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May 24, 2019

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

*Re: City of Newport, Utilities Department, Water Division  
Docket 4933*

Dear Ms. Massaro:

Enclosed please find an original and nine copies of:

1. City of Newport, Utilities Division, Water Department's Response to the Town of Middletown's Data Request (Set 1).

Please note that the response to MIDD 1-22 is enclosed on the attached thumb drive due to its size, and the attachments to MIDD 1-26 can be accessed at the link below, which will be active for two weeks.

[https://ftp.cityofnewport.com/public/file/A8e98sCpy0mDA9-74LGRSQ/FTPDrop\\_UT.zip](https://ftp.cityofnewport.com/public/file/A8e98sCpy0mDA9-74LGRSQ/FTPDrop_UT.zip)

Thank you for your attention to this matter.

Sincerely,



Joseph A. Keough, Jr.

JAK:prc  
Enclosure  
cc: Docket 4933 Service List (*via electronic mail*)

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-1:** [Ref. – Testimony Page 2, lines 25-27] . Please confirm that the Rate Year in Docket 4595 was fiscal year 2017 (FY2017), and the approved level of consumption for the rate year was 1,798,287,000 gallons.

**Response:** The rate year in Docket 4595 was FY17 and the rate year consumption was 1,798,287,000 gallons.

**Prepared by:** Harold Smith

**MIDD 1-2:** [Ref. – Testimony Page 3, lines 4-10]. In Docket 4595 what year was the Test Year and what was the level of total O&M expenses that year? What were the 2 years between this Docket and Docket 4595 that were used to compute the increase of \$768,253 (it is assumed you used the 2 test years)? In Docket 4243 what year was the Test Year and what was the level of total O&M expenses that year? What were the 2 years between Docket 4595 and Docket 4243 that were used to compute the increase of \$895,000 (it is assumed you used the 2 test years)?

**Response:** For information regarding Docket 4595, please see:  
<http://www.ripuc.org/eventsactions/docket/4595page.html>

Newport did not use two test years to compute the increase in Docket 4595. Newport used one adjusted test year – FY 15.

For information regarding Docket 4243, please see:  
<http://www.ripuc.org/eventsactions/docket/4243page.html>

Newport did not use two test years in Docket 4595, it used one adjusted test year – FY 10.

**Prepared by:** Harold Smith

**MIDD 1-3:** [Ref. – Testimony Page 3, lines 12-14]. Please provide the principal amount, term, and interest rate for each of the 2 bond issues listed in these referenced lines. Also, please provide the projected amortization schedules showing the annual principle and interest payments associate with each bond.

**Response:** The information requested is provided on HJS Schedule D-16. It should be noted that the amounts show are only estimates at this point in time. Actual interest rates, issuance costs and debt service schedules will not be known until the bonds are issued.

**Prepared by:** Harold Smith

**MIDD 1-4:** [Ref. – Testimony Page 3, lines 12-14]. Please provide the same consumption information provided in this table (in the same format) for each fiscal year from 2014 through 2016. Provide the same information for FY 2019 as soon as it is available. Also provide a best estimate of the date that the FY 2019 data will be available.

**Response:** Consumption data for fiscal years 2014 – 2016 is shown below. Final consumption information for FY 2019 should be available in early July 2019 and will be provided at that time.

<b>Customer Class</b>	<b>Docket 4595 Projection</b>	<b>FY 2014</b>	<b>FY 2015 (a)</b>	<b>FY 2016</b>
Residential	661,222,000	643,740,000	737,244,000	621,387,000
Non-Residential	457,205,000	446,842,000	467,468,000	440,354,000
Navy	247,078,000	276,891,000	217,264,000	193,192,000
Portsmouth	432,782,000	452,650,000	412,779,000	381,114,000

(a) FY 2015 Residential includes 14 months of consumption due to the change from quarterly to monthly billing. All other years are comprised of 12 months of consumption.

**Prepared by:** William Yost

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
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Set 1

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**MIDD 1-5:** [Ref. – Testimony Page 4, table at top of page]. Please provide the same consumption information provided in this table (in the same format), but only include the consumption levels for the first three quarters of each year; and add the same information for each fiscal year from 2014-through 2016. Provide the same information for FY 2019 (July, 2018 – March, 2019).

**Response:** See attached schedule for consumption information for the first three quarters of each fiscal year from 2014 through fiscal year 2019.

**Prepared by:** William Yost

City of Newport Water Division  
RIPUC Docket # 4933  
Midletwn 1-5  
Data Response  
First three quarters consumption FY 2014- 2019

<u>Customer Class</u>	<u>Docket 4595 Projection</u>	<u>FY 2014</u>	<u>FY 2015</u>		<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Residential	661,220,000	509,359,000	598,638,000	(a)	491,203,000	507,865,000	479,095,000	491,529,000
Non-Residential	457,205,000	355,176,000	373,382,000		350,272,000	359,421,000	344,775,000	368,284,000
Navy	247,078,000	203,314,000	150,211,000		139,884,000	136,159,000	142,127,000	167,722,000
Portsmouth	432,782,000	359,980,000	322,609,000		303,404,000	305,380,000	293,246,000	304,989,000

(a) FY 2015 Residential includes 11 months of consumption due to the change from quarterly to monthly billing in August 2015. All other fiscal years are comprised of 9 months of consumption.

STATE OF RHODE ISLAND  
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Response Of The City Of Newport,  
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**MIDD 1-6:** [Ref. – Testimony Page 4, lines 2]. Please provide the detailed calculations used to derive each of the revenue shortfalls indicated in this line.

**Response:** Please see attached.

**Prepared by:** William Yost

City of Newport Water Division  
RIPUC Docket # 4933  
Middletown 1-6  
Data Response  
Revenue Shortfall Fiscal Year 2018 & 2017

<b>Customer Class</b> Fiscal Year	<b>Actual</b> Consumption <i>thousands of gallons</i>	<b>Docket</b> 4595 <i>thousands of gallons</i>	<b>Consumption</b> Variance	<b>\$ rate</b> <i>per 1000 gal</i>	<b>Revenue</b> Excess (Shortfall)
<b><u>Non-Residential</u></b>					
2018	438,155	457,205	(19,050)	\$11.22	-\$213,741
2017	457,187	457,205	(18)	\$11.22	-\$202
<b><u>Navy</u></b>					
2018	192,925	247,078	(54,153)	\$6.52	-\$353,023
2017	180,514	247,078	(66,564)	\$6.52	-\$433,931
<b><u>Portsmouth</u></b>					
2018	369,706	432,782	(63,076)	\$5.29	-\$333,798
2017	380,190	432,782	(52,592)	\$5.29	-\$278,317
<b><u>Residential</u></b>					
2018	609,006	661,222	(52,216)	\$10.02	-\$523,204
2017	643,010	661,222	(18,212)	\$10.02	-\$182,484
<b><u>Sundry misc</u></b>					
2018	3,644	-	3,644	\$11.22	\$40,886
2017	2,813	-	2,813	\$11.22	\$31,562
<b>Totals</b>					
<b>2018</b>	1,613,436	1,798,287	(184,851)		-\$1,382,881
<b>2017</b>	1,663,714	1,798,287	(134,573)		-\$863,372

**MIDD 1-7:** [Ref. – Testimony Page 4, lines 4-8]. Please confirm that the year referred to in line 7 is 2018. What was the “year to date average monthly consumption” referred to in line 7? What was the average year to date average monthly consumption” in each year of the “similar periods during the last three years?”

**Response:** Yes, the year referred to is fiscal year 2018. In FY 2018, the YTD average monthly consumption through February was 144,295,000. In FY 2017, the average was 151,387,000, in FY 2016 it was 146,528,000 and in FY 2015 it was 153,416,000.

**Prepared by:** William Yost

**MIDD 1-8:** [Ref — Testimony Page 4. lines 8-12]. Please provide a list of the specific non-essential line item expenses and amounts (not incurred or saved) by line item for the remainder of FY2018? Have any of these holds been continued into FY2019? For each such line item expense that continued to be on hold for FY2019, provide a list of the specific non-essential line item expenses and amounts (not incurred or saved) by line item through the third quarter of FY2019.

**Response:** The use of the adjective 'non-essential' was not intended to classify entire line items. Rather non-essential was intended to convey that certain individual expenses could be avoided. The necessity of spending is considered on a case by case basis and subject to changed circumstances. Circumstances include, but are not limited to, criticality of expenditure, on-hand supplies, lead times for delivery, consequences of failure, etc. The hold on certain expenditures has continued into FY2019 as it does anytime there are negative impacts on Newport Water's cash flow. And again, the decision and ability to put an expenditure on hold is made on a case by case basis. Entire line items are not put on hold.

Please note that a spending 'hold' is not a cost savings mechanism, rather a deferral. A deferral only postpones the expenditure until funding is available.

**Prepared by:** Rob Schultz

**MIDD 1-9:** [Ref. – Testimony Page 4, lines 8-12]. Please provide a list of all capital projects that were delayed because of the drop in consumption in FY2018. Have any of these delays been continued into FY2019? For each capital project that has been delayed because of the drop in consumption provide the associated reduction in expenditures (or reduction in annual revenue requirements) associated with each project so delayed, separately for FY2018 and FY2019

**Response:** The capital projects that were delayed due to cash flow were new contracts that would have been awarded in FY 2019 including, construction for dam repairs (approximately \$500,000), water main construction (funding switched from pay-as-go to debt), and fire hydrants replacement (approximately \$75,000). Any projects that were awarded as of April 2018 have proceeded.

All capital projects are funded through the Capital Restricted Account. The annual funding for this account approved in Docket 4595 is \$2.5 million annually, with monthly deposits of \$208,333. The Capital Restricted account was funded monthly through April 2018 at which point funding stopped for May, June, and July 2018 due to cash flow. Funding resumed in FY2019 as follows:

<b>Funding Month – FY2019</b>	<b>Amount</b>
August, 2018	\$208, 333
September, 2018	\$208,333
October, 2018	\$208,333
November, 2018	\$208,333
December, 2018	\$100,000
<b>TOTAL</b>	<b>\$933,332</b>

STATE OF RHODE ISLAND  
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NWD does not anticipate any additional funding in FY2019 for the Capital Restricted Account due to cash flow. Therefore, the reduction in funding for the restricted account totals \$416,666 in FY2018 and \$1,566,668 in FY2019

The capital projects that are funded in FY2019 are identified in the response to Middletown 1-25.

**Prepared by:** Julia Forgue

**MIDD 1-10:** [Ref. – Testimony Page 4, lines 11-12]. For each month starting in July of 2014 through the April of 2019, show the beginning balance, additions, subtractions and ending balance in Newport Water's restricted Capital Fund. Also, provide the corresponding amounts for the months of May and June of 2019 as soon as they become available. Please explain exactly what the term "restricted" means in relation to this account. What are the regulatory or legal requirements that make this account "restricted?" JAK

**Response:** Please see attached. The term restricted means that the funds in the restricted account can only be used for the purpose for which the account was established. For instance, funds in the restricted chemical account can only be used to purchase chemicals. The accounts are restricted by the Rhode Island Public Utilities Commission.

**Prepared by:** Julia Forgue

City of Newport Water Fund

Restricted Account Analysis

July 1, 2014 Fiscal Year 2015

Beginning of Fiscal Year 2015

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Benefits	Reserve	Payroll
<b>Beginning Balance</b>	<b>4,645,371.32</b>	<b>2,609,393.90</b>	<b>298,003.46</b>	<b>435,362.25</b>	<b>164,664.81</b>	<b>658,423.49</b>	<b>502,003.65</b>	<b>215,652.12</b>
July 31, 2014 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	2,976.42
July 31 Interest Earned	39.51	11.53	2.55	3.72	1.43	5.6	2.44	1.83
Transfer to Checking for Vendor Payments/Other	(393,036.45)		(95,250.36)	(56,016.19)	(29,970.58)	(1,210.25)		
<b>July 31, 2014 Total Bank Balances</b>	<b>4,460,707.71</b>	<b>3,176,988.43</b>	<b>252,499.13</b>	<b>430,310.94</b>	<b>177,528.99</b>	<b>671,802.17</b>	<b>512,619.96</b>	<b>218,630.37</b>
August 31, 2014 Monthly required Funding	208,333.33	1,032,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	2,976.42
August 31 Interest Earned	37.44	13.63	2.12	3.68	1.55	5.73	2.57	1.86
Transfer to Checking for Vendor Payments/Other	(485,414.54)		(132,905.79)	(69,058.07)	(28,001.58)			
<b>August 31, 2014 Total Bank Balances</b>	<b>4,183,663.94</b>	<b>4,209,585.06</b>	<b>169,338.94</b>	<b>412,217.71</b>	<b>192,362.29</b>	<b>686,391.23</b>	<b>523,236.40</b>	<b>221,608.65</b>
September 30, 2014 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	2,976.42
September 30 Interest Earned	34.64	17.10	1.43	3.44	1.63	5.66	2.63	1.83
Transfer to Checking for Vendor Payments/Other	(98,522.50)	(4,206,105.16)	(117,016.79)	(76,945.89)	(31,878.76)			
<b>September 30, 2014 Total Bank Balances</b>	<b>4,293,509.41</b>	<b>571,079.00</b>	<b>102,067.06</b>	<b>386,236.42</b>	<b>203,318.49</b>	<b>700,980.22</b>	<b>533,852.90</b>	<b>224,586.90</b>

City of Newport Water Fund

Restricted Account Analysis

Fiscal Year 2015

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue	Payroll
<b>September 30, 2014 Total Bank Balances</b>	4,293,509.41	571,079.00	102,067.06	386,236.42	203,318.49	700,980.22	533,852.90	224,586.90
October 31, 2014 Monthly required Funding	673,333.33	102,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	2,976.42
October 31 Interest Earned	37.18	1.18	0.91	3.33	1.77	5.97	2.60	1.91
Transfer to Checking for Vendor Payments/Other	(33,927.98)		(38,661.58)	(24,489.69)	(28,818.85)			
<b>October 31, 2014 Total Bank Balances</b>	4,932,951.94	673,663.18	113,149.87	412,711.22	217,334.74	715,569.52	544,469.37	227,565.23
November 30, 2014 Monthly required Funding	210,283.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	2,976.42
November 30 Interest Earned	40.88	2.97	1.01	3.47	1.86	5.9	2.74	1.87
Transfer to Checking for Vendor Payments/Other								
<b>November 30, 2014 Total Bank Balances</b>	5,143,276.15	1,241,249.15	162,894.36	463,675.85	260,169.93	730,158.75	555,085.98	230,543.52
December 31, 2014 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1,95
December 31 Interest Earned	43.52	3.90	1.41	3.95	2.23	6.21	2.71	1.95
Transfer to Checking for 2015 Wages as agreed to by PUC	(1,190,891.20)		(34,129.83)	(119,786.81)	(58,353.70)			(24,428.10)
Transfer to Checking for Vendor Payments/Other								
<b>December 31, 2014 Total Bank Balances</b>	4,160,761.80	1,808,836.05	178,509.42	394,852.15	244,651.79	744,748.29	565,702.56	206,117.37

City of Newport Water Fund  
Restricted Account Analysis

Fiscal Year 2015 3rd Quarter

	Capital	Debt Service	Chemicals	Electricity	Retiree Insurance	Accrued Benefits	Revenue Reserve	Payroll	
<b>December 31, 2014 Total Bank Balances</b>	4,160,761.80	1,808,836.05	178,509.42	394,852.15	244,651.79	744,748.29	565,702.56	206,117.37	
January 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87		944,651.50
January 31 Interest Earned	35.03	6.63	1.56	3.38	2.11	6.33	2.84	1.75	
Transfer to Checking for Vendor Payments/Other	(965,499.58)		(14,256.62)	(60,534.17)	(29,176.65)	(13,307.43)			
<b>January 31, 2015 Total Bank Balances</b>	<b>3,403,630.58</b>	<b>2,376,425.68</b>	<b>213,997.84</b>	<b>385,282.52</b>	<b>258,310.38</b>	<b>746,030.52</b>	<b>576,319.27</b>	<b>206,119.12</b>	
February 28, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87		944,651.50
February 28, Interest Earned	26.27	9.63	1.67	2.94	2.00	5.73	2.90	1.58	
Transfer to Checking for Vendor Payments/Other			(30,795.85)	(96,338.11)	(27,292.27)				
<b>February 28, 2015 Total Bank Balances</b>	<b>3,611,990.18</b>	<b>2,944,018.31</b>	<b>232,947.14</b>	<b>339,908.51</b>	<b>273,853.44</b>	<b>760,619.58</b>	<b>586,936.04</b>	<b>206,120.70</b>	
March 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87		944,651.50
March 31, Interest Earned	29.19	11.26	2.01	2.91	2.35	6.47	2.67	1.75	
Transfer to Checking for Vendor Payments/Other	(193,614.81)	(1,432,040.12)							
<b>March 31, 2015 Total Bank Balances</b>	<b>3,626,737.89</b>	<b>2,079,572.45</b>	<b>282,692.63</b>	<b>390,872.58</b>	<b>316,689.12</b>	<b>775,209.38</b>	<b>597,552.58</b>	<b>206,122.45</b>	

City of Newport Water Fund

Restricted Account Analysis

Fiscal Year 2015 4th Quarter

March 31, 2015 Total Bank Balances

April 30, 2015 Monthly required Funding  
 April 30, Interest Earned

Transfer to Checking for Vendor Payments/Other

April 30, 2015 Total Bank Balances

May 31, 2015 Monthly required Funding  
 May 31, Interest Earned

Transfer to Checking for Vendor Payments/Other

May 31, 2015 Total Bank Balances

June 30, 2015 Monthly required Funding  
 June 30, Interest Earned

Transfer to Checking for Vendor Payments/Other

June 30, 2015 Total Bank Balances

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
March 31, 2015 Total Bank Balances	3,626,737.89	2,079,572.45	282,692.63	390,872.58	316,689.12	775,209.38	597,552.58	206,122.45
April 30, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1.69
April 30, Interest Earned	28.43	8.16	2.29	2.95	2.44	6.39	3.01	
Transfer to Checking for Vendor Payments/Other	(558,837.24)		(56,772.34)	(158,245.26)	(60,133.54)			
April 30, 2015 Total Bank Balances	3,276,262.41	2,647,163.61	275,666.06	283,591.43	299,391.35	789,799.10	608,169.46	206,124.14
May 31, 2015 Monthly required Funding	215,213.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1.75
May 31, Interest Earned	26.69	10.67	2.33	2.38	2.52	6.72	2.96	
Transfer to Checking for Vendor Payments/Other	(801,028.52)		(32,529.07)	(39,950.96)	(33,020.27)			
May 31, 2015 Total Bank Balances	2,690,473.91	3,214,757.28	292,882.80	294,604.01	309,206.93	804,389.15	618,786.29	206,125.89
June 30, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1.69
June 30, Interest Earned	22.12	13.82	2.42	2.44	2.56	6.62	3.12	
Transfer to Checking for Vendor Payments/Other	(378,038.82)		(45,578.96)	(37,452.86)	(30,156.27)			
June 30, 2015 Total Bank Balances	2,520,790.54	3,782,354.10	297,049.74	308,114.75	321,886.55	818,979.10	629,403.28	206,127.58

City of Newport Water Fund  
 Restricted Account Analysis  
 Fiscal Year 2016 1st Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
<b>June 30, 2015 Total Bank Balances</b>	<b>2,520,790.54</b>	<b>3,782,354.10</b>	<b>297,049.74</b>	<b>308,114.75</b>	<b>321,886.55</b>	<b>818,979.10</b>	<b>629,403.28</b>	<b>206,127.58</b>
July 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1,75
July 31, Interest Earned	21.55	16.10	2.55	2.66	2.77	6.97	3.07	1.75
Transfer to Checking for Vendor Payments/Other	(286,473.48)		(92,939.86)	(40,951.16)	(29,920.75)	-2,545.84		
<b>July 31, 2015 Total Bank Balances</b>	<b>2,442,671.94</b>	<b>4,349,953.20</b>	<b>253,855.91</b>	<b>318,127.41</b>	<b>334,801.90</b>	<b>831,023.56</b>	<b>640,020.22</b>	<b>206,129.33</b>
August 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1,75
August 31, Interest Earned	20.37	19.72	2.12	2.70	2.87	7.08	3.23	1.75
National Grid rebates	118,519.00							
Advance from Capital to Debt	(529,779.24)	529,779.24						
Transfer to Checking for Vendor Payments/Other	(99,636.62)	(142,626.62)	(93,797.86)	(61,918.67)	(27,056.75)			
<b>August 31, 2015 Total Bank Balances</b>	<b>2,140,128.78</b>	<b>5,304,708.54</b>	<b>209,803.83</b>	<b>307,172.60</b>	<b>350,581.35</b>	<b>845,613.97</b>	<b>650,637.32</b>	<b>206,131.08</b>
September 30, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	1,69
Return Advance to Capital from Debt	529,779.24	(529,779.24)						
September 30, Interest Earned	18.94	23.13	1.78	2.61	2.92	6.98	3.28	1.69
Transfer to Checking for Vendor Payments/Other	(158,855.47)	(5,271,942.44)	(32,084.26)	(16,740.14)	(32,127.01)			
<b>September 30, 2015 Total Bank Balances</b>	<b>2,719,404.82</b>	<b>70,592.99</b>	<b>227,464.83</b>	<b>341,396.23</b>	<b>361,290.59</b>	<b>860,204.28</b>	<b>661,254.47</b>	<b>206,132.77</b>

City of Newport Water Fund  
 Restricted Account Analysis  
 Fiscal Year 2016 2nd Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
<b>September 30, 2015 Total Bank Balances</b>	<b>2,719,404.82</b>	<b>70,592.99</b>	<b>227,464.83</b>	<b>341,396.23</b>	<b>361,290.59</b>	<b>860,204.28</b>	<b>661,254.47</b>	<b>206,132.77</b>
October 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
National Grd rebates	15,500.00							
NEWPCC Grant Reimbursement (Source Water Phosphorus Study)	18,810.00							
October 31, Interest Earned	23.14	0.21	1.95	2.87	3.09	7.32	3.23	1.75
Transfer to Checking for Vendor Payments/Other	(252,732.31)		(40,842.46)	(121,302.09)	(29,247.69)			
<b>October 31, 2015 Total Bank Balances</b>	<b>2,709,338.98</b>	<b>638,176.20</b>	<b>236,367.80</b>	<b>271,058.17</b>	<b>374,879.33</b>	<b>874,794.93</b>	<b>671,871.57</b>	<b>206,134.52</b>
November 30, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
November 30, Interest Earned	22.57	0.64	2.02	2.30	3.14	7.21	3.39	1.69
Transfer to Checking for Vendor Payments/Other	(116,872.26)		(25,357.47)	(58,459.28)	(29,247.69)			
<b>November 30, 2015 Total Bank Balances</b>	<b>2,800,822.62</b>	<b>1,205,759.84</b>	<b>260,755.83</b>	<b>263,562.35</b>	<b>388,468.12</b>	<b>889,385.47</b>	<b>682,488.83</b>	<b>206,136.21</b>
December 31, 2015 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
December 31, Interest Earned	23.94	3.72	2.25	2.27	3.33	7.56	3.34	1.75
Transfer to Checking for Vendor Payments/Other	(52,218.20)		(9,526.27)	(36,639.82)	(26,204.69)			
<b>December 31, 2015 Total Bank Balances</b>	<b>2,956,961.69</b>	<b>1,773,346.56</b>	<b>300,975.29</b>	<b>277,885.96</b>	<b>405,100.10</b>	<b>903,976.36</b>	<b>693,106.04</b>	<b>206,137.96</b>

City of Newport Water Fund  
Restricted Account Analysis

Fiscal Year 2016 3rd Quarter  
December 31, 2015 Total Bank Balances

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
January 31, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
January 31, Interest Earned	25.05	6.45	2.47	2.37	3.45	7.67	3.5	1.75
Transfer to Checking for Vendor Payments/Other	(259,833.53)		(161,574.41)	(42,057.09)	(32,290.68)			

January 31, 2016 Total Bank Balances

**2,895,486.54      2,340,936.01      189,146.83      286,792.40      415,646.20      918,567.36      703,723.41      206,139.71**

February 29, 2016 Monthly required Funding

208,333.33      567,583.00      49,743.48      50,961.16      42,833.33      14,583.33      10,613.87

NEIWPCC Grant Reimbursement (Source Water Phosphorus Study)

20,625.00

February 29, Interest Earned

23.18

9.35

1.54

2.32

3.33

7.29

3.55

1.63

Transfer to Checking for Vendor Payments/Other

(47,014.87)

(41,034.44)

(33,896.39)

(26,204.69)

February 29, 2016 Total Bank Balances

**3,077,453.18      2,908,528.36      197,857.41      303,869.49      432,278.18      933,157.98      714,340.83      206,141.34**

March 31, 2016 Monthly required Funding

208,333.33

567,583.00

49,743.48

50,961.16

42,833.33

14,583.33

10,613.87

March 31, Interest Earned

26.28

11.58

1.72

2.61

3.69

7.92

3.37

1.75

Transfer to Checking for Vendor Payments/Other

(24,296.70)

(1,395,504.56)

(16,913.89)

(40,566.66)

(33,014.01)

March 31, 2016 Total Bank Balances

**3,261,516.09      2,080,618.38      230,688.72      314,326.60      442,101.19      947,749.23      724,958.07      206,143.09**

City of Newport Water Fund

Restricted Account Analysis  
Fiscal Year 2016 4th Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
<b>March 31, 2016 Total Bank Balances</b>	<b>3,261,516.09</b>	<b>2,080,618.38</b>	<b>230,688.72</b>	<b>314,326.60</b>	<b>442,101.19</b>	<b>947,749.23</b>	<b>724,958.07</b>	<b>206,143.09</b>
April 30, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
April 30, Interest Earned	26.82	8.11	1.93	2.56	3.64	7.78	3.66	1.69
Transfer to Checking for Vendor Payments/Other	(142,724.36)		(5,955.89)	(105,946.20)	(29,801.01)			
<b>April 30, 2016 Total Bank Balances</b>	<b>3,327,151.88</b>	<b>2,648,209.49</b>	<b>274,478.24</b>	<b>259,344.12</b>	<b>455,137.15</b>	<b>962,340.34</b>	<b>735,575.60</b>	<b>206,144.78</b>
May 31, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
May 31, Interest Earned	28.46	10.58	2.37	2.25	3.93	8.14	3.59	1.75
Transfer to Checking for Vendor Payments/Other	(141,853.74)		(86,719.68)	(48,643.78)	(29,801.01)	(625.60)		
<b>May 31, 2016 Total Bank Balances</b>	<b>3,393,659.93</b>	<b>3,215,803.07</b>	<b>237,504.41</b>	<b>261,663.75</b>	<b>468,173.40</b>	<b>976,306.21</b>	<b>746,193.06</b>	<b>206,146.53</b>
June 30, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
June 30, Interest Earned	28.16		1.94	2.16	3.89	7.98		1.69
Transfer to Checking for Vendor Payments/Other	(143,893.40)		(131,206.71)	(51,537.73)	(29,801.01)	0.00		
<b>June 30, 2016 Total Bank Balances</b>	<b>3,458,028.02</b>	<b>3,783,386.07</b>	<b>156,043.12</b>	<b>261,089.34</b>	<b>481,209.51</b>	<b>990,897.52</b>	<b>756,806.93</b>	<b>206,148.22</b>

City of Newport Water Fund  
 Restricted Account Analysis  
 Fiscal Year 2017 1st Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve	Payroll
<b>June 30, 2016 Total Bank Balances</b>	<b>3,458,028.02</b>	<b>3,783,399.71</b>	<b>156,043.12</b>	<b>261,089.34</b>	<b>481,209.61</b>	<b>990,897.52</b>	<b>756,810.69</b>	<b>206,148.22</b>
July 31, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,833.33	14,583.33	10,613.87	
July 31, Interest Earned	29.57	16.11	1.39	2.28	4.13	8.41	3.7	1.75
Transfer to Checking for Vendor Payments/Other								
<b>July 31, 2016 Total Bank Balances</b>	<b>3,666,390.92</b>	<b>4,350,998.82</b>	<b>205,787.99</b>	<b>312,052.78</b>	<b>524,047.07</b>	<b>1,005,489.26</b>	<b>767,428.26</b>	<b>206,149.97</b>
August 31, 2016 Monthly required Funding	208,333.33	1,099,037.57	49,743.48	50,961.16	42,833.33	545,987.90	10,613.87	
August 31, Interest Earned	31.35	19.82	1.76	2.46	4.40	8.26	3.88	1.75
Transfer to Checking for Vendor Payments/Other	(36,100.92)		(54,729.49)	(135,607.49)	(29,702.09)	(1,062,909.14)		
<b>August 31, 2016 Total Bank Balances</b>	<b>3,838,654.68</b>	<b>5,450,056.21</b>	<b>200,803.74</b>	<b>227,408.91</b>	<b>537,182.72</b>	<b>488,576.28</b>	<b>778,046.01</b>	<b>206,151.72</b>
September 30, 2016 Monthly required Funding	208,333.33	567,583.00	49,743.48	50,961.16	42,883.33	546,037.90	10,613.87	
September 30, Interest Earned	31.33	23.18	1.56	1.84	4.37	4.46	3.94	1.69
Transfer to Checking for Vendor Payments/Other	(199,266.67)	(5,976,490.96)	(132,080.26)	(70,631.90)	(59,196.93)			
<b>September 30, 2016 Total Bank Balances</b>	<b>3,847,752.67</b>	<b>41,171.43</b>	<b>118,468.52</b>	<b>207,740.01</b>	<b>520,873.49</b>	<b>1,034,618.64</b>	<b>788,663.82</b>	<b>206,153.41</b>

City of Newport Water Fund

Restricted Account Analysis

Fiscal Year 2017 1st Quarter

September 30, 2016 Total Bank Balances

October 31, 2016 Monthly required Funding

October 31, Interest Earned

PUC Docket 4595 adjustments

Transfer to Debt Service from Retiree Benefits

Transfer To Debt from Accrued Benefits

Transfer to Revenue Reserve from Accrued Benefits

Transfer to General Operating Account from Electricity

Transfer to Operating from Payroll FY 2016 salary increase

Transfer to Checking for Vendor Payments/Other

October 31, 2016 Total Bank Balances

November 30, 2016 Monthly required Funding

November 30, Interest Earned

Transfer to Checking for Vendor Payments/Other

November 30, 2016 Total Bank Balances

December 31, 2016 Monthly required Funding

December 31, Interest Earned

Transfer to Checking for Vendor Payments/Other

December 31, 2016 Total Bank Balances

	Capital	Debt Service	Chemicals	Electricity	Retiree Insurance	Accrued Benefits	Revenue Reserve	Payroll
September 30, 2016 Total Bank Balances	3,847,752.67	41,171.43	118,468.52	207,740.01	520,873.49	1,034,618.64	788,663.82	206,153.41
October 31, 2016 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33			
October 31, Interest Earned	32.63	0.14	1.01	1.73	4.37	8.58	3.86	1.69
PUC Docket 4595 adjustments					(185,000.00)			
Transfer to Debt Service from Retiree Benefits		185,000.00				(337,000.00)		
Transfer To Debt from Accrued Benefits		337,000.00				(300,000.00)	300,000.00	
Transfer to Revenue Reserve from Accrued Benefits				(100,000.00)				
Transfer to General Operating Account from Electricity								(74,400.79)
Transfer to Operating from Payroll FY 2016 salary increase								(131,752.60)
Transfer to Checking for Vendor Payments/Other	(60,839.32)		(43,707.73)	(92,841.58)	0.00	(28,920.22)		
October 31, 2016 Total Bank Balances	3,995,279.31	1,130,754.90	138,243.63	83,270.33	357,961.19	368,707.00	1,088,667.68	1.71
November 30, 2016 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33			
November 30, Interest Earned	32.80	0.39	1.14	0.70	2.95	3.01	4.08	
Transfer to Checking for Vendor Payments/Other	(206,904.69)		(107,419.96)	(89,010.37)	(3,213.00)	(25,896.22)		(1.71)
November 30, 2016 Total Bank Balances	3,996,740.75	1,698,338.62	94,306.64	62,630.83	376,834.47	342,813.79	1,088,671.76	(0.00)
December 31, 2016 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33			
December 31, Interest Earned	33.91	5.88	0.78	0.51	3.19	2.90	5.46	
Transfer to Checking for Vendor Payments/Other	(148,590.40)		(79,072.09)	(84,317.97)	(25,896.22)			0.00
December 31, 2016 Total Bank Balances	4,056,517.59	2,265,927.83	78,717.16	46,683.54	373,024.77	342,816.69	1,088,677.22	(0.00)

City of Newport Water Fund

Restricted Account Analysis

Fiscal Year 2017 3rd Quarter

December 31, 2016 Total Bank Balances

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve
January 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
January 31, Interest Earned	34.78	9.41	0.77	0.50	3.19	2.91	5.75
Transfer to Checking for Vendor Payments/Other	(29,554.87)		(24,412.56)	(29,245.56)	(33,764.24)		
<b>January 31, 2017 Total Bank Balances</b>	<b>4,235,330.83</b>	<b>2,833,520.57</b>	<b>117,787.20</b>	<b>85,808.65</b>	<b>361,347.05</b>	<b>342,819.60</b>	<b>1,088,682.97</b>

February 28, 2017 Monthly required Funding

February 28, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
February 28, Interest Earned	32.77	57.37	0.99	0.73	2.79	2.63	26.15
Transfer to Checking for Vendor Payments/Other	(5,655.69)	(1,345,852.03)	(11,871.92)	(98,020.98)	(27,338.24)		
<b>February 28, 2017 Total Bank Balances</b>	<b>4,438,041.24</b>	<b>2,055,309.24</b>	<b>169,398.10</b>	<b>66,158.57</b>	<b>356,094.93</b>	<b>342,822.23</b>	<b>1,088,709.12</b>

March 31, 2017 Monthly required Funding

March 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
March 31, Interest Earned	37.96	65.84	1.52	0.64	3.04	2.91	27.15
Transfer to Checking for Vendor Payments/Other	(40,735.86)		(18,078.14)	(51,051.63)	(34,104.24)		
<b>March 31, 2017 Total Bank Balances</b>	<b>4,605,676.67</b>	<b>2,622,958.41</b>	<b>214,803.31</b>	<b>83,477.75</b>	<b>344,077.06</b>	<b>342,825.14</b>	<b>1,088,736.27</b>

City of Newport Water Fund

Restricted Account Analysis

Fiscal Year 2017 4th Quarter

March 31, 2017 Total Bank Balances

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve
April 30, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
April 30, Interest Earned	38.11	204.50	1.83	0.74	2.83	2.82	100.56
Transfer to Checking for Vendor Payments/Other	(21,754.00)		(31,790.97)	(50,500.60)	(29,929.38)		
<b>April 30, 2017 Total Bank Balances</b>	<b>4,792,294.11</b>	<b>3,190,746.24</b>	<b>246,496.00</b>	<b>101,348.06</b>	<b>336,233.84</b>	<b>342,827.96</b>	<b>1,088,836.83</b>

May 31, 2017 Monthly required Funding

May 31, Interest Earned	39.12	468.05	2.11	0.67	2.85	2.91	188.57
Transfer to Checking for Vendor Payments/Other	(370,092.19)		(11,567.79)	(44,543.87)	(29,929.38)		
<b>May 31, 2017 Total Bank Balances</b>	<b>4,630,574.37</b>	<b>3,758,797.62</b>	<b>298,412.15</b>	<b>125,175.03</b>	<b>328,390.64</b>	<b>342,830.87</b>	<b>1,089,025.40</b>

June 30, 2017 Monthly required Funding

June 30, Interest Earned	37.47	610.56	2.06	0.93	2.70	2.82	208.36
Transfer to Checking for Vendor Payments/Other	(1,241,840.14)		(200,386.07)	(46,123.96)	(29,929.38)		
<b>June 30, 2017 Total Bank Balances</b>	<b>3,597,105.03</b>	<b>4,326,991.51</b>	<b>161,509.97</b>	<b>147,422.17</b>	<b>320,547.29</b>	<b>342,833.69</b>	<b>1,089,233.76</b>

City of Newport Water Fund

Restricted Account Analysis  
Fiscal Year 2018 1st Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve
<b>June 30, 2017 Total Bank Balances</b>	<b>3,597,105.03</b>	<b>4,326,991.51</b>	<b>161,509.97</b>	<b>147,422.17</b>	<b>320,547.29</b>	<b>342,833.69</b>	<b>1,089,233.76</b>
July 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
July 31, Interest Earned	30.40	1,048.30	1.37	1.26	2.73	2.91	306.18
Transfer to Checking for Vendor Payments/Other	(728,976.64)		(55,032.91)	(52,582.50)	(3,363.00)		
<b>July 31, 2017 Total Bank Balances</b>	<b>3,076,492.12</b>	<b>4,895,623.14</b>	<b>169,960.26</b>	<b>163,211.10</b>	<b>339,250.35</b>	<b>342,836.60</b>	<b>1,089,539.94</b>
August 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
August 31, Interest Earned	26.20	1,608.42	1.49	1.43	2.90	2.91	404.9
Transfer to Checking for Vendor Payments/Other	(330,366.26)		(28,866.18)	(34,863.99)	(3,363.00)		
<b>August 31, 2017 Total Bank Balances</b>	<b>2,954,485.39</b>	<b>5,464,814.89</b>	<b>204,577.40</b>	<b>196,718.71</b>	<b>357,953.58</b>	<b>342,839.51</b>	<b>1,089,944.84</b>
September 30, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
September 30, Interest Earned	21.91	1,921.60	1.43	1.41	2.95	2.82	422.87
Transfer to Checking for Vendor Payments/Other	(794,449.84)	(5,444,427.63)	(99,476.59)	(73,397.58)	(3,582.00)		
<b>September 30, 2017 Total Bank Balances</b>	<b>2,368,390.79</b>	<b>589,892.19</b>	<b>168,584.07</b>	<b>191,692.71</b>	<b>376,457.86</b>	<b>342,842.33</b>	<b>1,090,367.71</b>

Restricted Account Analysis  
Fiscal Year 2018 2nd Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve
<b>September 30, 2017 Total Bank Balances</b>	<b>2,368,390.79</b>	<b>589,892.19</b>	<b>168,584.07</b>	<b>191,692.71</b>	<b>376,457.86</b>	<b>342,842.33</b>	<b>1,090,367.71</b>
October 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
October 31, Interest Earned	19.94	8.39	1.42	1.63	3.20	2.91	414.89
Transfer to Checking for Vendor Payments/Other	(823,058.12)		(116,638.53)	(69,210.83)	(3,582.00)		
<b>October 31, 2017 Total Bank Balances</b>	<b>1,753,685.94</b>	<b>1,157,483.91</b>	<b>115,428.79</b>	<b>190,853.68</b>	<b>394,962.39</b>	<b>342,845.24</b>	<b>1,090,782.60</b>
November 30, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
November 30, Interest Earned	14.46	229.88	0.96	1.57	3.25	2.82	438.49
Transfer to Checking for Vendor Payments/Other	(22,478.50)		(15,981.76)	(78,064.15)	(3,582.00)		
<b>November 30, 2017 Total Bank Balances</b>	<b>1,939,555.23</b>	<b>1,725,297.12</b>	<b>162,929.82</b>	<b>181,161.27</b>	<b>413,466.97</b>	<b>342,848.06</b>	<b>1,091,221.09</b>
December 31, 2017 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
December 31, Interest Earned	13.45	496.12	1.35	1.52	3.52	2.91	459.87
Transfer to Checking for Vendor Payments/Other	(771,279.20)		(38,139.35)	(68,392.91)	(3,582.00)		
<b>December 31, 2017 Total Bank Balances</b>	<b>1,376,622.81</b>	<b>2,293,376.57</b>	<b>188,273.65</b>	<b>181,140.05</b>	<b>431,971.82</b>	<b>342,850.97</b>	<b>1,091,680.96</b>

City of Newport Water Fund

Restricted Account Analysis  
Fiscal Year 2018 3rd Quarter (REVISED)

	Capital	Debt Service	Chemicals	Electricity	Retiree Retire Insurance	Accrued Benefits	Revenue Reserve
<b>December 31, 2017 Total Bank Balances</b>	<b>1,376,622.81</b>	<b>2,293,376.57</b>	<b>188,273.65</b>	<b>181,140.05</b>	<b>431,971.82</b>	<b>342,850.97</b>	<b>1,091,680.96</b>
January 31, 2018 Monthly required Funding	208,333.33		63,481.83	68,370.17	22,083.33		
January 31, Interest Earned	11.65	974.12	1.61	1.54	3.63	2.91	594.4
Transfer to Checking for Vendor Payments/Other	(355,629.85)		(14,983.79)	(78,480.59)	(175,119.16)		
<b>January 31, 2018 Total Bank Balances</b>	<b>1,229,337.94</b>	<b>2,294,350.69</b>	<b>236,773.30</b>	<b>171,031.17</b>	<b>278,939.62</b>	<b>342,853.88</b>	<b>1,092,275.36</b>
February 28, 2018 Monthly required Funding	208,333.33	1,135,166.66	63,481.83	68,370.17	22,083.33		
February 28, Interest Earned	9.49	1,492.35	1.83	1.33	1.81	2.63	710.46
Transfer to Checking for Vendor Payments/Other					(56,292.06)		
<b>February 28, 2018 Total Bank Balances</b>	<b>1,437,680.76</b>	<b>3,431,009.70</b>	<b>300,256.96</b>	<b>239,402.67</b>	<b>244,732.70</b>	<b>342,856.51</b>	<b>1,092,985.82</b>
March 31, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
Bond Close out Proceeds		123,191.77					
March 31, Interest Earned	10.29	1,766.11	2.16	1.73	<b>2.06</b>	2.91	669.15
Transfer to Checking for Vendor Payments/Other	(412,270.31)	(1,310,041.88)	(99,538.07)	(99,655.11)	(35,149.19)		
<b>March 31, 2018 Total Bank Balances</b>	<b>1,233,754.07</b>	<b>2,813,509.03</b>	<b>264,202.88</b>	<b>208,119.46</b>	<b>231,668.90</b>	<b>342,859.42</b>	<b>1,093,654.97</b>

Fiscal Year 2018 4th Quarter

	Capital	Debt Service	Chemicals	Electricity	Retire Insurance	Accrued Benefits	Revenue Reserve
<b>March 31, 2018 Total Bank Balances</b>	<b>1,233,754.07</b>	<b>2,813,509.03</b>	<b>264,202.88</b>	<b>208,119.46</b>	<b>231,668.90</b>	<b>342,859.42</b>	<b>1,093,654.97</b>
April 30, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	66,370.17	22,083.33		
April 30, Interest Earned	8.78	1,742.61	2.18	1.61	1.90	2.64	877.49
Transfer to Checking for Vendor Payments/Other	(469,503.07)		(4,385.04)	(40,187.31)	(3,781.00)	(91,084.63)	
<b>April 30, 2018 Total Bank Balances</b>	<b>972,593.11</b>	<b>3,382,834.97</b>	<b>323,301.85</b>	<b>236,303.93</b>	<b>249,973.13</b>	<b>251,777.43</b>	<b>1,094,532.46</b>
May 31, 2018 Monthly required Funding		567,583.33	63,481.83	68,370.17	22,083.33		
May 31, Interest Earned	7.38	2,576.82	2.70	1.94	1.92	2.14	1001.61
Transfer to Checking for Vendor Payments/Other	(187,688.54)		(39,350.08)	(48,998.24)	(59,353.38)		(232,751.00)
<b>May 31, 2018 Total Bank Balances</b>	<b>784,911.95</b>	<b>3,952,995.12</b>	<b>347,436.30</b>	<b>255,677.80</b>	<b>212,705.00</b>	<b>251,779.57</b>	<b>862,783.07</b>
June 30, 2018 Monthly required Funding		567,583.33	63,481.83	68,370.17	22,083.33		
June 30, Interest Earned	6.41	3,382.81	2.73	2.00	1.55	2.07	1009.3
Transfer to Checking for Vendor Payments/Other	(92,815.14)		(67,162.67)	(55,924.17)	(32,221.96)		
<b>June 30, 2018 Total Bank Balances</b>	<b>692,103.22</b>	<b>4,523,961.26</b>	<b>343,758.19</b>	<b>268,125.80</b>	<b>202,567.92</b>	<b>251,781.64</b>	<b>863,792.37</b>

City of Newport Water Fund

Restricted Account Analysis  
Fiscal Year 2019

	Capital	Debt Service	Chemicals	Electricity	Retiree Insurance	Accrued Benefits	Revenue Reserve
<b>June 30, 2018 Total Bank Balances</b>	<b>692,103.22</b>	<b>4,523,961.26</b>	<b>343,758.19</b>	<b>268,125.80</b>	<b>202,567.92</b>	<b>251,781.64</b>	<b>863,792.37</b>
July 31, 2018 Monthly required Funding		567,583.33	63,481.83	90,471.02	22,083.33		
July 31, Interest Earned	5.37	4,152.98	2.98	2.15	1.69	2.14	897.39
Transfer to Checking for Vendor Payments/Other	(280,025.15)		(17,482.66)	(82,122.16)	(32,001.30)		
<b>July 31, 2018 Total Bank Balances</b>	<b>412,083.44</b>	<b>5,095,697.57</b>	<b>389,760.34</b>	<b>276,476.81</b>	<b>192,651.64</b>	<b>251,783.78</b>	<b>864,689.76</b>
August 31, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
August 31, Interest Earned	1.71	5,328.32	3.48	2.38	1.54	2.14	993.37
Transfer to Checking for Vendor Payments/Other	(507,067.76)	(5,525,888.47)	(37,775.93)	(85,792.70)	(31,012.04)		
<b>August 31, 2018 Total Bank Balances</b>	<b>113,350.72</b>	<b>142,720.75</b>	<b>415,469.72</b>	<b>259,056.66</b>	<b>183,724.47</b>	<b>251,785.92</b>	<b>865,683.13</b>
September 30, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
September 30, Interest Earned	1.14	5,842.44	3.05	1.93	1.38	2.07	1004.47
Transfer to Checking for Vendor Payments/Other	(182,219.04)		(307,840.99)	(88,353.78)	(31,012.04)		
<b>September 30, 2018 Total Bank Balances</b>	<b>139,466.15</b>	<b>716,146.52</b>	<b>171,113.61</b>	<b>239,074.98</b>	<b>174,797.14</b>	<b>251,787.99</b>	<b>866,687.60</b>

City of Newport Water Fund

Restricted Account Analysis  
Fiscal Year 2019

	Capital	Debt Service	Chemicals	Electricity	Retiree Insurance	Benefits	Reserve
<b>September 30, 2018 Total Bank Balances</b>	<b>139,466.15</b>	<b>716,146.52</b>	<b>171,113.61</b>	<b>239,074.98</b>	<b>174,797.14</b>	<b>251,787.99</b>	<b>866,687.60</b>
October 31, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
October, Interest Earned	1.42	270.21	1.28	1.83	1.38	2.14	1,011.58
Transfer to Checking for Vendor Payments/Other adjustment	(4,042.50)		(68,195.70)	(53,235.78)	(31,012.04)		
<b>October 31, 2018 Total Bank Balances</b>	<b>343,758.40</b>	<b>1,284,000.06</b>	<b>166,401.02</b>	<b>254,211.20</b>	<b>165,869.81</b>	<b>251,790.13</b>	<b>867,699.18</b>
November 30, 2018 Monthly required Funding	208,333.33	567,583.33	63,481.83	68,370.17	22,083.33		
November, Interest Earned	3.03	1,005.32	1.34	1.89	1.19	2.07	1,186.87
Transfer to Checking for Vendor Payments/Other	(114,884.84)		(79,504.65)	(70,143.31)	(26,430.25)		
<b>November 30, 2018 Total Bank Balances</b>	<b>437,209.92</b>	<b>1,852,588.71</b>	<b>150,379.54</b>	<b>252,439.95</b>	<b>161,524.08</b>	<b>251,792.20</b>	<b>868,886.05</b>
December 31, 2018 Monthly required Funding	100,000.00	567,583.33	63,481.83	68,370.17	22,083.33		
December, Interest Earned	3.62	1,802.12	1.14	2.32	1.23	2.14	1,183.53
Transfer to Checking for Vendor Payments/Other	(122,054.25)		(71,377.26)	(3,976.56)	(34,191.25)		
<b>December 31, 2018 Total Bank Balances</b>	<b>415,159.29</b>	<b>2,421,974.16</b>	<b>142,485.25</b>	<b>316,835.88</b>	<b>149,417.39</b>	<b>251,794.34</b>	<b>870,069.58</b>

**MIDD 1-11:** [Ref. – Testimony Page 4, lines 14-21, and HJS Schedule A-1B]. This schedule shows line item and total expense for both the Test Year (FY 2018) and the Rate Year (FY 2020). Based on 10 months of actual results (July, 2018 through April, 2019), please provide your best estimate by line item and Total for all of FY 2019. Provide the same (actual) information for FY 2019 as soon as it is available. Also provide a best estimate of the date that the data for FY 2019 (after the fiscal year is completed) will be available. Lastly, Provide a table with the same information as HJS Schedule A-1B for Fiscal Years 2015 through 2017.

**Response:** Attached is a schedule (MIDD 1-11 a) with the 10 months results from July 2018 through April 2019. However, note that the April accounting period has not been closed as of the date this schedule was prepared and may be subject to change. Included with the 10-month data are preliminary projections for May and June 2019.

Audited final data will not be available until in December 2019, unaudited data will be available some time before that.

A schedule of Actuals for FY 2015 is attached (MIDD 1-11 b). Please see the response to Division 2-1 for FY2016 and 2017 actuals.

**Prepared by:** Julia Forgue

Rhode Island Public Utilities Commission  
Docket 4933  
Middletown Data Request 1-11  
HJS Schedule A-1B  
Revenue Requirements by Account  
FY 2019

	FY 2019 YTD April	Projection May & June	Projection FY 2019
50001 Salaries & Wages	\$ 2,026,195	\$ 482,427	\$ 2,508,622
50002 Overtime	\$ 209,808	\$ 49,954	\$ 259,762
50003 Holiday Pay	\$ 30,458	\$ 7,252	\$ 37,710
50004 Temp Salaries	\$ 42,534	\$ 10,127	\$ 52,661
50005 Permanent Part time	\$ 4,933	\$ 1,175	\$ 6,108
50044 Standby Salaries	\$ 13,334	\$ 3,175	\$ 16,509
50045 Lead Plant Operator Stipend	\$ 11,600	\$ 2,762	\$ 14,362
50100 Employee Benefits	\$ 1,065,278	\$ 253,638	\$ 1,318,916
50103 Retiree Insurance Coverage	\$ 300,289	\$ 60,058	\$ 360,347
50105 Workers Compensation	\$ 58,761	\$ 45	\$ 58,806
50120 Bank Fees (lock box)	\$ 10,209	\$ 2,042	\$ 12,251
50175 Annual Leave Buyback	\$ 18,108	\$ 3,622	\$ 21,730
50205 Copying & binding	\$ 215	\$ 43	\$ 258
50207 Advertisement	\$ 731	\$ 146	\$ 877
50210 Membership Dues & Subscriptions	\$ 493	\$ 4,500	\$ 4,993
50212 Conferences & Training	\$ 2,800	\$ 560	\$ 3,360
50214 Tuition Reimbursement	\$-	\$-	\$-
50220 Consultant Fees	\$ 75,890	\$ 50,000	\$ 125,890
50225 Support Services/Contract Services	\$ 24,164	\$ 4,833	\$ 28,997
50238 Postage	\$ 53,947	\$ 10,789	\$ 64,737
50239 Fire & Liability Insurance	\$ 172,498		\$ 172,498
50251 Telephone & Communication	\$ 5,079	\$ 1,016	\$ 6,095
50260 Rental of Equipment	\$ 3,126	\$ 625	\$ 3,751
50266 Legal & Administrative	\$ 273,098		\$ 273,098
50267 Data Processing	\$ 231,161		\$ 231,161
50268 Mileage Allowance	\$ 200	\$ 40	\$ 240
50271 Gasoline & Vehicle Allowance	\$ 155,655	\$ 31,131	\$ 186,786
50275 Repairs & Maintenance	\$ 131,780	\$ 26,356	\$ 158,137
50276 Main Maintenance	\$ 92,172	\$ 18,434	\$ 110,606
50277 Reservoir Maintenance	\$ 15,169	\$ 3,034	\$ 18,202
50280 Regulatory Expense	\$ 350	\$ 70	\$ 420
50281 Regulatory Assessment	\$ 116,159		\$ 116,159
50296 Service Maintenance	\$ 13,772	\$ 2,754	\$ 16,526
50299 Meter Maintenance	\$ 4,552	\$ 910	\$ 5,463
50305 Water / Sewer Charge	\$ 353,719	\$ 117,906	\$ 471,626
50306 Electricity	\$ 550,147	\$ 110,029	\$ 660,176
50307 Natural Gas	\$ 47,718	\$ 9,544	\$ 57,262
50308 Property Tax	\$ 425,143	\$ 85,029	\$ 510,172
50311 Operating Supplies	\$ 18,577	\$ 3,715	\$ 22,293
50320 Uniforms & protective Gear	\$ 3,202	\$ 640	\$ 3,842
50335 Chemicals	\$ 745,931	\$ 149,186	\$ 895,118
50339 Laboratory Supplies	\$ 23,473	\$ 4,695	\$ 28,167
50361 Office Supplies	\$ 8,397	\$ 1,679	\$ 10,076
50380 Customer Service Supplies	\$ 830	\$ 166	\$ 996
50505 Self Insurance	\$ 581	\$ 116	\$ 698
50515 Unemployment Claims	\$-	\$-	\$-
50520 Accrued Benefits Buyout	\$ 9,662	\$ 1,932	\$ 11,595
60001 Hydrant Maintenance	\$-	\$-	\$-
<b>Total</b>	<b>\$ 7,351,898</b>	<b>\$ 1,516,155</b>	<b>\$ 8,868,059</b>

Rhode Island Public Utilities Commission  
Docket 4933  
Middletown Data Request 1-11  
HJS Schedule A-1B  
Revenue Requirements by Account  
FY 2015

		FY2015
50001	Salaries & Wages	\$ 2,368,277
50002	Overtime	\$ 307,156
50003	Holiday Pay	\$ 34,840
50004	Temp Salaries	\$ 55,721
50005	Permanent Part time	\$ 14,200
50044	Standby Salaries	\$ 12,528
50045	Lead Plant Operator Stipend	\$ 14,457
50100	Employee Benefits	\$ 1,335,653
50103	Retiree Insurance Coverage	\$ 351,563
50105	Workers Compensation	\$ 59,456
50120	Bank Fees (lock box)	\$ 13,711
50175	Annual Leave Buyback	\$ 39,771
50205	Copying & binding	\$ 511
50207	Advertisement	\$ 4,041
50210	Membership Dues & Subscriptions	\$ 4,447
50212	Conferences & Training	\$ 4,280
50214	Tuition Reimbursement	\$-
50220	Consultant Fees	\$ 210,410
50225	Support Services/Contract Services	\$ 43,308
50238	Postage	\$ 57,625
50239	Fire & Liability Insurance	\$ 191,022
50251	Telephone & Communication	\$ 5,569
50260	Rental of Equipment	\$ 12,350
50266	Legal & Administrative	\$ 303,686
50267	Data Processing	\$ 143,888
50268	Mileage Allowance	\$ 875
50271	Gasoline & Vehicle Allowance	\$ 223,176
50275	Repairs & Maintenance	\$ 129,012
50276	Main Maintenance	\$ 94,546
50277	Reservoir Maintenance	\$ 16,236
50280	Regulatory Expense	\$ 590
50281	Regulatory Assessment	\$ 127,394
50296	Service Maintenance	\$ 28,090
50299	Meter Maintenance	\$ 7,734
50305	Water/ Sewer Charge	\$ 468,429
50306	Electricity	\$ 723,586
50307	Natural Gas	\$ 83,991
50308	Property Taxes	\$ 464,200
50311	Operating Supplies	\$ 39,526
50320	Uniforms & protective Gear	\$ 6,183
50335	Chemicals	\$ 685,044
50339	Laboratory Supplies	\$ 16,924
50361	Office Supplies	\$ 14,469
50380	Customer Service Supplies	\$ 166
50505	Self Insurance	\$ 118
50515	Unemployment Claims	\$-
50520	Accrued Benefits Buyout	\$ 15,500
60001	Hydrant Maintenance	\$-
	<b>Total</b>	<b>\$ 8,734,259</b>

**MIDD 1-12:** [Ref. – Testimony Page 5, lines 11-12]. By what amount was Salaries and Wages expense reduced by for each of the position listed? Were these amounts included in the test year total for this line item (50001)? Would the proposed rate year expense for that line item be increased by those amounts if those positions were not eliminated? If not, why not and explain in detail. What are the corresponding Employee Benefits (line item 50100) associated with each of those positions? Were these amounts included in the test year total for this line item (50100)? Were these amounts excluded from the rate year expense? If not, why not and explain in detail.

**Response:** The salaries and benefits are as follows:

<b>Position</b>	<b>Salaries</b>	<b>Benefits</b>
Station 1 Operator	\$41,112	\$33,275
Distribution /Collection Operator	\$45,886	\$22,718
<b>TOTALS</b>	<b>\$86,998</b>	<b>\$55,993</b>

The test year amounts only include actual salaries and benefits paid in the test year. As set forth in Newport Water's response to Commission 1-2, based on past practice we did not request an overall total salary expense equal to a full complement of employees. Rather, Newport reduced its salary request by deducting an amount equivalent to the salaries for two positions – a Water Treatment Plant Operator position and a Distribution and Collection Operator position. So, if Newport included the amounts for these two positions in the rate year, then the rate year salary and benefits amounts would necessarily increase.

**Prepared by:** Julia Forgue

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-13:** [Ref. – Testimony Page 5, lines 14-18 and HJS Schedule A-1B]. For line item 50100, please provide a detailed breakdown of each known and measurable changes that have led to the Rate Year Adjustment total for this expense (\$240,047 – a 17.5% increase). Please provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes.

**Response:** Please see the response to Division 2-7 which details the costs included in Employee Benefits.

**Prepared by:** William Yost

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-14:** [Ref. – Testimony Page 6, lines 15-18 and HJS Schedule A-1B. For line item 50220, please provide a detailed breakdown of each of the known and measurable changes (legal, financial and PUC expense) that have led to the Rate Year Adjustment total for this expense (\$237,350). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes. What were the corresponding actual costs incurred in the previous Rate Case (Docket 4595)?

**Response:** Please see the response to Division 2-20 and Commission 1-26.

**Prepared by:** William Yost

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-15:** [Ref. — Testimony Page 6, lines 20-27 through Page 7, lines 1-7, and HJS Schedule A-1B]. For line item 50225, please provide a detailed breakdown of each of the known and measurable changes that have led to the Rate Year Adjustment total for this expense (\$33,917—a 115 % increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes.

**Response:** Please see Newport Water's response to Div. 2-19.

**Prepared by:** Rob Schultz

**MIDD 1-16:** [Ref. — Testimony Page 7, lines 9-14 and HJS Schedule A-1B]. For line item 50267, please provide a detailed breakdown of each of the known and measurable changes that led to the Rate Year Adjustment total for this expense (\$112,014 – a 48.5% increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes. Also, provide the basis, any assumptions and all calculations used to derive the percentage of data processing costs allocated to Newport Water versus all other Departments of the City of Newport.

**Response:** Please see Newport Water's response to Comm. 1-16 and HJS Schedule D-17.

**Prepared by:** Julia Forgue

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-17:** [Ref. — Testimony Page 7, lines 16-23 and HJS Schedule A- 1B]. For line item 50275, please provide a detailed breakdown of each of the known and measurable changes that have led to the Rate Year Adjustment total for this expense (\$76,152 — a 45.2 % increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes.

**Response:** Please see Newport Water's response Div. 2-30 a. and c. and HJS Schedule D15 account 50275.

**Prepared by:** Rob Schultz

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-18:** [Ref. – Testimony Page 8, lines 4-7 and HJS Schedule A-1B]. Please provide a copy of the RIDEM Notice of Violation relative to several of Newport Water's dams mentioned in these referenced lines.

**Response:** Please see attached.

**Prepared by:** Julia Forgue



RHODE ISLAND  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Office of Compliance and Inspection 235 Promenade Street, Providence, RI 02908-5767  
Telephone 401-222-1360 Fax 401-222-3811 TDD 401-222-4462

April 13, 2016

CERTIFIED MAIL

City of Newport  
c/o Joseph J. Nicholson, Jr., Interim City Manager  
43 Broadway  
Newport, RI 02840

RE: **NOTICE OF VIOLATION**

**File No.: Dam State I.D. Numbers 395, 396, 485, 580, 581, 582, 583, 584 and 585  
and OCI-DAMS-13-64, 13-65, 13-66, 13-67, 13-68, 13-70, 13-72, 13-73,  
and 13-74**

Dear Mr. Nicholson,

Enclosed please find a Notice of Violation ("NOV") relating to dam safety violations at Lawton Valley Reservoir Dam, Nonquit Pond Dam, Harold E. Watson Reservoir Dam, Sisson Pond Dam, St. Mary's Pond Dam, Nelson Pond Dam, Gardiner Pond Dam, Easton Pond North Dam, and Easton Pond South Dam.

PLEASE READ THIS DOCUMENT CAREFULLY. Pursuant to R.I. General Laws Chapters 42-17.1, 42-17.6, 42-17.7 and 42-35 each named Respondent is entitled to request an administrative hearing before the Director or her designee regarding the alleged violations, orders, and/or penalties set forth in this NOV. Further details regarding each Respondent's right to an administrative hearing are provided within the NOV.

If the city of Newport ("Newport") wishes to request an administrative hearing concerning this NOV, the request must **be made in writing and be received within 20 days of your receipt of this NOV**. A written request for an administrative hearing must be submitted to:

Administrative Clerk  
DEM-Administrative Adjudication Division ("AAD")  
One Capitol Hill, 2<sup>ND</sup> Floor  
Providence, RI 02903

A copy of the request for an administrative hearing must also be forwarded to:

Joseph J. LoBianco, Esquire  
DEM - Office of Legal Services  
235 Promenade Street, 4<sup>TH</sup> Floor  
Providence, Rhode Island 02908-5767

Page two

Name: City of Newport

RE: Notice of Violation

**Newport may also wish to arrange for an informal meeting to discuss the NOV** with representatives of the Office of Compliance & Inspection (“OC&I”). At that informal meeting, representatives of the OC&I will be prepared to discuss the facts set forth in the NOV, steps that may be necessary to comply with the orders contained therein and pertinent regulatory requirements. If agreement on resolution of the enforcement action can be reached, a Consent Agreement may be entered that both resolves the NOV and eliminates the need for an administrative hearing.

Representatives of the OC&I are prepared to discuss a resolution of this matter with Newport; however, please be advised that correspondence with the OC&I, including a request for an informal meeting to discuss this NOV, does not constitute a formal request for a hearing and will not protect Newport's right to a formal hearing before the AAD.

**If Newport wishes to arrange for an informal meeting to discuss this NOV, please contact:**

Paul Guglielmino, Principal Civil Engineer  
Office of Compliance and Inspection  
235 Promenade Street, Room 220  
Providence, Rhode Island 02908-5767  
Telephone: (401) 222-1360, ext 7122

Or

Anna Maria Cole, Technical Staff Assistant  
Telephone: (401) 222-1360, ext 7431

Newport has a right to be represented by legal counsel before the AAD or in an informal meeting with the OC&I. Newport is not obligated to do so, but if Newport plans on having legal representation present at an informal meeting with the OC&I, please inform us at the time of the request for an informal meeting so that we can make arrangements to have legal counsel present.

In addition to the requirements in the NOV, the reports for the visual inspections performed on August 22, 2013 at Easton Pond North Dam and Easton Pond South Dam, on August 28, 2013 at Nelson Pond Dam and Gardiner Pond Dam, on September 4, 2013 at Nonquit Pond Dam and Harold E. Watson Reservoir Dam, on September 12, 2013 at Sisson Pond Dam and St. Mary's Pond Dam and on September 18, 2013 at Lawton Valley Reservoir Dam (copies enclosed) includes recommendations (section 3.2) for maintenance and/or repair. Since State law allows for a dam owner to be held liable for any damages caused by the improper operation and/or maintenance of a dam, it is in Newport's best interest to properly operate and maintain its dams.

Maintenance of the dams, except for certain cutting or removal of trees, does not require a permit (see Rule 10 of the DEM's *Rules and Regulations for Dam Safety*); however, no repair or alterations shall be made to an existing dam without the prior approval of the OC&I.

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Name: City of Newport

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Although the OC&I strongly advocates for completion of the recommendations as good dam safety practices, they are not required to be completed. Please contact Paul Guglielmino if you would like to discuss the recommendations or need assistance prioritizing them.

Based on the findings in the reports, the condition of each dam has been rated good, fair, poor or unsafe. *Good* is defined as meeting minimum guidelines, where no irregularities are observed and the component appears to be maintained properly. *Fair* is defined as a component that requires maintenance. *Poor* is defined as a component that has deteriorated beyond a maintenance issue and requires repair; the component no longer functions as it was originally intended. *Unsafe* is defined as an unreasonable risk of failure exists that will result in a probable loss of human life or major economic loss.

The ratings for Lawton Valley Reservoir Dam are as follows:

Embankment	Good to Unsafe
Spillway	Fair to Unsafe
Low Level Outlet	Not Present

The ratings for Nonquit Pond Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Fair
Low Level Outlet	Unsafe

The ratings for Harold E. Watson Reservoir Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Unsafe
Low Level Outlet	Undetermined
Auxiliary Spillway	Fair to Unsafe

The ratings for Sisson Pond Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Unsafe
Low Level Outlet	Not Present

The ratings for St. Mary's Pond Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Unsafe
Low Level Outlet	Not Present

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The ratings for Nelson Pond Dam are as follows:

Embankment	Good to Unsafe
Spillway	Unsafe
Low Level Outlet	Not Present
Auxiliary Spillway	Unsafe

The ratings for Gardiner Pond Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Not Present
Low Level Outlet	Not Present

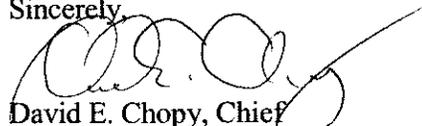
The ratings for Easton Pond North Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Fair to Unsafe
Low Level Outlet	Undetermined

The ratings for Easton Pond South Dam are as follows:

Embankment	Fair to Unsafe
Spillway	Good to Fair
Low Level Outlet	Good

Sincerely,

  
David E. Chopy, Chief  
Office of Compliance and Inspection

Enclosures: Notice of Violation  
Visual Inspection Reports

cc: Peter T. Gaynor, Executive Director, RIEMA  
Michelle Burnett, Assistant Chief of Planning/State Floodplain Coordinator, RIEMA  
Ronald Doire, Middletown Emergency Management Official  
Peter D. Connerton, Newport Emergency Management Official  
John King, Portsmouth Emergency Management Official  
Robert Lloyd, Tiverton Emergency Management Official  
Robert Mushen, Little Compton Emergency Management Official

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT  
OFFICE OF COMPLIANCE & INSPECTION**

**IN RE: City of Newport**

**FILE NOs.: Dam State I.D. 395, 396, 485, 580,  
581, 582, 583, 584, and 585**

NOTICE OF VIOLATION

**A. Introduction**

Pursuant to Sections 42-17.1-2(21) and 42-17.6-3 of the Rhode Island General Laws, as amended, ("R.I. Gen. Laws") you are hereby notified that the Director of the Department of Environmental Management (the "Director" of "DEM") has reasonable grounds to believe that the above-named party ("Respondent") has violated certain statutes and/or administrative regulations under DEM's jurisdiction.

**B. Facts**

(1) The properties are as follows:

- (a) A dam identified as Lawton Valley Reservoir Dam, State Identification Number 395, located approximately 3,000 feet north of the intersection of West Main Road and Union Street, approximately 650 feet east of West Main Road, in the town of Portsmouth, Rhode Island ("Dam 395");
- (b) A dam identified as Nonquit Pond Dam, State Identification Number 396, located approximately 816 feet west of the intersection of Main Road and Pond Bridge Road, approximately 70 feet north of Pond Bridge Road, in the town of Tiverton, Rhode Island ("Dam 396");
- (c) A dam identified as Harold E. Watson Reservoir Dam, State Identification Number 485, located approximately 5,700 feet north of the intersection of Peckham Road and West Main Road, approximately 2,300 feet east of West Main Road, in the town of Tiverton, Rhode Island ("Dam 485");
- (d) A dam identified as Sisson Pond Dam, State Identification Number 580, located approximately 1,500 feet east of the intersection of Union Street and Jepson Lane, approximately 1,300 feet south of Union Street, in the town of Portsmouth, Rhode Island ("Dam 580");
- (e) A dam identified as St. Mary's Pond Dam, State Identification Number 581, located approximately 4,000 feet east of the intersection of West Main Road and Union Street, approximately 1,300 feet south of Union Street, in the town of Portsmouth, Rhode Island ("Dam 581");

- (f) A dam identified as Nelson Pond Dam, State Identification Number 582, located approximately 1,180 feet northwest of the intersection of Paradise Avenue and Hanging Rock Road, approximately 554 feet east of Paradise Avenue, in the town of Middletown, Rhode Island (“Dam 582”);
- (g) A dam identified as Gardiner Pond Dam, State Identification Number 583, located immediately northeast of the intersection of Hanging Rock Road and Sachuest Point Road, approximately 157 feet east of Hanging Rock Road, in the town of Middletown, Rhode Island (“Dam 583”);
- (h) A dam identified as Easton Pond North Dam, State Identification Number 584, located approximately at the intersection of Valley Road and Aquidneck Avenue, approximately 270 feet west of Aquidneck Avenue, in the town of Middletown, Rhode Island (“Dam 584”); and
- (i) A dam identified as Easton Pond South Dam, State Identification Number 585, located approximately 1,300 feet west of the intersection of Aquidneck Road and Memorial Boulevard, approximately 100 feet north of Memorial Boulevard, on the line between the town of Middletown and the city of Newport, Rhode Island (“Dam 585”)

Collectively, the 9 dams are referred to as the “Dams”.

- (2) The Respondent owns the Dams.
- (3) On 23 March 2011, the DEM received registration forms from the Respondent identifying it as the owner of Dam 395, Dam 396, Dam 485, and Dam 581.
- (4) On 9 September 2011, the DEM received registration forms from the Respondent identifying it as the owner of Dam 580, Dam 582, Dam 583, Dam 584, and Dam 585.
- (5) Dam 396 is classified by the DEM as Significant Hazard.
- (6) Dam 395, Dam 485, Dam 580, Dam 581, Dam 582, Dam 583, Dam 584 and Dam 585 are classified by the DEM as High Hazard.
- (7) The Dams were inspected on the following dates:
  - (a) On 22 August 2013, Dam 584 and Dam 585;
  - (b) On 28 August 2013, Dam 582 and Dam 583;
  - (c) On 4 September 2013, Dam 396 and Dam 485;
  - (d) On 12 September 2013, Dam 580 and Dam 581; and
  - (e) On 18 September 2013, Dam 395.

Collectively, the 9 inspections are referred to as the "Inspections".

- (8) The Inspections revealed the following:
- (a) For Dam 584, vegetation on the upstream side and downstream side of the embankment that did not allow a proper inspection to be performed, vegetation within the auxiliary spillway channel that may inhibit flow, a primary spillway with missing stones, voids, displacement of concrete sections, and significant cracking of concrete in numerous locations, and an auxiliary spillway with significant cracking of concrete, missing mortar, open joints, and a stone block cap that has fallen from the top of the wall into the channel. The inspector was unable to determine whether the low level outlet is operable;
  - (b) For Dam 585, vegetation on the upstream side and downstream side of the embankment that did not allow a proper inspection to be performed;
  - (c) For Dam 582, vegetation on the upstream side and downstream side of the embankment and vegetation within the primary spillway and auxiliary spillway that did not allow a proper inspection to be performed and an auxiliary spillway with cracked/broken concrete, leaning wall, missing concrete caps and reports of leakage during elevated water levels;
  - (d) For Dam 583, vegetation on the upstream side, crest and downstream side of the embankment that did not allow a proper inspection to be performed and suspected erosion of the toe of the downstream embankment adjacent to Maidford Brook near station 52+80;
  - (e) For Dam 396, vegetation along the left abutment that did not allow a proper inspection to be performed and an inoperable low level gate;
  - (f) For Dam 485, vegetation on the upstream side and downstream side of the embankment and vegetation within the auxiliary spillway that did not allow a proper inspection to be performed and vegetation within the primary spillway and auxiliary spillway channels that may inhibit flow. The inspector was unable to determine whether the low level outlet is operable;
  - (g) For Dam 580, vegetation on the upstream side and downstream side of the embankment and vegetation within the primary spillway that did not allow a proper inspection to be performed and vegetation within the primary spillway channel that may inhibit flow;
  - (h) For Dam 581, vegetation on the upstream side and downstream side of the embankment and vegetation within the primary spillway that did not allow a proper inspection to be performed and vegetation within the primary spillway channel that may inhibit flow; and

- (i) For Dam 395, vegetation on the upstream side and downstream side of the embankment that did not allow a proper inspection to be performed and vegetation within the primary spillway channel that may inhibit flow.
- (9) The DEM considers the Dams unsafe for the following reasons:
  - (a) For Dam 395, Dam 485, Dam 580, Dam 581 and Dam 584, because of vegetation that inhibits a proper inspection and vegetation that may inhibit flow;
  - (b) For Dam 582, Dam 583 and Dam 585, because of vegetation that inhibits a proper inspection;
  - (c) For Dam 396, because of vegetation that inhibits a proper inspection and an inoperable low level gate.
- (10) The DEM considers that Dam 582, Dam 583 and Dam 584 may be unsafe for the following reasons:
  - (a) For Dam 582, because of the deteriorated auxiliary spillway;
  - (b) For Dam 583, because of the suspected erosion along the toe of the embankment adjacent to Maidford Brook near station 52+80; and
  - (c) For Dam 584, because of the deteriorated primary spillway and auxiliary spillway.

C. Violation

Based on the foregoing facts, the Director has reasonable grounds to believe that you have violated the following statutes and/or regulations:

- (1) **DEM's Rules and Regulations for Dam Safety (the "Dam Safety Regulations"), Rule 4(A)** – requiring the owner of a high hazard dam or a significant hazard dam to maintain the dam in a safe condition.
- (2) **DEM's Dam Safety Regulations, Rule 11(A)(2)** – requiring the owner of a high hazard dam or a significant hazard dam to perform a visual inspection of the dam whenever the DEM determines one is necessary.
- (3) **DEM's Dam Safety Regulations, Rule 11(A)(4)** – requiring the owner of a high hazard dam or a significant hazard dam to perform a detailed investigation of the dam whenever the findings of a visual inspection reveals that the dam may be unsafe.

D. Order

Based upon the violations alleged above and pursuant to R.I. Gen. Laws Section 42-17.1-2(21), you are hereby ORDERED to:

- (1) **Within 90 days of receipt of the Notice of Violation (“NOV”)**, cut or remove the vegetation from the areas of the Dams as described in Paragraph B(8) above in accordance with the DEM’s Dam Safety Regulations, Rule 10A. Cutting or removal shall be in sufficient amounts to allow a thorough visual inspection to be performed. The DEM shall be notified upon commencement and completion of this work.
- (2) **Within 90 days of receipt of the NOV**, retain a professional engineer fully registered in the State of Rhode Island, who is experienced with dam inspections, design, construction and repair (the “Dam Engineer”).
- (3) **Within 180 days of receipt of the NOV**, the Dam Engineer must complete the following in accordance with the DEM’s Dam Safety Regulations, Rule 11C:
  - (a) A visual inspection of the Dams. For Dam 485 and Dam 584, assess the operability of the low level outlet;
  - (b) A detailed investigation of Dam 582 to assess the auxiliary spillway;
  - (c) A detailed investigation of Dam 583 near station 52+80 to assess suspected erosion at the toe of the downstream embankment and the flow from Maidford Brook along the toe of the downstream embankment;
  - (d) A detailed investigation of Dam 584 to assess the primary spillway and auxiliary spillway; and
  - (e) Submit reports of the inspection/investigation findings to the DEM. The reports must specify the actions (in addition to the actions ordered in the NOV) necessary to return the dams to a safe condition and include a schedule to complete the work. For any proposed repairs, the reports must include an application prepared in accordance with the DEM’s Dam Safety Regulations, Rule 10B.
- (4) **Within 270 days of receipt of the NOV**, the Dam Engineer must submit an application to the DEM in accordance with the DEM’s Dam Safety Regulations, Rule 10B to repair the inoperable low level outlet of Dam 396. The application must include a schedule to complete the work.

- (5) The reports, applications, and/or schedules required above shall be subject to the DEM's review and approval. Upon review, the DEM shall provide written notification to the Respondent either granting formal approval or stating the deficiencies therein. **Within 14 days (unless a longer time is specified) of receiving a notification of deficiencies**, the Respondent shall submit to the DEM a modified report, application, and/or schedule or additional information necessary to correct the deficiencies.
- (6) Commence work specified in the schedule approved by the DEM within 20 days of approval (unless otherwise expressly authorized by the DEM in writing to commence work at a later time), and complete such work in accordance with the approved schedule.

E. Right to Administrative Hearing

- (1) Pursuant to R.I. Gen. Laws Chapters 42-17.1, 42-17.6, 42-17.7 and 42-35, each named respondent is entitled to request a hearing before the DEM's Administrative Adjudication Division regarding the allegations and/or orders set forth in Sections B through D above. All requests for hearing MUST:
  - (a) Be in writing. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and 42-17.6-4(b);
  - (b) Be **RECEIVED** by the DEM's Administrative Adjudication Division, at the following address, within 20 days of your receipt of the NOV. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and 42-17.7-9:

Administrative Clerk  
DEM - Administrative Adjudication Division  
One Capitol Hill, 2<sup>ND</sup> Floor  
Providence, RI 02903
  - (c) Indicate whether you deny the alleged violations. See R.I. Gen. Laws Section 42-17.6-4(b); **AND**
  - (d) State clearly and concisely the specific issues which are in dispute, the facts in support thereof and the relief sought or involved, if any. See Rule 7.00(b) of the DEM's *Administrative Rules of Practice and Procedure for the Administrative Adjudication Division for Environmental Matters*.

- (2) A copy of each request for hearing must also be forwarded to:

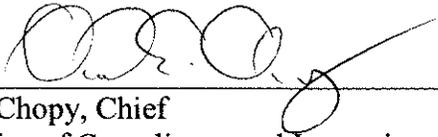
Joseph J. LoBianco, Esquire  
DEM - Office of Legal Services  
235 Promenade Street, 4<sup>TH</sup> Floor  
Providence, RI 02908-5767

- (3) Each named respondent has the right to be represented by legal counsel at all administrative proceedings relating to this matter.
- (4) Each respondent must file a separate and timely request for an administrative hearing before the DEM's Administrative Adjudication Division as to each violation alleged in the written NOV. If any respondent fails to request a hearing in the above-described time or manner with regard to any violation set forth herein, then the NOV shall automatically become a Final Compliance Order enforceable in Superior Court as to that respondent and/or violation. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and (vi) and 42-17.6-4(b) and (c).
- (5) The NOV does not preclude the Director from taking any additional enforcement action nor does it preclude any other local, state, or federal governmental entities from initiating enforcement actions based on the acts or omissions described herein.

If you have any legal questions, please have your attorney contact Joseph J. LoBianco at the DEM's Office of Legal Services at (401) 222-6607. All other inquiries should be directed to David E. Chopy of the DEM's Office of Compliance and Inspection at (401) 222-1360 ext. 7400.

Please be advised that any such inquiries do not postpone, eliminate, or otherwise extend the need for a timely submittal of a written request for a hearing, as described in Section E above.

FOR THE DIRECTOR

By:   
David E. Chopy, Chief  
DEM Office of Compliance and Inspection

Date: April 13, 2016

**CERTIFICATION**

I hereby certify that on the 13<sup>th</sup> day of April, 2016  
the within Notice of Violation was forwarded to:

City of Newport  
c/o Joseph J. Nicholson, Jr., Interim City Manager  
43 Broadway  
Newport, RI 02840

by Certified Mail.

  
\_\_\_\_\_

**MIDD 1-19:** [Ref. —Testimony Page 9, lines 9-16 and HJS Schedule A- IB] For line item 50281, please provide a detailed breakdown of each of the known and measurable changes that have led to the Rate Year Adjustment total for this expense (\$46,476 - a 27.2 % increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes.

**Response:** Please see response to Div. 2-34 and HJS Schedules D-7 and D-13 for Accounts 50281 provided with the response to Division 1-1 Supplemental.

**Prepared by:** Rob Schultz

**MIDD 1-20:** [Ref. – Testimony Page 8, lines 18-23 and HJS Schedule A-1B]. For line item 50305, please provide a detailed breakdown of each of the known and measurable changes that have led to the Rate Year Adjustment total of this expenses (\$58,689- a 10.9% increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable charges. Does Newport Water charge Newport Sewer Utility for any services (including water provided to any of the Sewer's Utility's facilities) it provides to that Utility? If it does, what are they, and what are the annual amounts for the years 2015 through FY 2019. If it does not, explain in detail why it doesn't.

**Response:** The Water/Sewer charges (line item 50305) are charges that NWD pays to the City of Newport Water Pollution Control Division for treating the residuals from the treatment processes at both water treatment plants and the sanitary sewer discharge from the Station 1 treatment plant. In addition, NWD bills 70 Halsey Street for water and sewer services which is also included in line item 50305.

For the calculations of the charges please see Newport Water's Supplemental Response to Division 1-1, HJS Schedule D-7, Account Number 50305, page 55 of 81; HJS Schedule D-11, page 66 of 81; and HJS Schedule D-12, page 71 of 81.

NWD charges the Operator of the City's wastewater treatment facility, sewer pumping stations, and CSO treatment facilities for water and sewer monthly at the non-residential water rate and Newport sewer rate. Attached is a schedule of the annual water and sewer charges to the Service Contract Operator for FY 2015 through FY 2019.

**Prepared by:** William Yost

CITY OF NEWPORT  
WATER DIVISION  
DR - MIDDLETOWN 1-20

Schedule of Annual Water & Sewer Charges to Service Contract Operator of WW Facilities

Metered Water Pollution Control Accounts	FY 2015	FY 2016	FY 2017	FY 2018	YTD FY 2019
Coddington Wharf Pump Station	\$ 248.59	\$ 251.39	\$ 259.13	\$ 252.79	\$ 238.82
Wellington Ave CSO Pump Station	\$ 3,491.45	\$ 1,811.54	\$ 9,675.53	\$ 5,858.33	\$ 12,816.36
Ruggles Ave Pump Station	\$ 60.13	\$ 72.62	\$ 92.20	\$ 151.29	\$ 85.47
Bliss Mine Pump Station	\$ 336.94	\$ 345.71	\$ 480.59	\$ 373.24	\$ 237.10
Dyre Street Pump Station	\$ 433.03	\$ 387.21	\$ 418.47	\$ 393.77	\$ 758.45
Waste Water Treatment Facility	\$ 140,192.33	\$ 51,028.41	\$ 14,758.00	\$ 61,511.56	\$ 95,576.59
Ranger Road Pump Station	\$ 240.26	\$ 255.04	\$ 254.23	\$ 255.27	\$ 246.08
Washington St CSO Facility	\$ 128.63	\$ 136.20	\$ 172.28	\$ 275.86	\$ 2,579.76
Long Wharf Pump Station	\$ 4,318.68	\$ 2,153.47	\$ 2,730.99	\$ 3,897.58	\$ 3,846.86
<b>TOTAL</b>	<b>\$ 149,450.04</b>	<b>\$ 56,441.59</b>	<b>\$ 28,841.42</b>	<b>\$ 72,969.69</b>	<b>\$ 116,385.49</b>

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-21:** [Ref.. Testimony Page 9, lines 18-27 through Page 10, lines 1-13, and HJS Schedule A-1 B]. For line item 50335, please provide a detailed breakdown of each of the known and measurable changes that have led to the Rate Year Adjustment total for this expense (\$358,881 — a 56.4 % increase). Provide the basis, any assumptions and all calculations used to derive each of the known and measurable changes.

**Response:** Please see Newport Water's response to Div. 2-40.

**Prepared by:** Rob Schultz

**MIDD 1-22:** [Ref. – Testimony Page 11, lines 1-3, and Exhibit 1]. Please provide a copy of the 5-year update of its infrastructure Replacement Plan (IRP) that Newport Water submitted to the RIDOH in 2015. How specifically was “This IRP” used “to develop Exhibit 1?” Include in your explanation any changes in circumstances, or any changes in legal/regulatory requirements since 2015 that caused you to not follow the 2015 5-year update.

**Response:** A copy of the 2015 Infrastructure Replacement Plan (IRP) is attached. The 2015 IRP was used as guide for the water infrastructure improvement elements in the development of the FY2020-2024 capital improvement plan (CIP) included as Exhibit 1 to my direct testimony. Also considered in the planning/development of the CIP was the RIDEM NOV received regarding the Newport Water owned dams, the current needs of the Water Utility, and the funds available for projects. The IRP lists a recommended project schedule. It does set forth a mandatory list to follow. Circumstances that contribute to any deviation from the recommended schedule include lack of funding.

**Prepared by:** Julia Forgue

**MIDD 1-23:** [Ref. – Testimony Page 11, lines 1-7, and Exhibit 1]. In this testimony you indicate that System Wide Main Improvements-CONSTRUCTION will be funded with SRF debt. What are the specific Main Improvements that are proposed to be constructed in each of the 5 years of the Plan (include the cost of each)? How was each of these Main Improvement projects selected and prioritized? Which of these projects could be delayed one or more years without significantly reducing system performance and reliability? Will any of these projects have expected useful lives of less than 50 years? If there are, list each and explain why its useful life is expected to be less than 50 years. Why were the ENGINEERING costs associated with these improvements not funded with SRF debt? Are there any specific legal or regulatory requirements that prevent you from funding those costs with debt? If there are, list and explain each.

**Response:** The 5-year CIP depicts the anticipated drawdown for two (2) water main improvement contracts at \$3.75 million and \$3 million. The water mains were included in a 2016 Design Contract concentrating on transmission mains (>12") and deficiencies. The water main improvements proposed to be funded by debt with two construction contracts include the following water mains in the City of Newport:

- Annandale Rd- 20"
- Narragansett Ave- 20"
- Spring St.- 12"
- Roseneath Ave- 20"
- Thames St- 12"

NWD anticipates the water main improvements to be in service for 50 years and none of these projects should be delayed as an artificial cost savings mechanism. The engineering costs are already substantially complete from a contract funded by rates. Based on experience, we have determined it is more efficient to fund engineering services through rates as they are not impacted by the Rhode Island Infrastructure Bank borrowing requirements and the added costs associated with borrowing.

**Prepared by:** Julia Forgue

**MIDD 1-24:** [Ref. – Testimony Page 11, lines 1-12, and Exhibit 1]. In this testimony you indicate that Newport is not seeking to increase its annual allowance of \$2,500,000 from rates to fund its restricted Capital Account. Please provide the legal/regulatory basis for this level of funding along with any limits or restrictions on the level of annual funding and the balance within the fund. With respect to your current 5 years plan (Exhibit 1), if one or more of the projects listed could be delayed one or more years, or if one or more projects that you propose to fund with current revenues were funded with debt, couldn't the "Total Rate Funded" amounts be reduced in one or more years?

**Response:** The annual funding for the restricted Capital Account is determined during rate applications before the RIPUC. In Newport's most recent rate filing (Docket 4595) the PUC approved annual funding for Capital was \$2,500,000.

It would not be appropriate to delay one or more projects. Deferring capital projects does not result in long-term savings, it simply postpones necessary work. Delaying projects would most likely result in increased construction costs due to inflation and the potential for unnecessary maintenance costs due to leaks, etc. Furthermore, transferring rate funded projects to debt funded projects would not likely lead to cost savings for the long term.

**Prepared by:** Julia Fogue

STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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**MIDD 1-25:** Ref. – Testimony Page 11, lines 1-19, and Exhibit 1]. Please provide a schedule listing all capital projects (and the cost of each) to be constructed in FY2019 and all capital projects (and the cost of each) completed each fiscal year (separately) from 2016 through 2018.

**Response:** See attached schedule.

**Prepared by:** Julia Forgue

**Midd. 1-25 Attachment**

<b>Project Title</b>	<b>FY 2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>Project Total</b>
WSSMP Update			\$18,250		\$18,250
IRP 5 Year update				\$66,565	\$66,565
Source Water Phosphorus Reduction Feasibility Plan	\$22,499				\$22,499
Nonquit Pond Dam		\$3,300	\$79,505		\$82,805
Lawton Valley Dam Repairs			\$1,317,352	\$279,291	\$1,596,643
N & S Easton Pond Dam & LV DAM Engineering	\$4,574	\$228,671	\$289,177	\$19,432	\$541,854
Survey St Marys & Sisson Pond Dams				\$49,500	\$49,500
Engineering Services for Dam Inspections and Related Support		\$45,824	\$57,045	\$11,047	\$113,916
Station 1 Raw Water Pump Station Roof	\$40,850				\$40,850
North Pond Aeration System	\$37,270				\$37,270
					\$0
Sakonnet Pump Station Improvements	\$92,591				\$92,591
Finished Storage Tank- 2 Mgal LV	\$121,833	\$810,479	\$405,010		\$1,337,322
Raw Water Main Improvements (Gardiner - Paradise)	\$428,296				
Water Main Improvements (Misc. Streets)	\$1,075,828				
Water Main Improvements (Eustis Ave & Ellery Rd)	\$27,650	\$1,153,364	\$2,479,726	\$185,243	\$3,845,982
Water Main Improvements (Marsh St)			\$186,589	\$64,241	\$250,830
Fence Repairs			\$49,562		\$49,562
Meter Replacement	\$92,613	\$87,241	\$104,917	\$71,356	\$356,128
Water Trench Restoration	\$91,996	\$85,481	\$121,296	\$75,000	\$373,773
Fire Hydrant Replacement	\$0	\$12,187	\$16,592		\$28,778
Equipment and Vehicle Replacement	\$60,685	\$70,985	\$108,601	\$102,562	\$342,833
<b>Total</b>	<b>\$2,096,685</b>	<b>\$2,497,531</b>	<b>\$5,233,621</b>	<b>\$924,237</b>	

**MIDD 1-26:** [Ref. — Testimony Page 11, Lines 14-19, and Exhibit 1]. This request concerns the four Capital Improvement Projects (from Exhibit 1) listed below.

- Dam Rehabilitation
- Reservoir Road Tank
- Forest Avenue Pump Station
- Water Trench Restoration

What is the Water Trench Restoration Project why is it needed; and why is its construction spread over 5 years costing about \$100,000 each year? For each of the four capital improvement projects listed, please provide any reports, studies or analysis used to support the need for each and the timing of the construction of each proposed in Exhibit 1. Which of these projects could be delayed one or more years without significantly reducing system performance and reliability? Will any of these projects have expected useful lives of less than 50 years? If there are any, list each and explain why its useful life is expected to be less than 50 years.

**Response:** The water trench restoration project is the annual contract for the permanent restoration of utility cuts and/or trenches performed by NWD crews. Work includes saw cutting, excavation, replacement of bituminous pavement, pouring and finishing concrete sidewalks and drive aprons, resetting curbing and associated Police details. The work sites are located throughout the NWD service area (i.e. Newport, Middletown and Portsmouth). Restoration of utility cuts and/or trenches is ongoing and requires annual funding.

For Newport Water's Infrastructure Replacement Plan 2015 – please see Newport Water's response to MIDD 1-22.

For the RIDEM Notice Of Violation - please see Newport Water's response to MIDD 1-18.

For the following reports, please see the following link:

[https://ftp.cityofnewport.com/public/file/A8e98sCpy0mDA9-74LGRSQ/FTPDrop\\_UT.zip](https://ftp.cityofnewport.com/public/file/A8e98sCpy0mDA9-74LGRSQ/FTPDrop_UT.zip)

- Inspection and Cleaning (Sediment Removal) of the Reservoir Road 3-Million Gallon Welded Steel Water Storage Tank, City of Newport Water Department, Newport Rhode Island October 24, 2016 Performed by Underwater Solutions, Inc.
- RIDEM OC&I Dam Safety: Lawton Valley Reservoir Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Nonquit Pond Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Harold E. Watson Reservoir Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Sisson Pond Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: St. Mary's Pond Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Nelson Pond Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Gardiner Pond Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Easton Pond North Dam Visual Inspection / Evaluation Report, Pare Corp.
- RIDEM OC&I Dam Safety: Easton Pond South Dam Visual Inspection / Evaluation Report, Pare Corp.
- PARE Tech Memo Newport Dams Assessment 2014
- Arcadis Gardiner Pond Investigation Report
- Arcadis Gardiner Pond Phase I Report
- Arcadis Nelson Pond Inspection Report
- Arcadis Nelson Pond Phase I Report
- Arcadis Nonquit Pond Inspection Report

- Arcadis Nonquit Pond Phase I Report
- Arcadis Sisson Pond Inspection Report
- Arcadis Sisson Pond Phase I Report
- Arcadis St. Mary's Pond Inspection Report
- Arcadis St. Mary's Pond Phase I Report
- Arcadis Watson Pond Inspection Report
- Arcadis Watson Pond Phase I Report
- City of Newport Department of Utilities – Water Division Dam Inspection, Operation & Maintenance Plan

It would not be appropriate delay any of the listed projects. Deferring capital projects does not result in long-term savings, it simply postpones necessary work, which would most likely result in increased construction costs due to inflation and the potential for unnecessary maintenance costs due to leaks, etc.

As for the useful life, please see as follows:

- Dam Rehabilitation – the proposed project is maintenance work, not the construction of new dam, so the useful life of the maintenance work is unknown, but likely less than fifty years.
- Reservoir Road Tank – the work to be done is replacement of the coating system and various repair and/or replacements of appurtenances. It is projected that the new coating will have an approximate useful life of 20 years.
- Forest Avenue Pump Station – the work replacement of two pumps; installation of variable frequency drives; update of electrical service and other related appurtenances. It is projected that useful life of this work will be less than fifty years.
- Water Trench Restoration – permanent asphalt restoration of a trench has a useful life of less than fifty years.

**MIDD 1-27:** [Ref. – Testimony Page 11, lines 14-19, and Exhibit 1]. Please explain in detail why you are only proposing to fund just one category or type of facility with debt? Are there any legal or regulatory requirements or limitations that prevent you from funding any other of the capital projects listed in Exhibit 1 with debt? If there are, what are they and provide copies of such laws and/or rules and regulations.

**Response:** NWD selected they system-wide water main improvements to be funded by debt because it did not have enough money in the restricted capital account to pay for this project. Ideally, NWD would prefer to fund projects through rates to avoid the added cost associated with borrowing. NWD is also mindful of the current debt service obligations when considering how a project will be funded. As debt is retired other future projects may be considered for debt funding.

**Prepared by:** Julia Fogue

**MIDD 1-28:** [Ref. – Testimony Page 11, lines 14-19, and Exhibit 1]. What is the amount of debt that you expect to issue in FY 2020? What is the expected month in which that debt will become an obligation of the Newport Water and what are the expected dates on which the first 2 debt service payments will become due? If the Engineering costs associated with the projects to be paid for from this debt issue were also funded from that debt issue, how would your responses change from your responses to the first two questions in this request?

**Response:** As shown on HJS Schedule D-16, Newport anticipates borrowing \$4,406,000 in 2020. Estimated debt service for the FY 2020 borrowing was developed assuming the borrowing would close in April of 2020 and that the first two debt service payments would be due in September of 2020 and March of 2021, respectively. If engineering costs associated with the projects were funded with debt, the amount of the borrowing would increase by the estimated engineering costs associated with the projects being funded with the borrowing. As noted in the response to MIDD 1-3, the issuance costs and interest rates used to determine the total amount of the borrowing and the estimated debt service are only assumptions. Actual issuance costs and debt service will not be known until the borrowing closes.

**Prepared by:** Harold Smith

**MIDD 1-29:** [Ref. – Testimony Page 11, lines 14-19, and Exhibit 1]. What is the amount of debt that you expect to issue in FY 2022? What is the expected month in which that debt will become an obligation of the Newport Water and what are the expected dates on which the first 2 debt service payments will become due? If the Engineering costs associated with the projects to be paid for from this debt issue were also funded from that debt issue, how would your responses change from your responses to the first two questions in this request?

**Response:** As shown on HJS Schedule D-16, Newport anticipates borrowing \$3,036,000 in 2022. Estimated debt service for the FY 2022 borrowing was developed assuming the borrowing would close in April of 2022 and that the first two debt service payments would be due in September of 2022 and March of 2023, respectively. If engineering costs associated with the projects were funded with debt, the amount of the borrowing would increase by the estimated engineering costs associated with the projects being funded with the borrowing. As noted in the response to MIDD 1-3, the issuance costs and interest rates used to determine the total amount of the borrowing and the estimated debt service are only assumptions. Actual issuance costs and debt service will not be known until the borrowing closes

**Prepared by:** Harold Smith

**MIDD 1-30:** [Ref. – Testimony Page 11, lines 14-19, and Exhibit 1]. If one or more of the system wide main improvement projects could be delayed one or more years, wouldn't it be appropriate to delay one or both of the 2 proposed bond issues one or more years, which in turn would result in delaying the debt service payments on one or both bond issues?

**Response:** No, it would not be appropriate. Deferring capital projects does not result in long-term savings it simply postpones necessary work. If the water main improvements projects were to be delayed it would most likely result in increased construction costs due to inflation and the potential for unnecessary maintenance costs due to leaks, etc.

**Prepared by:** Julia Fogue

**MIDD 1-31:** [Ref. – Testimony Page 11, lines 21-25]. For each City Department or position for which Newport Water is allocated a portion of their respective expenses, please provide a detailed description of the “same methodology” that was used to allocate those expenses in Docket 4595.

**Response:** The methodology was developed and approved by the Commission primarily in Dockets 4025 and 4595. The Commission’s Orders in those dockets and the pleadings in those Dockets can be found at:

<http://www.ripuc.org/eventsactions/docket/4595page.html>

<http://www.ripuc.org/eventsactions/docket/4025page.html>

**Prepared by:** Julia Fogue

**MIDD 1-32:** [Ref. – Testimony Page 11, lines 21-25]. Are there any services that Newport Water provides to any other City Department or agency other than direct water service? Please consider all activities of Newport Water's employees, equipment or facilities. For example, snow plowing, grass cutting or repair of vehicles or equipment. Also, include the use by all other City Departments of equipment, materials, supplies or facilities that are owned as assets of Newport Water. If there are any such services, list each and estimate the total annual value/cost associated with providing these services.

**Response:** The Newport Water Division does not provide any services or use of assets to any City Department or agency that is not compensated per the Miscellaneous Charges identified within our Rate Schedule or accounted for as a revenue offset. Snow plowing and grass cutting are performed by Water Division Staff only at Newport Water facilities and reservoir properties.

The Newport Water Division does provide billing services for the Water Pollution Control Division for which the Newport Water Division is compensated. The compensation from the Water Pollution Control Division is shown as a Revenue Offset in HJS Schedule A-1A.

**Prepared by:** Julia Forgue

**MIDD 1-33:** [Ref. – Testimony Page 11, lines 21-25]. Does Newport Water provide water service to any buildings or facilities owned by the City of Newport? For those City owned buildings or facilities that are provided water service by Newport Water is the City charged for that service, and if so, how are those charges determined? Please list any City owned buildings or facilities that receive water service from Newport Water, but are not charged for that service.

**Response:** Newport Water does provide water service to all buildings and/or facilities owned by the City of Newport. All City of Newport building and/or facilities, including the Water Division office at 70 Halsey Street, are charged in the same manner as all customers and at the same rates and fees as any other Non-Residential customer per the Rate Schedule in effect. There are no City buildings or facilities that are not charged for water service.

**Prepared by:** William Yost

**MIDD 1-34:** [Ref. – Testimony Page xx11, lines 21-25]. For each fiscal year from 2015 through April of FY2019, was the average precipitation or average temperature in the Newport Water service area unusually high or low? For any of those years in which either the average precipitation or temperature was significantly above or below average, indicate whether or not it was likely that such a variance from normal had a significant positive or negative impact on total water sales/consumption during that year? For any of those years for which you respond affirmatively, provide your best estimate of the percentage increase or decrease in total water sales/consumption attributable to that abnormality. Also, for each of those fiscal years provide the source of the annual weather data (precipitation and temperature) and the actual (historic) levels for both measurements that Newport Water uses to track those weather conditions.

**Response:** Newport is unable to provide a response to this request:.

- The testimony on page 11, lines 21-25 refers to City Services, and does not refer to precipitation.
- Newport does not know what average – daily, monthly, or yearly – this request seeks.
- Newport does not know what would be considered “unusually” high or low precipitation, or “significantly” above or below average.

Furthermore, the information sought regarding precipitation and temperature is available to Middletown for use in the analysis it seeks to perform. In general, Newport Water would agree that a summer with high rainfall could result in decreased water demand for irrigation purposes.

**Prepared by:** Julia Forgue

**MIDD 1-35:** [Ref. – Testimony Page 2, lines 12-15]. Please provide a copy of the document referred to in this sentence – R.I.G.L. Sec. 39-15.1-4. Please specify which future years (“multi-year rate increase”) that you propose covering with the two step increases? For example, if they are FY2020 through FY2024, is it correct to assume that you would not propose (except in extreme circumstances) another base rate increase to be effective before FY2025? Or, if they are FY2020 through FY2022, is it correct to assume that you would not propose (except in extreme circumstances) another base rate increase to be effective before FY2023?

**Response:** The document referred to “R.I.G.L. Sec. 39-15.1-4,” is a public law and can be found at: <http://webserver.rilin.state.ri.us/Statutes/TITLE39/39-15.1/39-15.1-4.HTM>

As set forth in the testimony and schedules of Harold Smith, the rate years that the multi-year rate increases seek to cover are FY20 and FY22.

It is unlikely that Newport will request another rate increase before FY22. Although, it should be noted that the increase proposed in FY22 is for debt service only.

**Prepared by:** Julia Forgue

**CERTIFICATION**

I hereby certify that on May 24, 2019, 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.

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STATE OF RHODE ISLAND  
PUBLIC UTILITIES COMMISSION  
DOCKET NO. 4933  
Response Of The City Of Newport,  
Utilities Division, Water Department  
To The Town of Middletown's  
Data Requests  
Set 1

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