KEOUGH & SWEENEY, LTD.

ATTORNEYS AND COUNSELORS AT LAW
41 MENDON AVENUE
PAWTUCKET, RHODE ISLAND 02861
TELEPHONE (401) 724-3600
FACSIMILE (401) 724-9909
www.keoughsweeney.com

JOSEPH A. KEOUGH JR.*
JEROME V. SWEENEY III*

SEAN P. KEOUGH*
STACI L. KOLB

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

RAYNHAM OFFICE:
90 NEW STATE HIGHWAY
RAYNHAM, MA 02109
TEL. (508) 822-2813
FAX (508) 822-2832

BOSTON OFFICE:
171 MILK STREET
SUITE 30
BOSTON, MA 02109
TEL. (617) 574-0054
FAX (617) 451-1914

May 15, 2014

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

Re: Docket 4478 - Narragansett Bay Commission

Dear Ms. Massaro:

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

1. The Narragansett Bay Commission's Response to the Division of Public Utilities And Carriers' Third Set of Data Requests.

Please note that an electronic copy of this filing has been sent to the service list. Thank you for your attention to this matter.

Sincerely,

Joseph A. Keough Jr.

JAK/kf
Enclosures

COMM 3-1 Provide a list of the Board of Directors, their salaries and benefit package they receive, i.e., healthcare, life insurance, automobile, etc.

Answer: See list below. They do not receive salaries or benefits.

Robert P. Andrade
Dr. Richard Burroughs
Dr. Bruce Campbell
Mario G. Carlino
Michael DiChiro, Esq
Jonathan K. Farnum
Seth H. Handy
Joseph Kimball
Paul E. Lemont
Ronald Leone
John MacQueen
Vincent J. Mesolella
Joan P. Milas
Alessandro Montanari
Alan Nathan
Angelo S. Rotella, Esq.
Richard D. Worrell
Vacant (2)

COMM 3-2 Provide a list of travel expenses and details of such travel for each Board member.

Answer:

Pd. FY 13
Vincent J. Mesolella – New York City
Municipal Issuer and Investor Conference – 6/7/12-6/8/12 $1,141.73

Pd. FY 12
Vincent J. Mesolella – Florida
Municipal Bond Summit – 3/30/11-4/1/11 $1,656.37

Pd. FY 11
Vincent J. Mesolella – New York City
Build America Bond Conference – 6/23/10-6/24/10 $999.00

COMM 3-3 With regard to the Environmental Enforcement Fund, please identify the current balance in the account, and provide the following information for the last 3 fiscal years:

i. the administrative or enforcement actions brought and fines recovered;
ii. Deposits made;
iii. Interest earned; and
iv. Expenditures made.

Answer:

	2011	2012	2013
Fines/Deposits	$8,315	$1,000	$ 0
Interest earned	168	69	27
Expenses	36,897	15,285	27,650

COMM 3-4 Provide further explanation of the “pool of dollars available for merit raises” referred to in Comm 2-3. Are these dollars currently available? In what “pool” or account are they held?

Answer: The Executive Director determines the overall percent of non-union salaries that is to be allocated for merit raises in the subsequent fiscal year. There are no dollars currently available.

COMM 3-5 Several years ago, the State of Rhode Island reduced the amount of the healthcare waiver for its employees who waived healthcare coverage from $2,000 to $1,000. What efforts has NBC made to reduce its $2,500 healthcare waiver? Explain why if no efforts have been made?

Answer: NBC has seen an increase in the number of employees that have opted for the waiver which has resulted in significant savings and the numbers would seem to speak for themselves (see following table supplied in response to COMM 2-8). NBC uses the waiver as a financial incentive for employees to waive coverage. The NBC has not seen any statistics from the State of Rhode Island related to this issue and whether or not their reduction in the waiver impacted the number of employees opting to waive coverage.

Health Waivers

Year Paid	Health Waiver Cost	Total # of Employees with Health Waiver	Cost of Annual Health vs. Waiver
2013	59,616	27	465,850
2012	57,212	26	442,854
2011	39,135	17	290,919
Total	**$238,272**		**$1,199,623**

COMM 3-6 With regard to the additional 13 employees projected to receive a compensated absence payment, please identify the name, title, salary, union affiliation and termination date of these 13 employees. Provide the detail for the $19,230 per employee set forth in the response to COMM 2-13.

Answer:

Title	Salary*	Union vs Non-union	2015
APPLICATIONS SYSTEM SUPERVISOR	88,470.82	Non - Union	28,777.32
CUSTOMER SERVICE SUPPORT SUPERVISOR	59,649.77	Non - Union	14,060.30
PRETREATMENT MANAGER	87,550.00	Non - Union	29,271.52
SENIOR CONSTRUCTION COORDINATOR	76,808.10	Non - Union	26,273.54
MECHANIC I	49,575.14	Union	3,479.79
PROCESS MONITOR	59,451.60	Union	20,336.45
FP CLERK	43,172.04	Union	14,102.08
TECHNICAL ASSISTANT	44,296.80	Non - Union	4,843.44
ASST. LABORATORY MANAGER	66,360.84	Non - Union	18,066.92
CUSTOMER SERVICE ANALYST-	46,696.29	Non - Union	15,522.67
IM MANAGER	92,207.66	Non - Union	23,583.88
INSTRUMENTATION ENGINEER	58,689.40	Non - Union	19,396.52
PROCESS MONITOR	51,717.54	Union	15,751.47
			233,465.91
* Assumes a 3% increase in wages in 2015.			

COMM 3-7 Does NBC intend to fill any of the positions identified in COMM 3-6 and if so, detail the recruitment process.

Answer: These are liabilities that NBC incurs and it does not mean that an employee is actually terminating service.

COMM 3-8 Provide the projected savings resulting from the vacancies identified in COMM 3-6.

Answer: N/A.

COMM 3-9 With regard to both the Regulatory Compliance Building and the IM Facility, identify where the functions to be performed in those two buildings are currently taking place. Why is the current facility inefficient and/or in appropriate, and what are NBC's plans for how the current building/facility will be utilized.

Answer: IM Facility:

NBC has included a placeholder in the CIP for a new IM Facility that would be needed if NBC becomes responsible for the repair and maintenance of all sewer laterals in the service area not just the larger interceptors. The functions to be supported by the new IM Facility are taking place in the local communities.

Regultory Compliance Building:

See following discussion for a description of need. The 2016-2020 CIP includes a project that will evaluate the best possible use of the existing structures.

The Narragansett Bay Commission originally operated two wastewater laboratories, one at the Field's Point wastewater treatment facility and a second at Bucklin Point facility. To improve operational efficiency and costs, the NBC combined laboratory operations into the former Hudson Asphalt Company Laboratory building when the Field's Point campus was expanded over 10 years ago. The Hudson Company previously used this building to perform asphalt analyses and as a parking garage for vehicles. Much of the original older mechanical systems and equipment remain in operation in this building, which has resulted in almost daily building issues with HVAC systems, water penetration from the roof and walls, and electrical problems.

Narragansett Bay Commission Environmental Laboratory

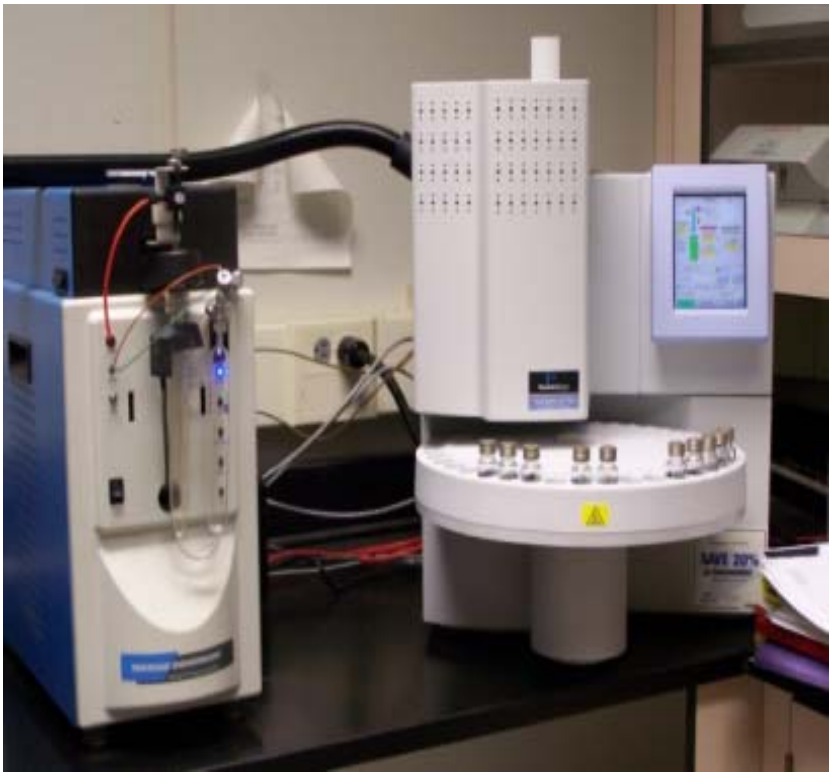
The NBC Environmental Monitoring & Data Analysis (EMDA) Section collects the wastewater samples that are analyzed by the NBC Laboratory. This department is housed in another building that is also operationally inadequate. The Narragansett Bay Commission is building a new Laboratory Building to improve operational efficiencies of the Laboratory and EMDA departments, to meet more stringent EPA testing requirements, and to achieve lower level laboratory testing required to meet water quality standards. The improved efficiencies include having both the Laboratory and EMDA sections housed in the same building, sharing assets such as deionized water purification systems, sample and equipment storage space, clean room facilities, fume hoods and laboratory space. More quality control and quality assurance requirements are required by the EPA for all of the laboratory analysis. Having a new laboratory building free of structural and environmental problems will improve our ability to meet the increasingly more stringent EPA, DEM and DOH sampling and analytical requirements.

The NBC Laboratory is operates 7 days per week, 365 days per year, to accept and analyze RIPDES Permit mandated samples. There were 111,270 parameter analysis perform on 28,497 samples by the NBC Lab in

2013. The NBC Laboratory is responsible for ensuring the production of high quality analytical data through the use of analytical measurements that must be accurate, reliable and achieve the most precise measurements possible in order to comply with Federal and State regulations.

Analyst conducting EPA required testing

When the NBC Laboratory operations were combined in the old Hudson Asphalt Lab building, the NBC lab was evaluating water quality samples to report results in the part per million (PPM) level. The NBC Lab must now utilize more highly sensitive equipment to evaluate and report water quality results in the part per billion (PPB) and part per trillion (PPT) level. These measurements are directly influenced by the building environment in which the testing takes place. To achieve the PPT level of testing standards, very expensive and highly sensitive instruments are utilized to meet the EPA requirements. These instruments are built with fragile electronics, lenses, and mechanical devices. The sensitivity of this sophisticated equipment is compromised when the environmental factors in the lab work areas are not stringently controlled. Conditions such as humidity, temperature conditioned air, and air particulate levels can damage the highly sensitive and expensive instruments and contaminate samples making the results unacceptable, which can cause NBC to be in violation of RIPDES Permit requirements.



GC-MS Purge and Trap Instrument

Our current laboratory has many structural problems that have affected our sensitive analytical equipment. The HVAC systems experience numerous ongoing problems which cause the heating and cooling systems to shut down causing staff to work in areas without heat or air conditioning. The inadequate HVAC systems cause high humidity in the lab during the summer months. The high humidity in the lab contains particulates that have contaminated samples and caused laboratory instruments to malfunction.

Maintenance worker repairing a fume ventilation hood

The roof of the existing NBC Laboratory is flat membrane roof. There are three HVAC systems and numerous fume hood fan systems mounted on this roof. This equipment is installed via roof penetrations through the roof membrane material causing recurring roof water leaks into the lab. As the seasons change, the expansion and contraction of the roof membrane also makes the penetrations more susceptible to leaks. As the water from the leaking roof makes its way to the lab work areas, metal contaminants which the water has come in contact with also enters the lab spaces and causes sample contamination. Portable dehumidifiers are used continuously throughout the Lab in an effort to reduce humidity and keep the air dry. The new lab building will have a rounded roof covering the mechanical systems to eliminate roof penetrations.

The existing laboratory work area is inadequate for the number of samples being processed. The modern sophisticated lab analyzers utilize more bench space than older styled equipment. Laboratory refrigerators used to store samples are located in the hallways of the lab. Packages of lab supplies clutter the floor space, work bench space, and hall ways. The cramped quarters of the existing Lab increase the safety risk when working with hazardous chemicals such as acids and organics.

Laboratory Refrigerators in a hallway and Cluttered workspaces

The Narragansett Bay Commission Laboratory has six clean room grade polypropylene fume hoods and ten standard grade modular fume hoods. None of the fume hoods have tempered air to control the seasonal temperature swings. Extreme cold temperatures flow through the fume hoods during the winter months and high humidity and condensation flow through the fume hoods during the summer months. The unconditioned air flow from the fume hood systems has adversely impacted laboratory operations. The unconditioned air flow from the fume hoods make it more difficult to heat and cool materials as the chemists work under the hoods. Colder temperatures have caused acid bottles that were being used in the fume hood to shatter and pipes have frozen and burst. Lab staff is subjected to

the temperature swings as their hands must be exposed to the interior of the fume hoods. The Narragansett Bay Commission evaluated the cost to upgrade the HVAC systems to provide conditioning of the air flow through the fume hoods so that lab standards could be met. This evaluation revealed that the cost of the HVAC upgrades would approach three million dollars.

The Environmental and Data Analysis (EMDA) extension building was built in 1991 as a temporary extension of the former laboratory while the existing laboratory building was being constructed. It measures 29'-9" x 33' and is approximately 980 square feet. This 23 year-old building currently serves as the Environmental Monitoring and Data Analysis (EMDA) section's laboratory.

EMDA Lab Extension Building

The old lab extension has no foundation or basement, but rather is built on piers. As a result, there have been numerous water and drain line freezing issues over the years. In addition, because the extension was built onto the former Field's Point Administration building, the extension has its own HVAC system which is old and problematic. This system has greatly exceeded its life expectancy and in recent years continues to break down with increasing frequency. There is also substandard treatment of EMDA lab waste discharged to the sewer from this facility.

All of EMDA's bottle and sampler washing are done in this lab, as well as sample preservations, monitoring equipment calibrations and maintenance, and other general sampling preparation activities. EMDA consists of 17 personnel, of which 11 are field staff that work in this small lab. This lab is overcrowded and no longer adequate for the quantity and quality of work that must be performed. The

number of samples processed in this lab has increased dramatically over the years to meet ever increasing RIPDES Permit requirements imposed by the RIDEM. As monitoring requirements increase, more and more samples must be collected every year. For instance, in 2005 EMDA collected and processed 18,240 samples. In order to satisfy the increasing regulatory monitoring mandates the number of samples collected each year has steadily increased, and in 2013 the number of samples that were necessary to satisfy all sampling mandates totaled 28,497, a 56.2% increase in just 8 years. This is a trend which is expected to continue into the foreseeable future.

There are a number of operational problems that EMDA is experiencing due to our current situation; one being the cramped laboratory space which increases the potential of cross contamination of samples. There is inadequate counter space in the existing EMDA laboratory. While some staff may be cleaning equipment and bottles for ultra-clean sample collections, others may be in very close proximity cleaning contaminated portable samplers removed from industry or from a sewer, which increases the risk of contamination. Along those lines, a lack of dedicated work areas for our different types of monitoring EMDA conducts leads to inefficiencies and potential mistakes in sample and sampling equipment preparation.

Staff Cleaning Samplers and other Sampling Preparation Work

The current set-up also poses safety issues to employees. Parking is not available adjacent to the existing EMDA laboratory. Staff are required to load and unload supplies, equipment, samplers, and samples from a grassy area with uneven terrain, moving items long distances over mud, cement, wood, and concrete surfaces.

Plant Sampling Van Parked in Mud Poses a Safety Hazard for Loading and Unloading

EMDA has fragmented and inadequate supplies and equipment storage areas, which leads to inefficiencies in not being able to quickly locate and retrieve supplies needed for the smooth operation of the section.

Miscellaneous Equipment and Supplies Stored Near a Water Heater

EMDA staff work stations are located in the main portion of the former Administration building in an area that once served as NBC's Field's Point analytical laboratory. In addition to inadequate lab space, there is also inadequate office space. One example is the remote location of EMDA's fixed site monitoring equipment base station which had to be located in a conference room in another area of the building. The equipment should be located in the EMDA office but there is no room for it, which makes monitoring and maintaining this system less than optimal.

There are also many inefficiencies resulting from EMDA working apart from the main NBC analytical Laboratory. All samples collected must ultimately be delivered to the laboratory, and a tremendous efficiency is realized if EMDA was operating out of the same building in which the samples will be analyzed. As lower and lower detection levels are required, a cleaner laboratory is needed to prepare sampling bottles and sampling equipment. The current EMDA laboratory is inadequate for the purpose of ultra-clean sample preparation. There is also the efficiency that will result from increased communications of the Lab and EMDA staffs being in the same proximity, as well as efficiencies gained from sharing equipment such as the deionized water system, laboratory wastewater treatment systems, sample storage refrigerators, common work station location, common office equipment, the HVAC system and the clean sample preparation room. The new NBC Laboratory will result in these gained efficiencies and quality results.

COMM 3-10 Provide the details of the asset management program, and the amounts of overtime reduced in the last 3 fiscal years.

Answer: Asset management is not about reducing overtime. It is about properly maintaining our equipment and predicting when equipment needs to be replaced/rebuilt before it breaks down. Thus, NBC's maintenance practices have seen a drastic reduction in emergency repairs and more of an emphasis on predictive/preventive efforts. Most of NBC's maintenance overtime tends to be planned overtime to complete projects as opposed to emergency repairs which by union contract require an automatic four hour overtime payout.

COMM 3-11 For the last 3 fiscal years, provide the total salaries paid and the total amount of step and merit increases paid.

Answer: The step/COLA (union) and merit increases (Non-union) are incorporated into an employee's base salary so this information is not available in the format requested. Please see the total salaries paid in the 3-year comparison schedules provided in the filing in Schedule WEE – 3 as follows:

Account Name	FY 2011	FY 2012	FY 2013
UNION OVERTIME	415,783	422,694	439,426
UNION REGULAR	5,384,389	5,589,017	5,568,502
NON-UNION REGULAR	7,808,173	8,102,630	8,449,979
NON-UNION OT	59,947	66,499	95,267
NON-UNION LIMITED	21,089	21,324	23,282

COMM 3-12 Please explain why the non-union merit increases have grown 68% from $204,561 in 2011 to $342,769 in 2013 and the number of employees have only increased by 20 (105 to 125).

Answer: Each year the Executive Director determines a percentage of non-union salaries that will be used for non-union merit increases. The amount available for merit increases is calculated annually and is not a function of the number of employees or the percent increase in prior years.

COMM 3-13 In the last 3 years, a total of $19,830.43 in merit increases was paid to the Director of Executive Affairs: 2011 $5,867.17, 2012 $6,764.26, and 2013 $7,199.00. Were these merit increases one-time payments (bonus) or were they added to the base salary to increase that base salary? Please explain how a merit increase is awarded, who awards the increase, and how the amount is determined.

Answer: The total merit increases were added to the base salary. The Executive Director determines the merit increases for non-union employees. Each year, the Executive Director determines the percent of non-union salaries and wages that will be available for merit increases to non-union employees. This percentage is applied to the salaries and wages of each Division, with the exception of the salaries of the Division Directors. The Division Directors work with their Section Managers to allocate the merit increases based upon an employee's performance rating and the salary range quartile. If the resulting merit increase does not bring an employee's salary to the minimum of their range, they will receive an additional adjustment. Likewise, employees that would be over the top of the range are given that portion of their raise in a lump sum as opposed to base pay. The same percentage is applied to the salaries of the Division Directors and the Executive Director allocates the Division Director salaries in a similar manner. The Executive Director's merit increase is determined by the Chairman.

NBC non-union employees do not receive step increases.

COMM 3-14 With regard to the rain barrel program, provide the cost of the individual barrel and identify the account where this money is held. Is there a customer charge for the rain barrel and is the cost of this program funded by ratepayers?

Answer: The Narragansett Bay Commission allows the rain barrel distributor to offer rain barrels at a reduced retail rate to NBC ratepayers for pick-up at the NBC main offices. The rain barrel purchasers pay the distributor directly. There is no cost to the NBC for this program nor is there any cost to ratepayers.