

May 9, 2014

Via E-mail and Hand Delivery

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Blvd
Warwick, R.I. 02888

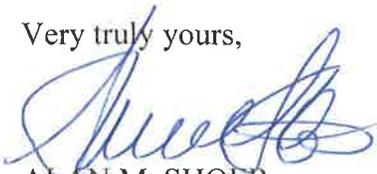
Re: Docket 4320: City of Woonsocket, Water Division – Information Requests

Dear Luly:

On behalf of the City of Woonsocket, Water Division enclosed please find one (1) original and (3) copies of data responses to these Information Requests.

Please let me know if you have any questions.

Very truly yours,



ALAN M. SHOER

Enclosures

cc: John Bell, Public Utility Rate Analyst (*via e-mail, w/encls.*)

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

IN RE: CITY OF WOONSOCKET :
WATER DIVISION APPLICATION : DOCKET NO. 4320
TO CHANGE RATES :

**WOONSOCKET WATER DIVISION RESPONSE TO
INFORMATION REQUESTS
REGARDING COMPLIANCE REPORTS
(Issued April 4, 2014)**

6-1. With regard to the Revenue Fund (main account) there is a cash balance of \$7,050,931.83. It appears there has been no transfer in Q2 of FY 2014 to any restricted accounts according to the last report the Commission received which was dated October 2013 to December 2013. Please explain and please also provide a breakout of the "Expenditures" listed under Cash Activity on this report.

Response 6-1. This report correctly shows no transfer from the Revenue Fund to the restricted. There should have been at least three of the monthly budgeted transfers but Woonsocket at this point still was only transferring funds only as needed to cover restricted expenditures. As a result of this inquiry, a meeting was held on April 16th between the City's Finance Director, Controller, Water Superintendent and their regulatory attorney and regulatory accountant. City Finance thought that they were covering this issue by accruing a due to/from entry between the water revenue fund and the restricted account. They were informed that this entry is meaningless and the actual transfer between the cash accounts is the only thing that counts. It was agreed at this meeting that City Finance would handle the monthly budget transfer from the Revenue fund to the Restricted Accounts. Also as a start, the past due amount for IFR would be transferred immediately from Water Revenue. During this third quarter City Finance will transfer the remaining smaller restricted account past due amounts.

Regarding the Expenditures listed under Cash Activity on this report, they represent the operating expenditures which have cleared the bank for this fund. I have prepared and attached a list of expenses per the water fund GL and reconciling items to arrive at the expenditure line item. Please note that the list of expenditures is maintained on an accrual basis and it would be extremely time consuming to list the individual expenses on a cash basis. In addition, some of the reconciling items include the payment of prior year accounts payable (which were determined by the change in the balance sheet ending balances) and outstanding checks issued before June 30th clearing during this fiscal year.

Date: April 21, 2014

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Respondent: David Bebyn CPA

YTD December 2013 -Revenue fund expenses per periodic report Attachment to 6-1
WOONSOCKET WATER DIVISION

| ACCT. # | BUDGET ACCOUNT DESCRIPTION | TEST YEAR 12/31/13 |
|---|------------------------------------|-----------------------|
| EXPENSES | | |
| <i>Personnel Expense</i> | | |
| 51110 | Permanent Services | \$ 497,548 |
| 51121 | Temporary Clerical | - |
| 51122 | Temporary Labor | 8,864 |
| 51141 | Overtime Pay | 78,507 |
| 51144 | Out of Class | 13,752 |
| 51145 | Longevity Pay | 42,629 |
| 51146 | Medical Buy Back | - |
| 51147 | Sick Leave Reimbursement | - |
| 51148 | Comp Time Reimbursement | - |
| 51149 | Shift Differential | 4,491 |
| 51153 | Non-sick/Injury Bonus | - |
| 51155 | Bonus for Course | 8,181 |
| 51160 | Retirement | - |
| <i>Total Personnel Expenses</i> | | 653,973 |
| <i>Maintenance & Servicing Expenses</i> | | |
| 52211 | Postage | 3,600 |
| 52212 | Telephone | 7,739 |
| 52213 | Dues & Subscriptions | 720 |
| 52214 | Advertising | 616 |
| 52216 | Travel Out of City | 28 |
| 52219 | Educational Training | 3,910 |
| 52221 | Printing & Reproducing | 6,295 |
| 52231 | General Maint. & Upkeep | 9,816 |
| 52234 | Vehicle & Outside Equip. Upkeep | 15,191 |
| 52236 | Maintenance - Office Equipment | - |
| 52238 | Maintenance - Roads & Walks | 45,836 |
| 52239 | Computer Software | 172 |
| 52244 | Land Rental Charges | - |
| 52249 | Other Rentals | 2,225 |
| 52251 | Heating | 2,500 |
| 52252 | Light & Power | 84,058 |
| 52255 | Property & Fire Taxes | 78,308 |
| 52256 | Sewer Assessment | 34,643 |
| 52258 | State Pollution Monitoring Program | 5,488 |
| 52260 | Regulatory Assessments | 410 |
| 52261 | Conservation Services | - |
| 52266 | Police Details | 4,081 |
| 52281 | Other Independent Service | 14,096 |
| 52282 | Audit Service | - |
| 52283 | Legal Service | (696) |
| 52289 | Medical Examinations | - |
| 52290 | Engineering Service | - |
| 52305 | Environmental Equip & Training | 10,570 |
| 54501 | EPA Penalty | 5,500 |
| <i>Total Maintenance & Servicing Expenses</i> | | 335,105 |
| <i>Operating Supplies & Expenses</i> | | |
| 53311 | Office Supplies | 1,805 |
| 53321 | Gas & Diesel | 10,026 |
| 53322 | Tires & Batteries | 1,088 |
| 53336 | Chemicals - Water Supply | - |

YTD December 2013 -Revenue fund expenses per periodic report Attachment to 6-1
WOONSOCKET WATER DIVISION

| ACCT. # | BUDGET ACCOUNT DESCRIPTION | TEST YEAR 12/31/13 |
|--|----------------------------------|-----------------------|
| 53344 | Tools & Implements | 1,351 |
| 53346 | Cleaning & Housekeeping Supplies | 616 |
| 53349 | Other Supplies | 16,043 |
| 53351 | Lab Supplies | 13,171 |
| 53363 | Clothing & Footware | 210 |
| 53366 | Drug & Medical Supplies | - |
| 53369 | Clothing Allowance | 4,053 |
| <i>Total Operating Supplies & Expenses</i> | | 48,362 |
| <i>General Expenses</i> | | |
| 54413 | Fiscal Certification | 1,250 |
| 54433 | Pension | - |
| 54434 | FICA Employer Cost | 43,147 |
| 54446 | City Service Charges | - |
| 54451 | Insurance - Vehicles & Equipment | - |
| 54452 | Insurance - Workmen's Comp | - |
| 54453 | Insurance - Liability | - |
| 54456 | Insurance - Group Life | - |
| | Rate Case | 40,000 |
| 54471 | Health Insurance | 54,597 |
| 54472 | Dental Insurance | 17,846 |
| 54493 | Bad Debt Exp | - |
| <i>Total General Expenses</i> | | 156,839 |
| 54415 | Depreciation | - |
| <i>Restricted Account Expenses</i> | | |
| 53336 | Chemicals - Water Supply | 100,000 |
| 54463 | Infrastructure Replacement | - |
| 54464 | Rate Case Expense | - |
| 54467 | Debt Service Reimbursement | 876,360 |
| 54473 | Renewal & Replace Fund | 40,000 |
| <i>Total Other Miscellaneous Expenses</i> | | 1,016,360 |
| TOTAL EXPENSES | | \$ 2,210,639 |

TRANSFERS TO RESTRICTED ACCOUNTS (1,016,360)

Expenses per 12/31/13 General Ledger excluding restricted account transfers 1,194,279.15

Surcharge Paid (pass thru items) 107,925.96

Payment of prior year AP 239,743.35

Returned deposits 5,673.29

Sales Taxes Paid (pass thru items) 92,323.89

transfer between citizens and Webster counted on periodic report total expenses 84,000.00

Outstanding checks cleared 55,639.94

Total Expenses per 12/31/13 Dec Periodic report 1,779,585.58

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6-2. The Rate Case balance as of December 31, 2012 was \$32,927.13. On the Revenue Fund report dated January 2013 thru March 2013, the Rate Case Bank Account transfer is \$14,196.40 (Docket 4320 unrestricted this account). Please explain the \$18,730.73 expenditure.

Response 6-2. These expenditures reflect the payment of expenses incurred at the end of Docket 4320. The expenditures listed on these reports are recorded only when the payments clear the bank. The reason for recognizing the expenses in this manner were a result of meetings between the commission, division and the utility. Maintaining the report in this manner clearly displays the actual cash balances held per the bank statement.

The individual amounts that make up this \$18,730.73 expenditure are as follows:

| | Invoice # | Invoice Date | Amount |
|------------------------------|-----------|--------------|---------|
| Adler Pollock & Sheehan | 416166 | 11/8/2012 | 6267.26 |
| Adler Pollock & Sheehan | 417379 | 12/11/2012 | 2077.77 |
| B&E Consulting | 1362 | 11/2/2012 | 5381.25 |
| B&E Consulting | 1381 | 12/3/2012 | 787.5 |
| Division of Public Utilities | URC 10/12 | 10/31/2012 | 3527.78 |
| Division of Public Utilities | URC 11/12 | 12/4/2012 | 670.42 |

Date: April 21, 2014

Respondent: David Bebyn CPA

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6-3. Renewal & Replacement is inconsistent in funding. In FY 2014, there has been one transfer made to this account in the amount of \$40,528.00. It appears that this account was underfunded by \$44,534.25 in FY13. Please explain.

Response 6-3. Please see the response to 6-1 with regarding actual funding. City Finance is in agreement however to transfer any past due amounts between the Revenue fund and the restricted funds. As of December 31, 2013 this account was underfunded by \$73,791.63 which is made up of \$8,000 in FY 2012, \$44,534.25 in FY13 and \$21,257.38 in FY 2014 (as of December). This balance will be transfer during the next month.

Date: April 21, 2014

Respondent: David Bebyn CPA

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6-5. With regard to Chemicals, there has been one deposit in Q1 of FY14 in the amount of \$105,811.18, showing an under budget of \$98,080.61 at December 2013. The funding in this account was over budget at FY13 end by \$125,380.82. Expenditures include GAC replacement of \$304,600 which may attribute to additional funds deposited/expended. Please explain.

Response 6-5. Please see the response to 6-1 with regarding actual funding. City Finance is in agreement however to transfer any past due amounts between the Revenue fund and the restricted funds. As of December 31, 2013 this account was underfunded by \$68,699.79 which is made up of \$96,000.00 in FY 2012, overfunding of \$125,380.82 in FY13 and \$98,080.61 in FY 2014 (as of December). This balance will be transfer during the next month.

The over funding for FY 13 was the result of the GAC replacement, however there were some additional funds due from FY 2012.

Date: April 21, 2014

Respondent: David Bebyn CPA

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6-6. The IFR account has not been funded at all according to the reports provided (July 2012 thru December 2013). According to the March 6, 2014 meeting discussions were to take place between the City's Finance Director and David Bebyn. Please provide a status of those discussions and any evidence of subsequent transfers.

Response 6-6. Please see the response to 6-1 with regarding actual funding. City Finance is in agreement however to transfer any past due amounts between the Revenue fund and the restricted funds. As a first step, City finance has transferred \$4,014,506 for the prior years and estimated balance partial FY 2014. A copy of the transfer authorization has been attached.

Date: April 21, 2014

Respondent: David Bebyn CPA

Request for transfer of cash

As per the meeting with Dave Bebyn and Alan Shoer on April 16, 2014, a transfer of \$4,000,000 is required from the Water Revenue Fund (015) to the Water Infrastructure Fund (014). This will reduce the corresponding due to/due from accounts in these funds and satisfy the required transfers through all prior years including FY2013 and partial FY2014

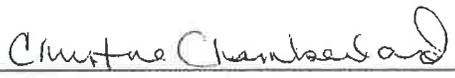
Please make the following cash transfer:

| | | |
|---------------|----------------------|-----------|
| Transfer to | Water Infrastructure | 4,014,506 |
| Transfer from | Water Revenue | 4,014,506 |

| | | Debit | Credit |
|-----------------------|----------------------|-----------|-----------|
| Journal Entry needed: | | | |
| A 014 W6400 10101 | Cash-014 | 4,014,506 | |
| A 014 W6400 17015 | Due from Water | | 3,139,213 |
| A 014 W6400 10155 | Contribution Revenue | | 875,293 |
| 1 015 W6554 54463 | Water Infrastructure | 875,293 | |
| L 015 W6500 20014 | Due to Water Infr | 3,139,213 | |
| A 015 W6500 10101 | Cash-015 | | 4,014,506 |
| | | 8,029,012 | 8,029,012 |



 Thomas Bruce, Finance Director



 Christine Chamberland, City Controller

Webster Web-Link®

Enter Transfer

You have created a transfer.

Note: When making a transfer to or from a loan, please be advised that the change in the balance of your loan and the application of the payment will be made in accordance with the terms of your loan agreement.

| | |
|----------------------|---|
| Date: | 04/22/2014 |
| Name: | dueto-due from prior years |
| Amount: | \$4,014,506.00 |
| Type: | N/A |
| From Account: | 1918031205 – WATER SYSTEM ACCOUNT |
| To Account: | 1918032291 – WATER INFRASTRCTR RPLCMT 014 |
| On: | 04/22/2014 |
| Created By: | 7440DIA |
| Memo: | perBebyn-Shoer4/16/14 |

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6-9. Please provide the status of IFR projects that are underway, including the expenditures to date and budgeted expenditures to completion. Please also indicate whether new ones are planned to begin in FY 2014 or FY 2015 and their status.

Response 6-9. FY 2012 project: Manville Road: Completed.

FY 2013 – FY 2014: Cumberland Interconnection Project and Diamond Hill - (cost to City \$2.2 m) - Waiting on completion of easements required to complete part of the project, and another section of that project with another easement. The rest of the project rehabilitating the Diamond Hill Pump station, Industrial Park Pump Station and further completion of the Cumberland to Woonsocket interconnection will be one of the projects pursued in coordination with the new Public Works Director, when appointed.

FY 2014 – FY 2015: Interior Coating & Exterior Painting of Highland Industrial Park Tank (est. \$1.2 m) – No progress on this at this time; awaiting instructions from new Public Works Director. May be more prudent to replace the tank instead of painting and rehab.

FY 2015 Transmission Main Improvements (est. \$9.8 m) – Still in development, pending allocation of funding by new City administration.

Date: May 8, 2014

Respondent: Marc Viggiani, Interim Water Superintendent

**FRIDAY, MAY 16, 2014
AGENDA
7:00 PM. – 2ND FLOOR CONFERENCE ROOM**

**MAYOR'S INFORMATIONAL MEETING
WITH WOONSOCKET CITY COUNCIL**

1. Discussion regarding Solid Waste/Recycling Collection and the merits of the absence of a recycling bin. Trash will not be collected: **"NO BIN; NO BARRELL"**.
2. Discussion regarding the inclusion of Solid Waste fees with all of the city fees/taxes currently collected at the time of a water connection reinstatement.
3. Discussion regarding clarification of Ordinance 13 O 3 **"PRORATING SOLID WASTE COLLECTION FEES AND SEWER USE FEES FOR CERTAIN DWELLING UNITS"**.
4. Update on Inter-Jurisdictional Agreements.
5. Discussion pertaining to Council's position of design and location of new Water Plant.

The City Council may vote to go into executive session under Rhode Island General Laws §42-46-5 (a) _____.

For additional information or to request interpreter services, or other special services for the hearing impaired, please contact City Clerk Christina Harmon-Duarte three days prior to the meeting at (401) 762-6400, or by the Thursday prior to the meeting.

Posted on May 5, 2014