104.71	
05/01/16	300,000.00		5,351,294.40	14,312.05		2,104.71	
06/01/16	500,000.00		5,851,294.40	15,162.06		2,229.71	
07/01/16	500,000.00		6,351,294.40	16,578.73		2,438.04	
08/01/16	500,000.00		6,851,294.40	17,995.40		2,646.37	
09/01/16	500,000.00	(343,000.00)	7,008,294.40	19,412.07	97,772.36	2,854.71	14,378.25
10/01/16	500,000.00		7,508,294.40	19,856.91		2,920.12	
11/01/16	500,000.00		8,008,294.40	21,273.58		3,128.46	
12/01/16	400,000.00		8,408,294.40	22,690.25		3,336.79	
01/01/17	195,959.00		8,604,253.40	23,823.59		3,503.46	
02/01/17	1,746.60		8,606,000.00	24,378.81		3,585.11	
03/01/17			8,606,000.00	24,383.75	136,406.89	3,585.83	20,059.77
04/01/17			8,606,000.00	24,383.75		3,585.83	
05/01/17			8,606,000.00	24,383.75		3,585.83	
06/01/17			8,606,000.00	24,383.75		3,585.83	
07/01/17			8,606,000.00	24,383.75		3,585.83	
08/01/17			8,606,000.00	24,383.75		3,585.83	
09/01/17			8,606,000.00	24,383.75	146,302.50	3,585.83	21,514.98
10/01/17							
11/01/17							
12/01/17							
01/01/18							
02/01/18							
03/01/18							
04/01/18							
05/01/18							

8,950,000.00	(344,000.00)	484,183.80	484,183.80	71,203.27	71,203.27
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- (1) Interest rate represents the weighted average loan rate for the entire loan amortization.  
Detailed loan rates for each maturity are as shown on the following page.

**Rhode Island Clean Water Finance Agency**  
**Drinking Water SRF - Direct Loan**  
**MMD Rates as of 1/25/2012 + 0.75%**

**Loan Debt Service**

**Pawtucket WSB - (A Revenue Pledge) - \$8,950,000 Drinking Water Direct Loan**

Date	Principal	Loan Rate	(1) Interest	Fees @ 0.500%	Total Fees & Interest	Total Debt Service	Annual Debt Service
04/01/15							
9/1/2015	1,000.00		28,552.03	4,198.82	32,750.85	33,750.85	33,750.85
3/1/2016			75,150.02	11,051.45	86,201.47	86,201.47	
9/1/2016	343,000.00	2.02%	97,772.36	14,378.25	112,150.61	455,150.61	541,352.08
3/1/2017			136,406.89	20,059.77	156,466.66	156,466.66	
9/1/2017	352,000.00	2.15%	148,686.25	21,515.00	170,201.25	522,201.25	678,667.91
3/1/2018			144,902.25	20,635.00	165,537.25	165,537.25	
9/1/2018	361,000.00	2.28%	144,902.25	20,635.00	165,537.25	526,537.25	692,074.50
3/1/2019			140,786.85	19,732.50	160,519.35	160,519.35	
9/1/2019	371,000.00	2.41%	140,786.85	19,732.50	160,519.35	531,519.35	692,038.70
3/1/2020			136,316.30	18,805.00	155,121.30	155,121.30	
9/1/2020	382,000.00	2.61%	136,316.30	18,805.00	155,121.30	537,121.30	692,242.60
3/1/2021			131,331.20	17,850.00	149,181.20	149,181.20	
9/1/2021	394,000.00	2.77%	131,331.20	17,850.00	149,181.20	543,181.20	692,362.40
3/1/2022			125,874.30	16,865.00	142,739.30	142,739.30	
9/1/2022	407,000.00	2.89%	125,874.30	16,865.00	142,739.30	549,739.30	692,478.60
3/1/2023			119,993.15	15,847.50	135,840.65	135,840.65	
9/1/2023	421,000.00	3.14%	119,993.15	15,847.50	135,840.65	556,840.65	692,681.30
3/1/2024			113,383.45	14,795.00	128,178.45	128,178.45	
9/1/2024	436,000.00	3.31%	113,383.45	14,795.00	128,178.45	564,178.45	692,356.90
3/1/2025			106,167.65	13,705.00	119,872.65	119,872.65	
9/1/2025	453,000.00	3.43%	106,167.65	13,705.00	119,872.65	572,872.65	692,745.30
3/1/2026			98,398.70	12,572.50	110,971.20	110,971.20	
9/1/2026	470,000.00	3.54%	98,398.70	12,572.50	110,971.20	580,971.20	691,942.40
3/1/2027			90,079.70	11,397.50	101,477.20	101,477.20	
9/1/2027	489,000.00	3.64%	90,079.70	11,397.50	101,477.20	590,477.20	691,954.40
3/1/2028			81,179.90	10,175.00	91,354.90	91,354.90	
9/1/2028	510,000.00	3.72%	81,179.90	10,175.00	91,354.90	601,354.90	692,709.80
3/1/2029			71,693.90	8,900.00	80,593.90	80,593.90	
9/1/2029	531,000.00	3.79%	71,693.90	8,900.00	80,593.90	611,593.90	692,187.80
3/1/2030			61,631.45	7,572.50	69,203.95	69,203.95	
9/1/2030	554,000.00	3.86%	61,631.45	7,572.50	69,203.95	623,203.95	692,407.90
3/1/2031			50,939.25	6,187.50	57,126.75	57,126.75	
9/1/2031	578,000.00	3.92%	50,939.25	6,187.50	57,126.75	635,126.75	692,253.50
3/1/2032			39,610.45	4,742.50	44,352.95	44,352.95	
9/1/2032	604,000.00	3.97%	39,610.45	4,742.50	44,352.95	648,352.95	692,705.90
3/1/2033			27,621.05	3,232.50	30,853.55	30,853.55	
9/1/2033	631,000.00	4.17%	27,621.05	3,232.50	30,853.55	661,853.55	692,707.10
3/1/2034			14,464.70	1,655.00	16,119.70	16,119.70	
9/1/2034	662,000.00	4.37%	14,464.70	1,655.00	16,119.70	678,119.70	694,239.40
3/1/2035			-	-	-	-	
9/1/2035			-	-	-	-	
3/1/2036			-	-	-	-	
	<u>8,950,000.00</u>		<u>3,595,316.05</u>	<u>480,543.29</u>	<u>4,075,859.34</u>	<u>13,025,859.34</u>	<u>13,025,859.34</u>

(1) Interest during construction period is calculated based on the timing of expected draws and the overall weighted average loan rate of 3.400%.

**PAWTUCKET WATER SUPPLY BOARD**  
**Restricted Debt Service Account Balances**  
**Years ended thru September 30, thru 2015**

	Total 10/1/11-9/30/12	Total 10/1/12-9/30/13	Total 10/1/13-9/30/14	Total 10/1/14-9/30/15	Total 10/1/15-9/30/16	Payments for 10/1/16-9/30/17
<b><u>Debt Service Stabilization Account</u></b>						
<b>Beginning Cash Balance</b>	2,246,827.08	2,460,645.25	2,274,677.76	1,574,691.15	729,910.20	
<b><u>Additions</u></b>						
From Rates - current revenue collections	706,076.11	330,176.65	124,230.06	70,084.17	70,084.17	
Investment Income	33.77	-	-	-	-	
<b>Total Additions - Rate Revenue</b>	<u>706,109.88</u>	<u>330,176.65</u>	<u>124,230.06</u>	<u>70,084.17</u>	<u>70,084.17</u>	
<b><u>Deductions</u></b>						
Total Fees - Agency, Trustee, Legal, Arbitrage, etc	389,341.06	385,800.67	391,488.85	394,342.46	346,920.34	
GO Bond principal & interest payments	102,950.65	101,912.19	101,312.43	70,084.17	70,084.17	
Transfer funds to the Debt Service Account	-	28,431.28	331,415.39	450,438.49	535,821.63	
<b>Total Deductions</b>	<u>492,291.71</u>	<u>516,144.14</u>	<u>824,216.67</u>	<u>914,865.12</u>	<u>952,826.14</u>	
<b>Ending Cash Balance - Debt Stabilization</b>	<u><b>2,460,645.25</b></u>	<u><b>2,274,677.76</b></u>	<u><b>1,574,691.15</b></u>	<u><b>729,910.20</b></u>	<u><b>(152,831.77)</b></u>	
<b><u>RICWFA Debt Service Account</u></b>						
<b>Beginning Cash Balance</b>	784,004.31	624,005.71	667,728.16	680,383.94	725,090.33	
<b><u>Additions</u></b>						
Total Investment Income	15.23	-	-	-	-	
Transfer from Debt Stabilization	-	28,431.28	331,415.39	450,438.49	535,821.63	
Federal ARRA Funding	51,725.98	52,653.80	54,045.53	55,437.26	57,060.95	
From Rates - revenue collections	<u>7,090,008.14</u>	<u>7,489,326.63</u>	<u>7,666,841.94</u>	<u>7,741,384.86</u>	<u>7,720,987.83</u>	
<b>Total Additions</b>	<u>7,141,749.35</u>	<u>7,570,411.71</u>	<u>8,052,302.86</u>	<u>8,247,260.61</u>	<u>8,313,870.41</u>	
<b><u>Deductions</u></b>						
Interim Loan 2010 - Interest Payment	11,152.00	0.00	0.00	0.00	0.00	-
2003A Interest payments due Sep 1 and Mar 1	967,000.00	967,000.00	967,000.00	967,000.00	967,000.00	967,000.00
2003B Interest payments due Sep 1 and Mar 1	459,300.00	459,300.00	459,300.00	459,300.00	459,300.00	459,300.00
2004A Interest payments due Sep 1 and Mar 1	895,343.30	851,209.70	802,949.50	750,728.00	694,303.20	634,087.20
2005A Interest payments due Sep 1 and Mar 1	815,209.70	782,609.70	747,396.90	709,974.90	670,363.90	628,417.10
2009A Interest payments due Sep 1 and Mar 1	135,633.66	133,287.20	130,218.70	126,371.18	121,800.46	126,371.18
2011A Interest payments due Sep 1 and Mar 1	126,905.19	205,951.02	203,900.00	200,069.10	195,947.90	200,069.10
2003A transfer to debt service sinking acct	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
2003B transfer to debt service sinking acct	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
2004A principal payment due Sep 1	2,072,000.00	2,126,000.00	2,185,000.00	2,248,000.00	2,316,000.00	2,388,000.00
2005A principal payment due Sep 1	1,304,000.00	1,344,000.00	1,386,000.00	1,430,000.00	1,477,000.00	1,526,000.00
2009A principal payment due Sep 1	223,000.00	227,000.00	233,000.00	239,000.00	246,000.00	254,000.00
2011A principal payment due Sep 1	288,000.00	293,000.00	297,000.00	303,000.00	308,000.00	315,000.00
<b>Total existing debt principal &amp; interest payments</b>	<u>7,299,543.85</u>	<u>7,391,357.62</u>	<u>7,413,765.10</u>	<u>7,435,443.18</u>	<u>7,457,715.46</u>	<u>7,500,244.58</u>
<b><u>Debt Service Payments - new borrowings</u></b>						
2012A Interest payments due Sep 1 and Mar 1	1,204.10	41,319.93	58,870.40	57,708.60	56,295.00	54,759.10
2013A Interest payments due Sep 1 and Mar 1	-	20,011.71	152,011.58	255,850.41	258,773.00	251,561.60
2015A Interest payments due Sep 1 and Mar 1	-	-	-	28,552.03	172,922.38	285,093.14
2012A principal payment due Sep 1	1,000.00	73,000.00	74,000.00	76,000.00	78,000.00	80,000.00
2013A principal payment due Sep 1	-	1,000.00	341,000.00	348,000.00	357,000.00	366,000.00
2015A principal payment due Sep 1	-	-	-	1,000.00	343,000.00	352,000.00
<b>Total Deductions</b>	<u>7,301,747.95</u>	<u>7,526,689.26</u>	<u>8,039,647.08</u>	<u>8,202,554.22</u>	<u>8,723,705.84</u>	<u>8,889,658.42</u>
<b>Ending Cash Balance - Debt Service Account</b>	<u><b>624,005.71</b></u>	<u><b>667,728.16</b></u>	<u><b>680,383.94</b></u>	<u><b>725,090.33</b></u>	<u><b>315,254.90</b></u>	
<b>Calculate Required Debt Service Balance</b>						
<b>Minimum Required Deposit</b>						
<b>Required Debt Service Ending Balance</b>	<b>624,005.71</b>	<b>667,728.16</b>	<b>680,383.94</b>	<b>725,090.33</b>	<b>739,781.62</b>	
Add RICWFA Direct Loan interest due in November						
Required Debt Service Balance						
Excess Funds in the Debt Service Account						
<b>Deficiency in the Debt Service Account</b>						
<b>Combined Deficiency in the Debt Service Fund</b>					<b>(577,358.49)</b>	