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May 5, 2023

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

**Re: *Docket No. 22-47-WW- The Narragansett Bay Commission
General Rate Filing***

Dear Ms. Massaro:

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

1. The Narragansett Bay Commission's Response to the Rhode Island Division of Public Utilities and Carrier's Data Requests (Set Six).

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

Sincerely,



Joseph A. Keough, Jr.

JAK/kf

cc: Docket 22-47-WW Service List (*via electronic mail*)

DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 6

DIV 6-1: Please provide Excel files with formulas intact for Schedules DMF Rebuttal-1 through DMF Rebuttal-13 to the Rebuttal Testimony of David M. Fox. Please include related workpapers and supporting calculations within those Excel files.

Response: The Excel files were provided to the service list for this Docket via email on April 26, 2023.

Prepared by: David M. Fox

DOCKET NO. 22-47-WW
The Narragansett Bay Commission's Response
To the Division of Public Utilities and Carriers
Data Requests
Set 6

Div. 6-2: Please provide the complete 2024 CIP that was adopted by NBC and the related presentations to NBC's board concerning the 2024 CIP and how that would be financed.

Response: Please see attached.

Prepared by: Karen Giebink

Capital Improvement Program

The Narragansett Bay Commission’s (NBC) Capital Improvement Program (CIP) identifies programmed capital investments necessary to comply with current and future regulatory requirements, take advantage of technological advancements, ensure the integrity of NBC’s infrastructure, and achieve operational efficiencies. The projects, schedules and costs that are included in the CIP have been developed through a planning process that involves NBC’s engineering and construction staff and incorporates needs identified through NBC’s asset management program. These capital improvements include construction of new facilities, rehabilitation, and replacement of existing infrastructure, together with energy efficiency and sustainability projects. The CIP shows programmed expenditures for the current budget year fiscal year (FY) 2024 as well as the following five years (FY 2025-2029).



Field's Point Aeration Tank

Capital Improvement Program Overview

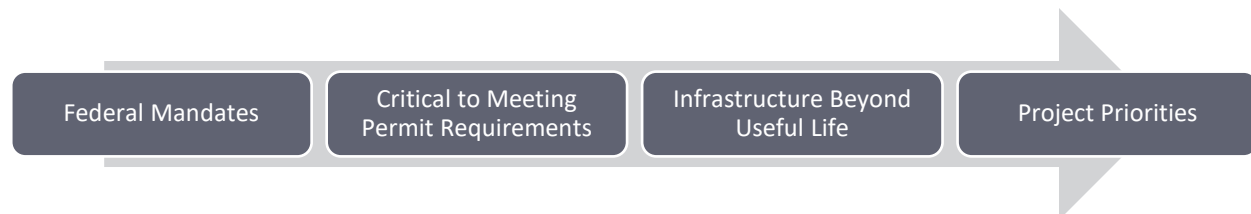
The CIP identifies a total of 43 projects that are either in progress, to be initiated, or to be completed during FY 2024-2029 at an estimated cost of \$681.3 million. Of this total, 66% are programmed in the next two fiscal years, and 72% are for construction contracts and construction management. See the table below for the FY 2024-2029 CIP costs by category.

FY 2024-2029 CIP Costs by Category
(In Thousands)

Category	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2024 - 2029
Administrative	\$ 6,271	\$ 5,331	\$ 3,346	\$ 1,956	\$ 679	\$ 910	\$ 18,494
Land	50	1,020	-	768	-	-	1,838
A/E Professional	22,121	20,022	9,276	5,811	4,152	1,918	63,299
Construction	180,170	181,046	89,490	29,050	4,787	8,608	493,152
Contingency	5,355	8,645	25,186	30,953	11,444	294	81,877
Other	12,856	4,984	3,448	1,248	56	71	22,663
	\$ 226,823	\$ 221,048	\$ 130,747	\$ 69,786	\$ 21,119	\$ 11,801	\$ 681,323

Capital Improvement Program Development

NBC’s comprehensive capital improvement planning process takes into consideration the project’s relationship to the strategic plan, federal mandates, permit compliance, the replacement of infrastructure that is beyond its useful life, and project readiness in addition to other factors. The CIP drives NBC’s long-term financing requirements, and therefore the particulars of each project are an essential component of NBC’s financial plan.



NBC’s Project Managers begin the annual CIP process with the development of detailed justifications for each capital project including project scope, basis for the cost estimate and key factors impacting costs and schedules. Project Managers also explain modifications from the prior year’s CIP and provide the overall project schedule. The CIP Review Committee examines the proposed capital projects including the assignment of priorities and schedules. Projects approved for inclusion in the CIP are subsequently analyzed to assess

major program changes, overall capital funding needs, the strength of the project’s connection to the objectives in NBC’s Strategic Plan, as well as financing and operating cost impacts. The Controller ensures asset criteria is met and approves the capitalization of assets including the determination of an asset’s useful life. The CIP calendar is shown below:

Capital Improvement Program Calendar

OCTOBER 2022

- Budget Forms Available

NOVEMBER 2022

- FY 2024-2029 CIP Workbooks with Cash Draws submittal by Project Managers
- Submittal review and identification of CIP operating impacts

DECEMBER 2022

- CIP Review Committee Meeting
- Completion of Project Detail Worksheets

JANUARY 2023

- Completion of CIP Analysis
- Draft CIP Narrative

FEBRUARY 2023

- Provision of long-term financial model inputs to the Municipal Advisor
- Development of capital budget financing plan

MARCH 2023

- Finance Committee and Board Review and Approval of CIP on March 7, 2023

Capital Project Budget Administration

Project Identification and Preliminary Funding

The Executive Director is authorized to expend funds on capital projects for preliminary planning, staff time and other services in order to assess project need, scope, and feasibility prior to project review and approval by the Board for inclusion in the CIP and/or as stand-alone projects. Once a capital project is identified, the Project Manager works with Finance to determine the project name and number, establish a preliminary budget, and assign a funding source. The budget must be established in the project module of the Enterprise Resource Planning (ERP) system prior to the expenditure of funds on a capital project.

Capital Project Budgets, Budget Amendments and Funding

New CIP Projects

Once it is determined that a project will move forward, the Project Manager develops costs and schedules for each phase of the project. Project Managers must complete the “Initial Request for Capital Budget” form in the CIP workbook for all new projects. Finance then establishes preliminary capital budgets by “Task” in the ERP, which may or may not be funded depending on project readiness and Board approval. Tasks include labor, architect/engineering services, contracts, police detail, legal services, land, contingency, etc.

Existing CIP Projects

Project Managers update the capital budgets by Task in the CIP workbooks. Subsequent to Board approval of the CIP, Finance updates the capital budgets by Task to reflect the updated cash draws.

Board authorization is required to proceed and execute architectural, engineering and design contracts greater than \$20,000 and construction contracts. The authorizing resolution typically includes an allowance for

ancillary costs and the authority for the Executive Director and Chairman to execute construction/engineering contract change orders/amendments up to 5% of the contract amount. Once the Board authorizes the engagement of an outside vendor, the Project Manager submits a “Request for Capital Budget Change Form” to align the capital budget by Task with both the contract amount, ancillary costs, and labor. The Project Manager also submits a request for funding authorization. Finance adds the new Tasks to the initial capital project budget and assigns funding sources, enabling those costs to be chargeable to those funding sources.

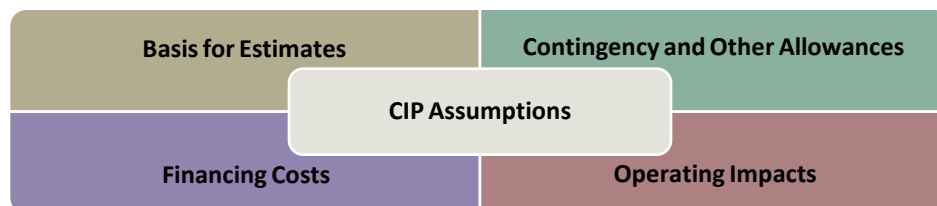
Additional capital budget amendments by Task maybe authorized during the fiscal year to reflect change orders and Finance may also modify funding sources. Please refer to the Long-Term Financial Plan section of the Budget for information regarding the financing and funding sources of the CIP.

Capital budgets are monitored by project, Task, and funding source monthly. Updated draws are requested if variances are significant. NBC also holds monthly capital project meetings to discuss project status.

Capital Improvement Program Assumptions

The costs and schedules included in this year’s CIP reflect NBC’s best estimates and are based on several assumptions as follows:


- Costs and cash draws are based on planning, or design estimates and/or bids once available.
- Preliminary construction project cost estimates include a contingency based upon an engineering assessment of the complexity of the project and industry experience. Project contingencies may be subsequently modified based upon the bids and information obtained during construction. Cost estimates for new design and construction projects include an allowance for NBC staff salary and fringe associated with project management, based on historical experience.
- Financing costs and debt service associated with the CIP are not included in the CIP expenditures or the project cash flows. Financing costs are expensed in the operating budget in the year they are incurred. The debt service payments (principal and interest) are included as an expense in the annual operating budget.
- The CIP does not include the acquisition or replacement of certain assets included in the five-year Operating Capital Program as part of the Capital Budget.
- Impacts of CIP projects on the Operating Budget are estimated based on prior experience and engineering estimates.



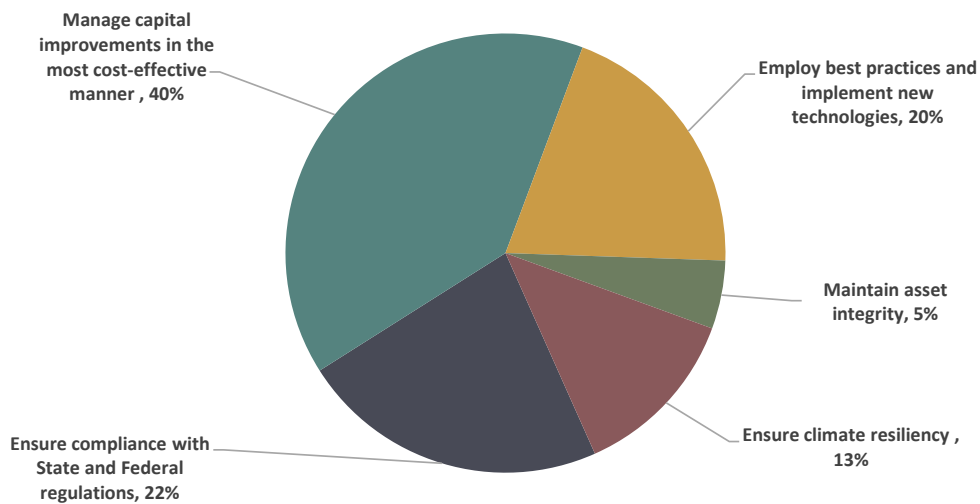
Capital Projects by Strategic Objective

NBC’s Strategic Plan ensures NBC’s ability to meet water quality objectives set forth by regulatory requirements, through achieving short-term and long-term objectives at a reasonable cost. Due to the magnitude of the CIP and NBC’s funding constraints, NBC evaluates proposed capital improvements based on strategic value. As part of the CIP development process, NBC identifies one or more key codes of the Core Business Strategic Plan Goal that a project will address. The highest percentage, or 40%, are aligned with managing the planning, design, and construction of capital improvements in the most cost-effective manner. Approximately 22% of the projects are aligned with ensuring compliance with State and Federal regulations, permits, consent agreements, certifications as well as NBC rules and regulations, guidelines, and reporting requirements. In addition, 20% of the projects in the CIP are aligned with ensuring cost-effective operation and maintenance of NBC wastewater treatment and collection system. The remaining projects are aligned with ensuring climate resiliency of NBC’s existing and future facilities at 13%; and ensuring continuous operation and the protection of assets through NBC’s asset management program at 5%.

Percentage of CIP Projects Aligned to Strategic Plan Core Business Goal

 Core Business: Operate, maintain, and protect our collection and treatment systems to ensure that all State and Federal requirements are met or surpassed.		
Key Code	Percentage	Code Description
CB1	22%	Ensure compliance with State and Federal regulations, permits, consent agreements, certifications, NBC rules and regulations, guidelines, and reporting requirements.
CB2	40%	Manage the planning, design, and construction of capital improvements in the most cost-effective manner to ensure compliance with regulatory requirements.
CB3	20%	Ensure the cost-effective operation and maintenance of NBC wastewater treatment and collection system through best practices and the implementation of new technologies.
CB4	5%	Maintain NBC’s asset management program to ensure continuous operation and the protection of assets.
CB5	13%	Ensure climate resiliency of NBC's existing and future facilities.

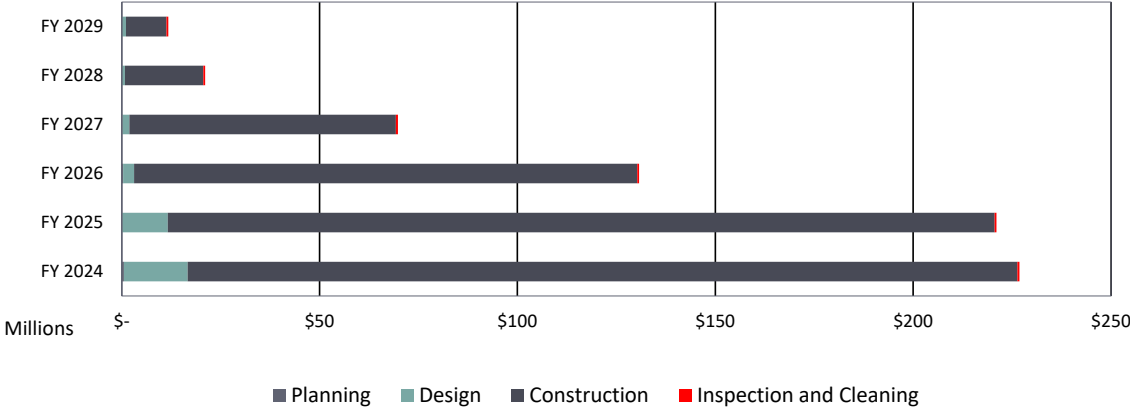
Core Business Goals



Capital Expenditures by Phase

NBC’s capital projects are generally comprised of planning, design, and construction. Planning includes feasibility studies and determination of the technology to be implemented. The design phase includes the development of plans and specifications and the acquisition of land, easements and permits. During the construction phase, facility improvements and infrastructure are constructed. The CIP also includes some programmed capital projects which are not broken down into phases, such as the inspection, cleaning, and repair of NBC’s interceptors, or other one-time special studies. As is evident in the chart below, the majority, or 94% of the programmed expenditures during Fiscal Years 2024 - 2029, relate to the construction phase at \$643.0 million.

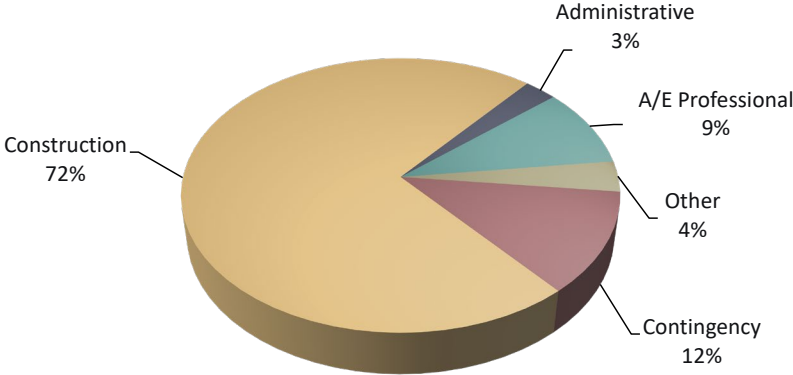
FY 2024-2029 Capital Expenditures by Phase
(In Millions)



Capital Expenditures by Cost Category

The CIP shows project costs are shown by categories including the Administrative cost category, which includes NBC’s project management costs as well as traffic control, legal services, and advertising expense. The Architectural/Engineering (A/E) Professional cost category includes professional planning or design services. The Construction cost category reflects contractor and outside construction management costs. Lastly, the Contingency cost category includes an allowance for construction cost increases based upon industry experience related to construction cost factors. As shown in the chart below, Construction costs are \$493.2 million or approximately 72% of the total costs for FY 2024 - FY 2029. Contingency is \$81.9 million or 12% and A/E Professional services are \$63.3 million or 9% of the costs during this same period.

CIP Costs by Cost Category



Capital Expenditures by Functional Area

NBC groups capital projects into eight functional areas according to the scope of the capital project. The functional areas are identified in the following table.

Functional Area	Project Examples
Wastewater Treatment Facilities (WWTF)	WWTF Improvements, Sludge Digestion Facilities, and Long-Range Biosolids Disposal
Bucklin Point Resiliency Improvements	Ultraviolet (UV) Disinfection, Operations and Maintenance Buildings, WWTF Improvements, and Standby Power
Field's Point Resiliency Improvements	Ernest Street Pumping Station, Maintenance and Storage Buildings, WWTF Improvements, Solar Carport, Septage Receiving Facility Improvements, and Standby Power
Infrastructure Management	Special Studies, Energy Sustainability, Flow Monitoring, RIPDES Compliance Improvements, and PFAS
CSO Phase III Facilities	CSO Phase III A, B, C, and D
Sewer System Improvements	Easement Restoration, Sewer System, and Pump Stations
Interceptor Inspection and Cleaning	Remote Television Inspections, Grit/Debris Removal, and Disposal
Interceptor Restoration and Construction	Expansion, Improvements, and Lining of Interceptors, and Manhole Rehabilitation

The following table shows how the CIP costs have shifted by functional area on a year-to-year basis.

Expenditures by Functional Area (In Thousands)

Functional Area	FY 2023-2028	FY 2024-2029	Change	% Change
CSO Phase III Facilities	\$ 577,224	\$ 474,125	\$ (103,099)	(18%)
Field's Point Resiliency	97,387	103,195	5,808	6%
Bucklin Point Resiliency	41,617	35,791	(5,826)	(14%)
Sewer System Improvements	22,231	22,735	504	2%
Wastewater Treatment Facility	17,895	25,606	7,711	43%
Interceptor Restoration and Construction	17,525	11,961	(5,564)	(32%)
Infrastructure Management	5,039	4,912	(127)	(3%)
Interceptor Inspection and Cleaning	3,008	3,000	(8)	(0%)
Total	\$ 781,926	\$ 681,323	\$ (100,603)	(13%)

On a year-over-year basis, the most significant percentage change from the prior year is a 43% increase for the Wastewater Treatment Facility functional area. The increase in this functional area is a result of adding two new projects, the Data Communication Ethernet Upgrade Project (20801) at \$2.8 million and the Office and Building Improvements Project (91000) at \$1.9 million. The increase in Wastewater Treatment Facility functional area is also attributed to updated cost estimates. There was a \$2.9 million increase for BPWWTF Sludge Digestion Facility Improvements Project (81800) and a \$1.3 million increase for Long-Range Biosolids Disposal Project (20700).

The most significant percentage decrease from last year's CIP is a 32% decrease for the Interceptor Restoration and Construction functional area. The decrease in this functional area is attributable to a combination of projects in this functional area being completed, and other projects being delayed in starting. Scheduling changes for the Louisquisset Pike Interceptor Improvements Project (30421) resulted in most of the project

expenses falling outside of the CIP and reducing the total value for the Interceptor Restoration and Construction functional area.

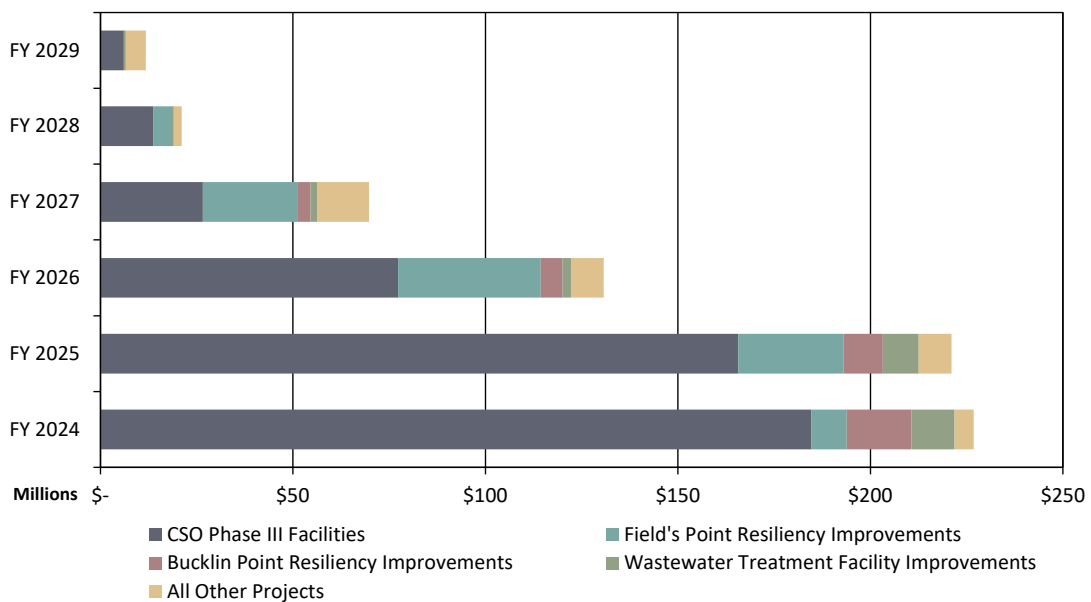
In terms of dollars, the CSO Phase III A Facilities shows the most significant change, a decrease of \$103.1 million. This decrease is due to progress made on the construction of the Pawtucket Tunnel and Pump Station Project (30801) which will be 66% complete in FY 2023.

Significant Capital Improvement Projects

The most significant project included in this year’s CIP is the CSO Phase III Facilities at \$474.1 million or 70% of programmed costs for FY 2024 - FY 2029. This is followed by Field’s Point Resiliency Improvements projects at \$103.2 million or 15%, Bucklin Point Resiliency Improvements projects totaling \$35.8 million or 5%, and Wastewater Treatment Facility Improvements projects at \$25.6 million or 4%. The following table and graph show the programmed expenditures for the major projects included in FY 2024 - FY 2029. A discussion of the major capital projects is on the following pages.

Largest Capital Projects		
Project	Total Costs FY 2024 - 2029	% of Total
CSO Phase III Facilities	\$ 474,125	70%
Field's Point Resiliency Improvements	103,195	15%
Bucklin Point Resiliency Improvements	35,791	5%
Wastewater Treatment Facility Improvements	25,606	4%
All Other Projects	42,608	6%
Total	\$ 681,323	100%

FY 2024-2029 Expenditures by Major Project
(In Millions)



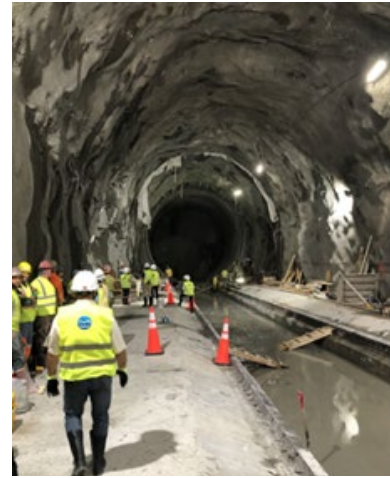
Comprehensive Combined Sewer Overflow (CSO) Program

NBC is under a Consent Agreement with RIDEM to implement a federally mandated CSO abatement Program that will address NBC's 65 CSOs in both the Field's Point and Bucklin Point service areas. NBC is in the third, and final phase of the program and executed the Consent Agreement with RIDEM on January 11, 2019. The Phase III CSO Program consists of four phases to be completed by FY 2042. The program incorporates Green Stormwater Infrastructure (GSI) facilities to be constructed in each of the four phases to reduce stormwater inflow to the existing CSO system by implementing stormwater infiltration projects, with expenditures of \$10 million on GSI in each phase.

The current estimate, which includes "other" costs (NBC labor, traffic control, etc.), for the four phases of the CSO Phase III Facilities is \$1.4 billion. Project costs for Phase III A and Phase III B projects are based on a combination of bids received and estimates provided by engineering design professionals for contracts that have not gone out to bid.

The costs for Phase III C and Phase III D projects are derived from original estimates received in 2018. The costs for these phases have been escalated to 2023 costs by 18% based on the National Construction Cost Index (CCI) increase for this period. Beyond 2023, these projects are forecasted to increase by 3% annually to account for inflation through midpoint of design and construction.

A description of the facilities, estimated cost, start and completion dates for each of the four phases are as follows.



CSO Tunnel Construction

CSO Phase III Program (In Millions)

Phase	Scope	Amount *	Start	Completion
Phase III A	Design and construction of a 11,600 foot long deep rock tunnel in Pawtucket, a tunnel pump station to convey flow to the Bucklin Point WWTF, drop shafts and consolidation conduits and improvements to the Bucklin Point WWTF. This project includes modifications to regulators and construction of GSI facilities. Design of the Phase III B facilities is also included in the cost of Phase III A.	\$893.2	4/1/2013	2/28/2027
Phase III B	Phase III B includes construction of the Upper BVI Gate and Screening Structure, Interceptor Relief, and Consolidation Conduit. These facilities will convey flow to the tunnel to be built in Phase III A. In addition, GSI facilities will be constructed as part of Phase III B. Regulator Modifications and one sewer separation project will be included as part of Phase III B.	\$45.5	1/1/2029	6/31/2031
Phase III C	Design and construction of a stub tunnel that will convey flow from CSO OF 220 to the Pawtucket tunnel constructed in Phase III A. GSI facilities will be constructed as part of Phase III C.	\$290.4	6/1/2032	12/1/2038
Phase III D	Design and construction of an interceptor to store flow from OF 039 and OF 056 and release flow as capacity allows. GSI facilities will be constructed as part of Phase III D.	\$160.7	1/1/2036	12/1/2041
Total		\$ 1,389.8		

* Excludes costs incurred prior to FY 2020

CSO Phase III A Facilities

The CSO Phase III A Facilities consist of eleven construction projects in addition to the Design and Construction Program Management Project (30800). The programmed cost for the CSO Phase III A Facilities is \$468.7 million during FY 2024 - FY 2029, an increase of \$71.5 million or 8.7% over last year's CIP. The increase reflects the financial impact of supply chain issues, labor shortages and increases in fuel, labor, and equipment costs. In particular, the estimates for two projects not yet under construction, the Tunnel Pump Station Fit-out Project (30802) and the Outfall 210, 213, and 214 Project (30804) increased by \$44.4 million and \$7.6 million, respectively. In addition, the bid for the BPWWTF Clarifiers and Flow Splitters Project (30810) was \$10.7 million higher than the estimate.



CSO Phase III A Pawtucket Tunnel Pump Station Site

The largest project is the Pawtucket Tunnel and Pump Station Project (30801) at an estimated cost of \$498.6 million. Project 30801 includes construction of a 11,600 foot deep rock tunnel in Pawtucket along with a tunnel pump station to convey the flow to the Bucklin Point WWTF. Due to the technical complexity of this project, NBC is using a design-build approach. The Pawtucket Tunnel and Pump Station Project is 66% complete with a completion date of March 2025.

The following table shows the CSO Phase III A projects, their estimated cost, construction start and end dates, as well as the percentage complete.

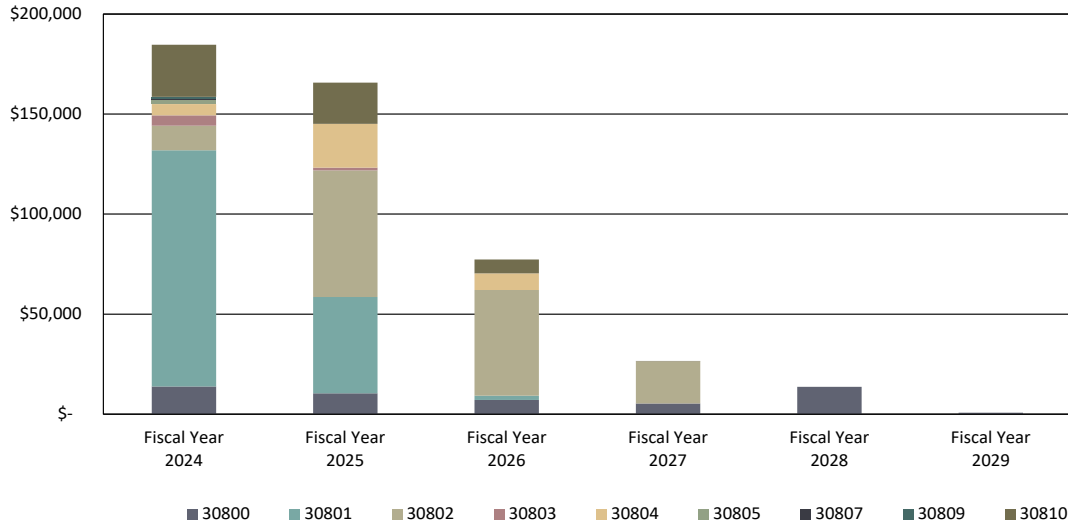
CSO Phase III A Facilities Costs, Schedule and Percent Complete (In Millions)

Project Number	Project Name	Estimated Cost *	Construction Start Date	Construction End Date	% Complete
30800	CSO Phase III A Facilities - Design and Construction Program Management	\$ 107.9	N/A	N/A	
30801	CSO Phase III A Facilities - Pawtucket Tunnel and Pump Station	498.6	Dec-20	Mar-25	66%
30802	CSO Phase III A Facilities - Tunnel Pump Station Fit-out	149.4	Jan-24	Feb-27	0%
30803	CSO Phase III A Facilities - OF 205	7.3	Mar-23	Dec-24	11%
30804	CSO Phase III A Facilities - OF 210, 213, 214	35.8	Jan-24	Dec-25	0%
30805	CSO Phase III A Facilities - OF 217	16.2	Dec-21	Jul-23	86%
30807	CSO Phase III A Facilities - Regulator Modifications	7.6	Apr-21	Aug-23	91%
30808	CSO Phase III A Facilities - GSI Demonstration	1.8	Sep-19	Feb-21	100%
30809	CSO Phase III A Facilities - GSI Projects	9.4	Nov-19	Apr-23	93%
30810	CSO Phase III A Facilities - BPWWTF Clarifiers and Flow Splitters	57.8	Jul-22	Oct-25	7%
30811	CSO Phase III A Facilities - High Street Demo	0.2	Nov-18	Dec-19	100%
30813	CSO Phase III A Facilities - Site Demolition	1.1	May-20	Nov-20	100%
Total		\$ 893.2			

*Excludes costs incurred prior to FY 2020

The following graph shows that the CSO Phase III A Facilities cost is projected to be \$184.7 million in FY 2024. Costs are expected to decrease to \$165.7 million in FY 2025. The estimated costs continue to decrease to \$77.3 million in FY 2026, \$26.6 million in FY 2027, \$13.7 million in FY 2028, and \$700 thousand in FY 2029.

CSO Phase III A Facilities Estimated Cost by Fiscal Year
(In Thousands)



CSO Phase III B Facilities

This year’s CIP is the first year that includes programmed construction costs of the CSO Phase III B Facilities Project (30830), estimated to start in January 2029. Design of the CSO Phase III B Facilities was completed as part of the CSO Phase III A design. CSO Phase III B includes construction of a gate and screening structure, interceptor relief, and consolidation conduit. These structures are designed to convey flow to the tunnel built in Phase III A. The total project construction cost estimate is \$45.5 million, with \$5.4 million programmed in FY 2029.

CSO Phase III B Facilities Costs, Schedule and Percent Complete

CSO Phase III B Facilities (In Thousands)						
Project Number	Major Project	FY 2024 - 2029 CIP	Percent Complete	Construction Start	Construction End	
30830	CSO Phase III B Facilities	\$ 5,423	0%	Jan-29	Jun-31	
Total		\$ 5,423				

Field’s Point Resiliency Improvements (FP Resiliency Improvements)

NBC has identified the seven projects shown in the following table that address resiliency concerns at Field’s Point. The estimated costs for these projects over the FY 2024-2029 window are \$103.2 million.

Field's Point Resiliency Improvements (In Thousands)				
Project Number	Major Project		FY 2024 - 2029 CIP	Percent Complete
20400	FPWWTF Ernest Street Pump Station Improvements		\$ 36,843	3%
20500	FPWWTF Maintenance and Storage Buildings		24,733	9%
20300	FPWWTF Improvements		22,712	12%
40101	FPWWTF Electrical Improvements		9,675	0%
71000	Lincoln Septage Receiving Station Replacement		7,940	8%
20600	NBC Solar Carport		1,228	3%
20800	Cybersecurity Improvements		64	95%
Total			\$ 103,194	

The FPWWTF Ernest Street Pump Station Improvements Project (20400), at an estimated cost of \$36.8 million, includes improvements to NBC’s largest pump station located adjacent to Field’s Point. Improvements include replacement of large diameter valves, gates, actuators, flow meters, pumps, Variable Frequency Drive units (VFDs), instrumentation and control units, influent screening, motor control centers, motor protectors, electrical power systems and a new standby power generator. In addition, the project includes modifications to the building’s roofing system, air handling units and other infrastructure.



FPWWTF Ernest Street Pump Station

The FPWWTF Maintenance and Storage Buildings Project (20500), at an estimated cost of \$24.7 million, replaces the maintenance building and the Interceptor Maintenance (IM) storage building.

The FPWWTF Improvements Project (20300) focuses on several improvements and upgrades to the Field’s Point WWTF. The most significant items are the disinfection system, a new transformer, replacement of the water automatic strainer system, plant water pumping system modifications, the odor control unit at the Gravity Thickener Building, and construction of three new VFDs for the return activated sludge pumps.

The FPWWTF Electrical Improvements Project (40101), at an estimated cost of \$9.7 million, involves the evaluation and installation of standby power capabilities for critical facilities at the FPWWTF to maintain uninterrupted operation of treatment processes.

Also included as part of FP Resiliency Improvements is the Lincoln Septage Receiving Station Replacement Project (71000) which will replace the existing 30-year-old facility that is beyond its useful life. The new facility, estimated to cost \$7.9 million, will operate automatically and provide preliminary treatment and testing of septage prior to discharge into the collection system.

The NBC Solar Carport Project (20600), estimated to cost \$1.2 million, is for the construction of a solar carport on the Field’s Point campus. This project is eligible for \$206 thousand in grant funding through the Rhode Island Renewable Energy Fund (REF) Commercial-Scale Program. Lastly, the Cybersecurity Improvements Project (20800), at an estimated cost of \$64 thousand, is scheduled to be completed in FY 2024. Project 20800 addresses cybersecurity risks to ensure NBC’s ability to continuously operate and maintain its facilities.

Sewer System Improvements

Included in the Sewer System functional area are projects related to the collection system. The CIP includes five projects at an estimated cost of \$22.7 million between FY 2024 and FY 2029.



Reservoir Avenue Pump Station

The Reservoir Avenue Pump Station Improvements Project (72000) at \$8.8 million and the Omega Pump Station Improvements Project (70900) at \$8.7 million are similar in scope. Both involve the replacement of equipment at the end of its useful life, implementation of new screening and grit technology, and improvements to the motor control center to enhance reliability. The NBC System-wide Regulator Modifications Project (30610) at a cost of \$3.4 million is to address hydraulic capacity limitations in NBC's collection system and eliminate surcharges. The CIP continues to support NBC's Easement Management program with the NBC Interceptor Easement Restoration Project (30500) at a cost of \$1.4 million.

Sewer System Improvements are shown in the following table.

Sewer System Improvements (In Thousands)				
Project Number	Major Project		FY 2024 - 2029 CIP	Percent Complete
72000	Reservoir Avenue Pump Station Improvements		\$ 8,755	0%
70900	Omega Pump Station Improvements		8,749	0%
30610	NBC System-wide Regulator Modifications		3,407	19%
30500	NBC Interceptor Easements Restoration, Various Locations		1,400	2%
12400	Interceptor Maintenance Building		425	0%
Total			\$ 22,735	

Bucklin Point Resiliency Improvements (BP Resiliency Improvements)

BP Resiliency Improvements was identified as part of NBC's resiliency planning process and consists of three separate projects. The following table shows the BP Resiliency Improvements estimated costs by project. The costs in FY 2024 through FY 2029 are \$35.8 million, with an additional \$40.8 million in costs prior to FY 2024, for a total estimated cost of \$76.6 million.

Bucklin Point Resiliency Improvements (In Thousands)				
Project Number	Major Project		FY 2024 - 2029 CIP	Percent Complete
81000	BPWWTF UV Disinfection Improvements		\$ 22,722	8%
81600	BPWWTF Improvements		7,238	44%
81700	BPWWTF Operations and Maintenance Buildings		5,831	85%
Total			\$ 35,791	

The BPWWTF Ultraviolet (UV) Disinfection Improvements Project (81000) includes the construction of a new UV disinfection building and replacement of the UV disinfection equipment with more energy efficient technology. The BPWWTF Improvements Project (81600) involves the installation of a redundant power system, as well as the repair or replacement of boilers, hydronic piping systems, isolation gates, and improvements to primary clarifiers.



New BPWWTF Operations and Maintenance Buildings

The BPWWTF Operations and Maintenance Buildings Project (81700) consists of both a new operations building and a new maintenance building to replace infrastructure that is more than 70 years old. To ensure reliable operation of critical process streams, the Supervisory Control and Data Acquisition (SCADA) computer system will be relocated to a higher elevated, environmentally controlled space. The new Operations and Maintenance Buildings will replace obsolete and space-constrained facilities and will include a repair workshop for heavy equipment, new electrical, welding and instrumentation rooms, along with offices and a briefing room for the maintenance staff. This project is being completed through a design/build process.

Wastewater Treatment Facility (WWTF) Improvements

This year’s CIP includes \$25.6 million for projects related to NBC’s Wastewater Treatment Facilities. In particular, the Long-Range Biosolids Disposal Project (20700) at an estimated cost of \$11.4 million involves the evaluation, planning and development of a long-term biosolids management solution for biosolids in anticipation of the expiration of NBC’s current contract in FY 2026. The BPWWTF Sludge Digestion Facility Improvements Project (81800) at a cost of \$7.9 million involves upgrades to the sludge digester complex including improvements to the primary and secondary digesters, piping systems, valves, equipment, and related infrastructure that are required to address operational needs.



Field’s Point Primary Sludge Pump Station

The following table shows the WWTF functional area projects and estimated costs for FY 2024-2029.

WWTF Improvements				
(In Thousands)				
Project Number	Major Project	FY 2024 - 2029 CIP	Percent Complete	
20700	Long-Range Biosolids Disposal	\$ 11,424	3%	
81800	BPWWTF Sludge Digestion Facility Improvements	7,943	13%	
20801	Data Communications Ethernet Upgrade	2,814	17%	
91000	Office and Building Improvements	1,870	2%	
20000	WWTF Improvements	1,000	0%	
24000	NBC Facility Electrical Improvements	555	3%	
Total		\$ 25,606		

A new project this year, the Data Communications Ethernet Upgrade Project (20801) at a cost of \$2.8 million will integrate various new hardware, software, and other ancillary support services to implement an Ethernet based hybrid data control system to ensure system viability.

The Office and Building Improvements Project (91000), at an estimated cost of \$1.9 million, includes office renovations and reconfigurations to address office space constraints and other improvements to accommodate organizational changes. This project also includes the replacement of two roof-top air conditioning units and the Primary Sludge Pump Station roof.

Infrastructure Management

The Infrastructure Management functional area includes several smaller studies and projects. The largest of which is the NBC System-wide Inflow Reduction Project (40200) at an estimated cost of \$1.6 million. This project involves the development and implementation of an inflow reduction program to remove stormwater from sanitary sewers in NBC's service area. The RIPDES Flow Monitoring System Implementation Project (40550), at a projected cost of \$1.1 million, involves the replacement of existing flow monitoring equipment located throughout NBC's collection system in order to accurately measure flows and monitor flow conditions in accordance with NBC's RIPDES permit. The NBC System-wide Facilities Planning Project (30700), at \$1.1 million, involves the evaluation of system capacity and infiltration/inflow into NBC's interceptors.

Infrastructure Management (In Thousands)				
Project Number	Major Project		FY 2024 - 2029 CIP	Percent Complete
40200	NBC System-wide Inflow Reduction		\$ 1,580	0%
40550	RIPDES Flow Monitoring System Implementation		1,103	33%
30700	NBC System-wide Facilities Planning		1,055	0%
40300	Municipal Lateral Sewer Acquisition Impact		610	0%
1140600	RIPDES Compliance Improvements - PFAS		401	64%
1140900	Water Quality Model Validation and Enhancement		163	0%
Total			\$ 4,912	

The Municipal Lateral Sewer Acquisition Impact Project (40300) involves evaluating the impact of NBC assuming ownership of lateral sewers that are currently owned by the municipalities in NBC's service area and would be required if legislation were passed in the future. The RIPDES Compliance Improvements - PFAS Project (1140600) includes wastewater treatment and collection system analysis that may be required to comply with new permit limits and mandates such as the evaluation and study of Pre- and Polyfluoroalkyl Substances (PFAS). The cost for these projects is \$4.9 million.

Interceptor Cleaning, Restoration and Construction

The CIP includes several collection system infrastructure projects which total \$15 million. The largest project in this functional area is for the Woonasquatucket CSO OF 046 Improvements Project (30315) at an estimated cost of \$3.8 million. This project is for construction of facilities that may be required to eliminate surcharging from the Woonasquatucket CSO Interceptor during extreme wet weather events.

The CIP also includes annual programmed allocations of \$1.5 million for the Interceptor Restoration and Construction Project (30400C) and \$500 thousand for the Interceptor Inspection and Cleaning Project (30400M) in years that do not have specific projects identified to accommodate new needs that may be identified as part of asset management and inspection. The allowances programmed in the CIP for Project (30400C) and Project (30400M) amount to \$7.8 million. The cost for these projects is \$15 million.

Interceptor Cleaning, Restoration and Construction (In Thousands)				
Project Number	Major Project		FY 2024 - 2029 CIP	Percent Complete
30400C	Interceptor Restoration and Construction		\$ 5,263	0%
30315	Woonasquatucket CSO OF 046 Improvements		3,838	4%
30421	Louisquisset Pike Interceptor Improvements		2,768	0%
30400M	Interceptor Inspection and Cleaning		2,528	0%
30481M	Completion of Baseline Siphon Inspections and Cleanings		472	0%
30468	Improvements to Interceptors FY 2022		92	95%
Total			\$ 14,961	

Completed and New Capital Projects

Completed Projects

NBC considers a project complete when the project has been deemed substantially complete and has only retainage and/or “punch list” items remaining. In FY 2023, NBC completed three capital projects at a cost of \$6.8 million as shown in the following table.

Completed Projects (In Thousands)		
Project Number	Project Name	Cost
20200	2019 WWTF Improvements	\$ 5,840
30480M	Baseline Siphon Inspections and Cleanings	506
40400	FPWWTF Plan Update	406
Total		\$ 6,752

The largest project completed last year was the 2019 WWTF Improvements Project (20200). This project included improvements and upgrades to the Field's Point WWTF and the Ernest Street Pump Station including the rehabilitation of various isolation gates and actuators, air handling units, biological removal system switchgear, and fire alarm systems. Other improvements included modifications to the aeration tanks, screw lift pumping station/blower building and other locations. This project also addressed enhancements to the CSO tunnel odor control facility at the upper end of tunnel receiving shaft.

Project 30480M, Baseline Siphon Inspections and Cleanings, completed baseline cleaning and inspection services of inverted NBC siphons at a cost of \$0.5 million.

Also completed in FY 2023 was the FPWWTF Facilities Plan Update Project (40400) to determine maximum nitrogen and biochemical oxygen demand loads and identify other operational considerations that may be required to meet RIPDES permit limits.

New Projects

This year's CIP includes three new capital projects totaling \$14.0 million. The new projects and their estimated costs are summarized in the following table. Please refer to the discussion of the capital projects by functional area of this document for information regarding the need for these projects along with their descriptions.

New Projects (In Thousands)		
Project Number	Project Name	Total Estimated Cost
72000	Reservoir Ave Pump Station Improvements	\$ 8,755
20801	Data Communications Ethernet Upgrade	3,384
91000	Office & Building Upgrades	1,900
Estimated Total		\$ 14,039

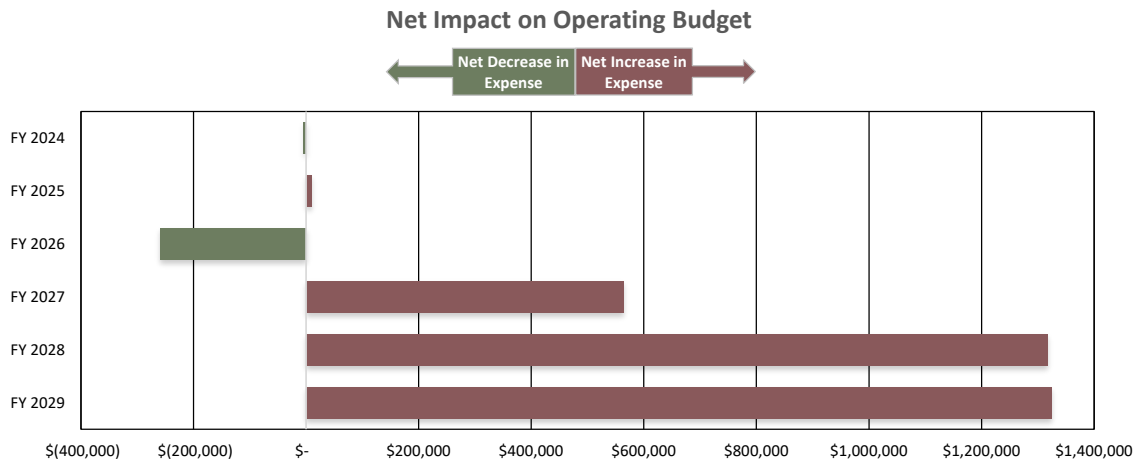
Impact of Capital Investments on Operating Budget

NBC recognizes the importance of planning for capital expenditures and is committed to minimizing ratepayer impact through an assessment of both operating costs and financing impacts. Debt service and rate impacts associated with financing the CIP are discussed in the Long-Term Financial section of the budget. The following pages include an expanded analysis and presentation of other operating impacts in the CIP. The projects specific information is included in the following discussion and summarized on the individual project sheets. Certain capital improvements will directly impact the operating budget either through increased revenue, increased expense, or reduced expense. NBC has identified these impacts on a project-by-project basis. The following table describes the impact categories and should be used to interpret the figures in the detailed operating impact tables in this section of the CIP. Please refer to the Long-Term Financial Plan section of NBC’s Annual Budget for debt service and rate impacts associated with financing the CIP.

Impact	Description	Reflection in Tables
Reduced Expense	A reduction in operating expense resulting from no longer operating facilities, reduced energy consumption, and/or the purchase of electricity	Shown as a reduction in Operating Expense
Increased Expense	An increase in operating expense resulting from new facilities becoming operational	Shown as an increase in Operating Expense
Increased Revenue	An increase in revenue through new user charges, incentives, and/or the sale of Renewable Energy Credits	Shown as an increase in Operating Revenue or Non-Operating Revenue

FY 2024-2029 Revenue and Expense Impacts

In FY 2029, the estimated impact as a result of these projects is increased annual revenue of \$5,101, expense reduction of \$818,698 and an increase in expense of \$2,147,202. The overall operating budget impact in FY 2029 results in an increased funding requirement of \$1,323,403. The following chart shows the projected impact of completed CIP projects on the annual operating budget. Projected increased revenue and reduced expense exceed increased expenses in FY 2024 and FY 2026. FY 2025 reflects an increase in net expenses as a result of the operating costs associated with operating costs for the new facilities that will be completed in FY 2025. The impact to the operating budget becomes increasingly significant beginning in FY 2027 as a result of the CSO Phase III A Facilities projects being complete. Projects with revenue, savings or expense impacts are discussed in the following section.



The following table summarizes the projected impact of new capital projects scheduled to become operational in FY 2024-2029. Projects that involve inspection, studies, cleaning, and rehabilitation generally do not have operating cost impacts and are excluded from this list.

Projected Annual Operating Budget Impacts

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected Annual Operating Revenue Impact						
Increased Revenue						
20600 NBC Solar Carport	\$ 425	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101
Net Increase (Decrease) in Revenue	\$ 425	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101
Projected Annual Operating Expense Impact						
Reduced Expense						
20300 FPWWTF Improvements	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ (75,000)
20600 NBC Solar Carport	(4,628)	(55,531)	(55,531)	(55,531)	(55,531)	(55,531)
71000 Lincoln Septage Section	-	-	(8,333)	(20,000)	(20,000)	(20,000)
81000 BPWWTF UV Disinfection Improvements	-	-	(298,498)	(447,747)	(447,747)	(447,747)
81800 BPWWTF Sludge Digestion Facility Improvements	-	-	-	(183,684)	(220,420)	(220,420)
Reduced Expense	\$ (4,628)	\$ (55,531)	\$ (362,362)	\$ (706,962)	\$ (818,698)	\$ (818,698)
Increased Expense						
20500 FPWWTF Maintenance and Storage Buildings	\$ -	\$ -	\$ 17,679	\$ 70,715	\$ 70,715	\$ 70,715
20600 NBC Solar Carport	249	2,990	2,990	2,990	2,990	2,990
30802 CSO Phase III A Facilities	-	-	-	1,103,635	1,965,591	1,965,591
40101 FPWWTF Electrical Improvements	-	-	-	-	555	3,330
81000 BPWWTF UV Disinfection Improvements	-	-	20,354	30,531	30,531	30,531
81600 BPWWTF Improvements	-	-	-	833	3,330	3,330
81700 BPWWTF Operations and Maintenance Buildings	-	70,715	70,715	70,715	70,715	70,715
Increased Expense	\$ 249	\$ 73,705	\$ 111,738	\$ 1,279,420	\$ 2,144,427	\$ 2,147,202
Net (Decrease) Increase in Expense	\$ (4,378)	\$ 18,174	\$ (250,624)	\$ 572,458	\$ 1,325,729	\$ 1,328,504
Net Impact on Operating Budget	\$ (4,803)	\$ 13,074	\$ (255,725)	\$ 567,357	\$ 1,320,628	\$ 1,323,403

NBC Solar Carport

The NBC Solar Carport Project (20600) involves the construction of a solar carport on the Field's Point campus. It is estimated the solar carport will produce approximately 218,282 kWh of electricity annually resulting in approximately \$55,531 in electricity savings and revenue of \$5,101 from the sale of Renewable Energy Credits. Annual maintenance costs are estimated to be \$2,990. Completion of this project is scheduled for FY 2024.

NBC Solar Carport			
	Reduced Expense	Increased Expense	Increased Revenue
RECs Solar	\$ -	\$ -	\$ 5,101
Electricity	55,531	-	-
Maintenance	-	2,990	-
Total	\$ 55,531	\$ 2,990	\$ 5,101

BPWWTF UV Disinfection Improvements

The BPWWTF UV Disinfection Improvements Project (81000) involves replacement of the UV disinfection system with more efficient technology and the construction of a new building to contain the system. The new technology is estimated to use 1.7 million kWh less per year and require less maintenance, resulting in combined savings of \$447,747 annually. The increased expense associated with the new building is \$30,531 annually for utilities and maintenance costs. Completion of this project is scheduled for FY 2026.

BPWWTF UV Disinfection Improvements				
	Reduced Expense	Increased Expense	Increased Revenue	
Electricity	\$ 432,747	\$ 8,650	\$	-
Natural Gas	-	12,281		-
Maintenance	15,000	9,600		-
Total	\$ 447,747	\$ 30,531	\$	-

Interceptor Maintenance Building

The Interceptor Maintenance Building Project (12400) is scheduled for completion in FY 2034. This project includes the construction of a new building that will be necessary if NBC is required by legislation to assume ownership of lateral sewers currently owned by local municipalities within the service area. The new building includes an administrative area, garage area and storage yard. The increased expense associated with the new building is approximately \$138,889 annually for utilities and maintenance costs. All project startup costs, such as staff and equipment relocation, are included in the project cost.

Interceptor Maintenance Building				
	Reduced Expense	Increased Expense	Increased Revenue	
Electricity	\$ -	\$ 43,866	\$	-
Natural Gas	-	49,898		-
Water	-	13,088		-
Maintenance	-	32,036		-
Total	\$ -	\$ 138,889	\$	-

FPWWTF Maintenance and Storage Buildings

The FPWWTF Maintenance and Storage Buildings Project (20500) involves the construction of both a new maintenance building and storage building at Field's Point. The maintenance building will enhance preventive and reactive maintenance capabilities, replacing the current structure built in 1900. The new storage building is needed primarily to replace the IM storage facility that is beyond its useful life. The new facilities are scheduled for completion in FY 2026 and are estimated to result in an increased expense of \$70,715 for utilities.

FPWWTF Maintenance & Storage Buildings				
	Reduced Expense	Increased Expense	Increased Revenue	
Electricity	\$ -	\$ 31,333	\$	-
Natural Gas	-	35,641		-
Water	-	3,742		-
Total	\$ -	\$ 70,715	\$	-

BPWWTF Operations and Maintenance Buildings

The BPWWTF Operations and Maintenance Buildings Project (81700) involves the construction of both a new operations building, and a maintenance building at Bucklin Point. The operations building contains additional office space, training and locker rooms, and a new SCADA Control Room. The maintenance building includes a workshop, electrical, welding and instrumentation rooms along with offices and storage space. This new building will improve the efficiency of the plant maintenance services and ensure reliable operation and performance of critical infrastructure systems. The increased expense associated with the new building is approximately \$70,715 annually for utilities and maintenance costs. All project startup costs, such as staff and equipment relocation are included in the project cost.

BPWWTF Operations & Maintenance Buildings					
	Reduced Expense	Increased Expense	Increased Revenue		
Electricity	\$ -	\$ 31,333	\$ -		
Natural Gas	-	35,641	-		
Water	-	3,742	-		
Total	\$ -	\$ 70,715	\$ -		

BPWWTF Improvements

The BPWWTF Improvements Project (81600) involves miscellaneous improvements and upgrades to the Bucklin Point WWTF and will include the installation of a new redundant standby power generator. The increased expense is approximately \$3,300 annually for maintenance of the new generator.

BPWWTF Improvements					
	Reduced Expense	Increased Expense	Increased Revenue		
Maintenance	\$ -	\$ 3,330	\$ -		
Total	\$ -	\$ 3,330	\$ -		

FPWWTF Electrical Improvements

The FPWWTF Electrical Improvements Project (40101) involves the evaluation and installation of redundant standby power capabilities at the FPWWTF to maintain uninterrupted operation of the treatment process. The increased expense is approximately \$3,300 annually for maintenance of the new generator.

FPWWTF Electrical Improvements					
	Reduced Expense	Increased Expense	Increased Revenue		
Maintenance	\$ -	\$ 3,330	\$ -		
Total	\$ -	\$ 3,330	\$ -		

BPWWTF Sludge Digestion Facility Improvements

The BPWWTF Sludge Digestion Facility Improvements Project (81800) addresses operational needs at the Bucklin Point sludge digestion facilities. Improvements include the design and implementation of concrete and piping system repairs required to address methane gas leakage concerns. This project is projected to reduce the amount of natural gas required to heat the digesters and run the cogeneration facilities, resulting in reduced expenses of \$220,420 per year.

BPWWTF Sludge Digestion Facility Improvements					
	Reduced Expense	Increased Expense	Increased Revenue		
Natural Gas	\$ 220,420	\$ -	\$ -		
Total	\$ 220,420	\$ -	\$ -		

CSO Phase III A Facilities

CSO Phase III A operating impacts are estimated to commence in FY 2027. An increased expense of \$2.0 million includes electricity to pump flow and provide dehumidification in the tunnel pump station, natural gas for heating, screening, grit disposal, biosolids disposal, water, treatment chemicals, maintenance, and labor costs. The start-up costs are included in this project phase.

CSO Phase III A Facilities				
	Reduced Expense	Increased Expense	Increased Revenue	
Electricity	\$ -	\$ 1,450,080	\$ -	-
Natural Gas	-	62,783	-	-
Screening & Grit	-	123,004	-	-
Biosolids	-	269,688	-	-
Water	-	1,292	-	-
Chemicals	-	19,712	-	-
Maintenance	-	29,033	-	-
Personnel	-	10,000	-	-
Total	\$ -	\$ 1,965,591	\$ -	-

FPWWTF Improvements

The FPWWTF Improvements Project (20300) involves miscellaneous improvements associated with aging infrastructure and equipment at the Field's Point facility. This project will include upgrades to equipment, with a focus on fixing leaks related to the sodium hypochlorite disinfection system. This project is projected to reduce the amount of chemicals required, resulting in reduced operating expense of \$75,000 per year.

FPWWTF Improvements				
	Reduced Expense	Increased Expense	Increased Revenue	
Chemicals	\$ 75,000	\$ -	\$ -	-
Total	\$ 75,000	\$ -	\$ -	-

Lincoln Septage Station

The Lincoln Septage Station Improvements Project (71000) includes design and construction of a new septage receiving station equipped with a screening mechanism and sample collection capabilities in accordance with NBC's Standard Operating Procedures for monitoring septage. The new facilities will be fully automated resulting in reduced personnel expense.

Lincoln Septage Station Improvements				
	Reduced Expense	Increased Expense	Increased Revenue	
Personnel	\$ 20,000	\$ -	\$ -	-
Total	\$ 20,000	\$ -	\$ -	-

Incentives and Reimbursements

It is anticipated that NBC will receive approximately \$3.7 million in energy efficiency incentives. For completion of the BPWWTF Sludge Digestion Facility Improvements, the Department of Energy will award a \$2.9 million grant. The BPWWTF UV Disinfection Improvements Project is expected to be eligible for a rebate from Rhode Island Energy for \$389,358. A \$206,600 grant will be received from the Rhode Island Renewable Energy Fund for the Solar Carport Project. Completion of BPWWTF Biogas Reuse Project will result in a \$200,000 grant from the Department of Energy. Incentive and reimbursement funds will be deposited into the Grants and Projects Reimbursement Account in the Project Fund to be used for capital improvements. The potential incentives and reimbursements are outlined in the following table.

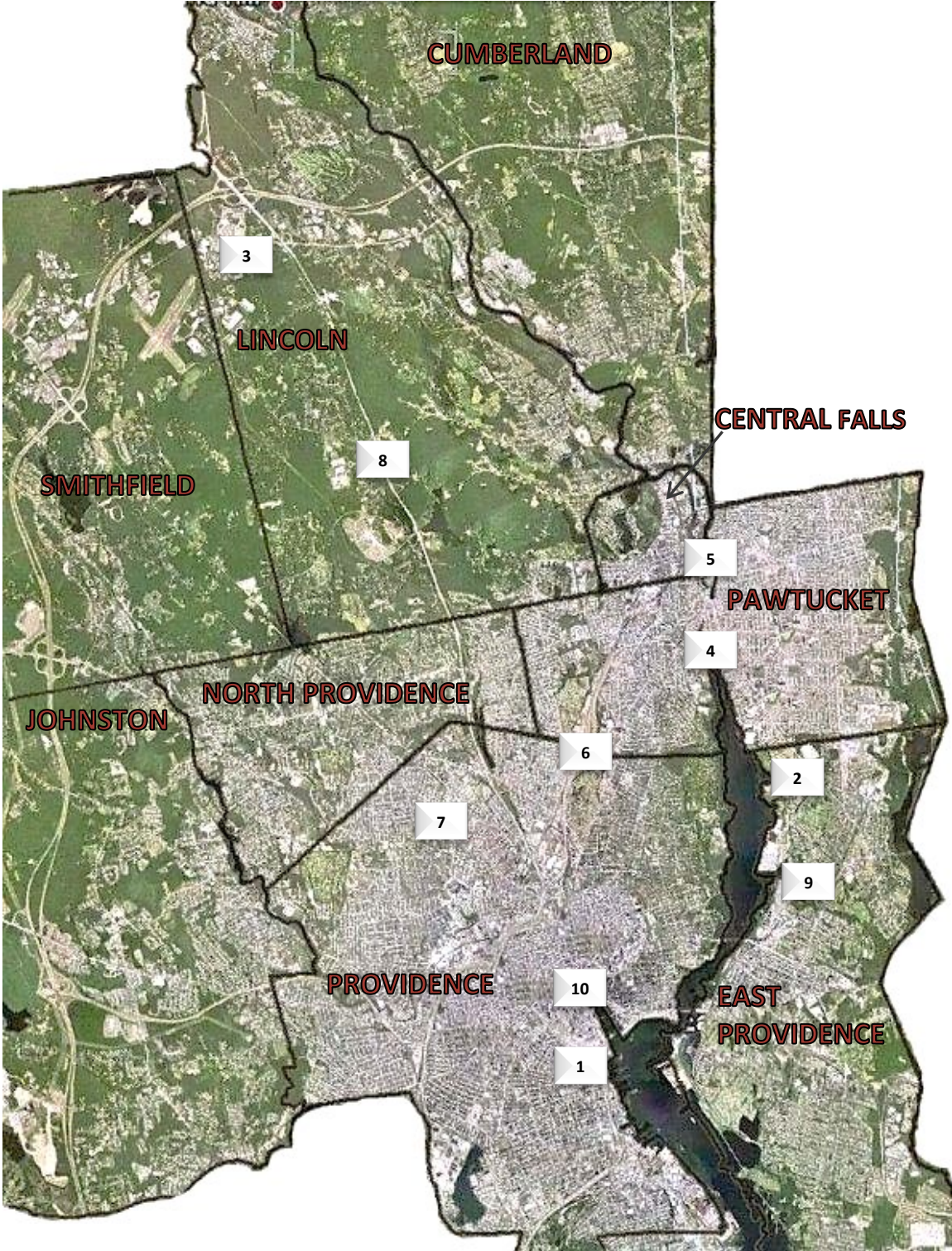
Capital Investment Incentives				
Contract	Project	Source	FY of Award	Amount
81800C	BPWWTF Sludge Digestion Facility Improvements	US Department of Energy - Grant	FY 2027	\$2,900,000
81000C	BPWWTF UV Disinfection Improvements	Rhode Island Energy - Rebate	FY 2027	389,358
20600C	NBC Solar Carport	RI Renewable Energy Fund (REF) - Grant	FY 2024	206,600
12000C	BPWWTF Biogas Reuse	Regional Greenhouse Gas Initiative - Grant	FY 2027	200,000
				\$3,695,958

Capital Improvement Program Project Locations

The capital projects identified in this year's CIP are shown on the map on the following page. The map highlights 10 project locations as identified below. Some projects are System-wide and noted as SW.

Legend Key	Project Number	Project Name
Wastewater Treatment Facilities Improvements		
	1	20000 WWTF Improvements
SW	20700	Long-Range Biosolids Disposal
	1	20801 Data Communications Ethernet Upgrade
1, 2	24000	NBC Facility Electrical Improvements
	2	81800 BPWWTF Sludge Digestion Facility Improvements
	1	91000 Office and Building Improvements
Bucklin Point Resiliency		
	2	81000 BPWWTF UV Disinfection Improvements
	2	81600 BPWWTF Improvements
	2	81700 BPWWTF Operations and Maintenance Buildings
Field's Point Resiliency		
	1	20300 FPWWTF Improvements
	1	20400 FPWWTF Ernest Street Pump Station Improvements
	1	20500 FPWWTF Maintenance and Storage Buildings
	1	20600 NBC Solar Carport
SW	20800	Cybersecurity Improvements
	1	40101 FPWWTF Electrical Improvements
	3	71000 Lincoln Septage Receiving Station Replacement
Infrastructure Management		
SW	1140600	RIPDES Compliance Improvements - PFAS
SW	1140900	Water Quality Model Validation and Enhancement
SW	30700	NBC System-wide Facilities Planning
SW	40200	NBC System-wide Inflow Reduction
	1	40300 Municipal Lateral Sewer Acquisition Impact
SW	40550	RIPDES Flow Monitoring System Implementation
CSO Phase III Facilities		
	4	30800 CSO Phase III A Facilities - Design and Construction Program Management
	4	30801 CSO Phase III A Facilities - Pawtucket Tunnel and Pump Station
	4	30802 CSO Phase III A Facilities - Tunnel Pump Station Fit-out
	4	30803 CSO Phase III A Facilities - OF 205
	4	30804 CSO Phase III A Facilities - OF 210, 213, 214
	4	30805 CSO Phase III A Facilities - OF 217
	4	30807 CSO Phase III A Facilities - Regulator Modifications
	4	30809 CSO Phase III A - GSI Projects
	4	30810 CSO Phase III A Facilities - BPWWTF Clarifiers and Flow Splitters
	5	30830 CSO Phase III B Facilities
	6	30850 CSO Phase III C Facilities
	7	30870 CSO Phase III D Facilities
Sewer System Improvements		
	1	12400 Interceptor Maintenance Building
SW	30500	NBC Interceptor Easements Restoration, Various Locations
SW	30610	NBC System-wide Regulator Modifications
	9	70900 Omega Pump Station Improvements
	6	72000 Reservoir Avenue Pump Station Improvements
Interceptor Cleaning and Restoration		
SW	30400M	CSO Interceptor Inspection and Cleaning Projects
SW	30481M	Completion of Baseline Siphon Inspections and Cleanings
Interceptor Restoration and Construction		
SW	30400C	Interceptor Restoration and Construction
	10	30315 Woonasquatucket CSO OF 046 Improvements
	8	30421 Louisquisset Pike Interceptor Improvements
SW	30468	Improvements to Interceptors FY 2022

Capital Improvement Program Project Locations



Capital Project Summary by Fiscal Year

(In Thousands)

Project Number	Project Name	Project Priority	Pre-Fiscal Year 2024	Fiscal Year 2024	Fiscal Years 2024 - 2029	Post-Fiscal Year 2029	Total Estimated Project Cost
Wastewater Treatment Facility Improvements							
20000	WWTF Improvements	B	\$ -	\$ -	\$ 1,000	\$ 500	\$ 1,500
20700	Long-Range Biosolids Disposal	A	368	5,241	11,424	-	11,793
20801	Data Communications Ethernet Upgrade	A	570	1,960	2,814	-	3,384
24000	NBC Facility Electrical Improvements	B	14	540	555	-	569
81800	BPWWTF Sludge Digestion Facility Improvements	A	1,157	1,820	7,943	-	9,100
91000	Office and Building Improvements	A	30	1,635	1,870	-	1,900
	<i>Subtotal</i>		<u>2,140</u>	<u>11,195</u>	<u>25,606</u>	<u>500</u>	<u>28,245</u>
Bucklin Point Resiliency Improvements							
81000	BPWWTF UV Disinfection Improvements	A	2,035	10,591	22,722	-	24,757
81600	BPWWTF Improvements	A	5,784	532	7,238	-	13,022
81700	BPWWTF Operations and Maintenance Buildings	A	32,991	5,656	5,831	-	38,822
	<i>Subtotal</i>		<u>40,811</u>	<u>16,779</u>	<u>35,791</u>	<u>-</u>	<u>76,601</u>
Field's Point Resiliency Improvements							
20300	FPWWTF Improvements	A	2,994	1,684	22,712	-	25,706
20400	FPWWTF Ernest Street Pump Station Improvements	A	1,172	4,078	36,843	-	38,015
20500	FPWWTF Maintenance and Storage Buildings	A	2,546	813	24,733	-	27,279
20600	NBC Solar Carport	A	43	1,228	1,228	-	1,270
20800	Cybersecurity Improvements	A	1,247	64	64	-	1,311
40101	FPWWTF Facility Electrical Improvements	A	9	551	9,675	-	9,684
71000	Lincoln Septage Receiving Station Replacement	A	696	742	7,940	-	8,636
	<i>Subtotal</i>		<u>8,706</u>	<u>9,159</u>	<u>103,195</u>	<u>-</u>	<u>111,900</u>
Infrastructure Management							
1140600	RIPDES Compliance Improvements - PFAS	C	714	401	401	-	1,115
1140900	Water Quality Model Validation and Enhancement	C	-	46	163	-	163
30700	NBC System-wide Facilities Planning	D	-	56	1,055	-	1,055
40200	NBC System-wide Inflow Reduction	D	-	240	1,580	-	1,580
40300	Municipal Lateral Sewer Acquisition Impact	D	-	-	610	-	610
40550	RIPDES Flow Monitoring System Implementation	A	547	1,103	1,103	-	1,650
	<i>Subtotal</i>		<u>1,261</u>	<u>1,845</u>	<u>4,912</u>	<u>-</u>	<u>6,173</u>
CSO Phase III Facilities							
30800	CSO Phase III A Facilities - Design and Construction Program Management	A	56,908	13,804	51,026	-	107,934
30801	CSO Phase III A Facilities - Pawtucket Tunnel and Pump Station	A	330,236	118,087	168,389	-	498,625
30802	CSO Phase III A Facilities - Tunnel Pump Station Fit-out	A	27	12,310	149,419	-	149,446
30803	CSO Phase III A Facilities - OF 205	A	777	5,213	6,528	-	7,306
30804	CSO Phase III A Facilities - OF 210, 213, 214	A	-	5,551	35,796	-	35,796
30805	CSO Phase III A Facilities - OF 217	A	13,963	2,264	2,264	-	16,226
30807	CSO Phase III A Facilities - Regulator Modifications	A	6,896	713	713	-	7,609
30809	CSO Phase III A - GSI Projects	A	8,775	656	656	-	9,430
30810	CSO Phase III A Facilities - BPWWTF Clarifiers and Flow Splitters	A	3,849	26,105	53,912	-	57,761
	<i>CSO Phase III A Facilities Subtotal</i>		<u>421,431</u>	<u>184,702</u>	<u>468,701</u>	<u>-</u>	<u>890,133</u>
30830	CSO Phase III B Facilities	A	-	-	5,423	40,082	45,505
30850	CSO Phase III C Facilities	A	-	-	-	290,393	290,393
30870	CSO Phase III D Facilities	A	-	-	-	160,674	160,674
	<i>CSO Phase III B, C and D Facilities Subtotal</i>		<u>-</u>	<u>-</u>	<u>5,423</u>	<u>491,148</u>	<u>496,571</u>
	<i>Subtotal</i>		<u>421,431</u>	<u>184,702</u>	<u>474,125</u>	<u>491,148</u>	<u>1,386,704</u>
Sewer System Improvements							
12400	Interceptor Maintenance Building	C	-	-	425	17,616	18,040
30500	NBC Interceptor Easements Restoration, Various Locations	B	28	434	1,400	-	1,428
30610	NBC System-wide Regulator Modifications	A	803	676	3,407	-	4,209
70900	Omega Pump Station Improvements	B	10	535	8,749	-	8,758
72000	Reservoir Avenue Pump Station Improvements	B	-	37	8,755	-	8,755
	<i>Subtotal</i>		<u>840</u>	<u>1,681</u>	<u>22,735</u>	<u>17,616</u>	<u>41,191</u>
Interceptor Cleaning and Restoration							
30400M	CSO Interceptor Inspection and Cleaning Projects	B	-	28	2,528	500	3,028
30481M	Completion of Baseline Siphon Inspections and Cleanings	C	-	472	472	-	472
	<i>Subtotal</i>		<u>-</u>	<u>500</u>	<u>3,000</u>	<u>500</u>	<u>3,500</u>
Interceptor Restoration and Construction							
30400C	Interceptor Restoration and Construction	B	-	218	5,263	1,500	6,763
30315	Woonasquatucket CSO OF 046 Improvements	B	142	651	3,838	-	3,981
30421	Louisquisset Pike Interceptor Improvements	D	-	-	2,768	3,693	6,461
30468	Improvements to Interceptors FY 2022	B	1,940	92	92	-	2,032
	<i>Subtotal</i>		<u>2,083</u>	<u>961</u>	<u>11,961</u>	<u>5,193</u>	<u>19,236</u>
Total			\$ 477,271	\$ 226,823	\$ 681,323	\$ 514,957	\$ 1,673,551

Priority	Description
A	Mandated, emergency, critical need or under construction.
B	Required to maintain system reliability and ongoing operation of facilities.
C	Project scope and requirements are dependent on futures system needs or regulatory requirements.
D	Project not critical but achieves efficiencies and/or reduces carbon footprint.

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81800

BPWWTF Sludge Digestion Facility Improvements

Project Manager: David Bowen, P.E.
 Contractor(s): TBD

Location: Bucklin Point WWTF
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	February-22	August-24	30 Months	\$1,098
Construction	April-23	September-26	41 Months	8,002
Total Project	February-22	September-26	55 Months	\$9,100



Photo: Secondary Digester

This project involves miscellaneous improvements and upgrades to the treatment plant's digester complex to address aging infrastructure concerns. These improvements include the inspection and evaluation of primary and secondary digesters, piping systems and other process-related appurtenances, concrete and piping system repairs to address known problematic leakage concerns, and other related facility infrastructure improvement needs.

CIP Window Summary

	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
	\$ 1,157	\$ 1,820	\$ 2,025	\$ 2,229	\$ 1,869	\$ -	\$ -	\$ -	\$ 9,100

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114
Land	-	-	-	-	-	-	-	-	-
A/E Professional	777	-	-	-	-	-	-	-	777
Other	207	-	-	-	-	-	-	-	207
Total	\$ 1,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 40	\$ 165	\$ 180	\$ 180	\$ 45	\$ -	\$ -	\$ -	\$ 609
A/E Professional	20	86	78	83	26	-	-	-	293
Construction	-	1,288	1,495	1,495	223	-	-	-	4,500
Contingency	-	-	-	198	1,575	-	-	-	1,773
Other	-	282	272	272	-	-	-	-	827
Total	\$ 60	\$ 1,820	\$ 2,025	\$ 2,229	\$ 1,869	\$ -	\$ -	\$ -	\$ 8,002

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	183,684	220,420	220,420
Increased Expense	-	-	-	-	-	-
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ 183,684	\$ 220,420	\$ 220,420

81000

BPWWTF UV Disinfection Improvements

Project Manager: David Bowen, P.E. Location: Bucklin Point WWTF (East Providence, RI)
 Contractor(s): TBD Project Priority: A

Total Project Duration/Cost

Project Phase	Start Date	Completion Date	Project Duration	Cost (in Thousands)
Planning	N/A	N/A	N/A	N/A
Design	April-17	February-22	59 Months	N/A
Construction	March-22	October-25	43 Months	\$24,757
Total Project	April-17	October-25	102 Months	\$24,757



Photo: Bucklin Point UV Disinfection System

This project involves the evaluation and replacement of the current Ultraviolet (UV) Disinfection system at the Bucklin Point WWTF with newer, more efficient technology. It also includes the design and construction of a new building to contain the UV system. The current UV equipment is nearing the end of its useful life and high intensity lamps are expensive and less efficient than newer technologies.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 2,035	\$ 10,591	\$ 8,968	\$ 3,052	\$ 111	\$ -	\$ -	\$ -	\$ 24,757

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 349	\$ 111	\$ 120	\$ 35	\$ 5	\$ -	\$ -	\$ -	\$ 620
A/E Professional	140	240	263	45	-	-	-	-	688
Construction	1,547	10,200	8,550	847	106	-	-	-	21,250
Contingency	-	-	-	2,125	-	-	-	-	2,125
Other	-	40	35	-	-	-	-	-	75
Total	\$ 2,035	\$ 10,591	\$ 8,968	\$ 3,052	\$ 111	\$ -	\$ -	\$ -	\$ 24,757

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	298,498	447,747	447,747	447,747
Increased Expense	-	-	20,354	30,531	30,531	30,531
Net Impact on Operating Budget	\$ -	\$ -	\$ 278,144	\$ 417,216	\$ 417,216	\$ 417,216

81600

BPWWTF Improvements

Project Manager: David Bowen, P.E. Location: BPWWTF
 Contractor(s): Biszko Building Systems, Inc. Project Priority: A

Total Project Duration/Cost

Project Phase	Start Date	Completion Date	Project Duration	Cost (in Thousands)
Planning	N/A	N/A	N/A	N/A
Design	June-19	June-24	60 Months	\$1,210
Construction	October-19	April-27	90 Months	11,812
Total Project	June-19	April-27	94 Months	\$13,022



Photo: 2,000 kWh Generator Installation

This project involves miscellaneous improvements and upgrades to the Bucklin Point WWTF including the repair or replacement of boilers, hydronic piping systems, and isolation gates. Other improvements include modifications to HVAC systems, inspection and repairs to sludge digester tanks and related system appurtenances, miscellaneous concrete repairs, installation of a redundant standby power system, electrical manhole dewatering sump pump systems, and other miscellaneous infrastructure needs.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 5,784	\$ 532	\$ 1,016	\$ 2,569	\$ 3,121	\$ -	\$ -	\$ -	\$ 13,022

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 127	\$ 77	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 212
Land	-	-	-	-	-	-	-	-	-
A/E Professional	520	379	-	-	-	-	-	-	899
Other	22	77	-	-	-	-	-	-	99
Total	\$ 669	\$ 532	\$ 9	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,210

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 28	\$ -	\$ 134	\$ 180	\$ 145	\$ -	\$ -	\$ -	\$ 486
A/E Professional	-	-	112	63	128	-	-	-	302
Construction	5,068	-	706	2,265	1,340	-	-	-	9,378
Contingency	-	-	-	45	1,509	-	-	-	1,554
Other	19	-	57	16	-	-	-	-	93
Total	\$ 5,115	\$ -	\$ 1,008	\$ 2,569	\$ 3,121	\$ -	\$ -	\$ -	\$ 11,812

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	-	-	833	3,330	3,330
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ 833	\$ 3,330	\$ 3,330

81700

BPWWTF Operations and Maintenance Buildings

Project Manager: Rich Bernier, P.E. Location: Bucklin Point WWTF
 Contractor(s): Daniel O'Connell's Sons Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	May-19	July-21	26 Months	N/A
Construction	October-20	July-24	44 Months	\$38,822
Total Project	May-19	July-24	62 Months	\$38,822



Photo: Operations and Maintenance Building

This project involves the design and construction of a new Operations Building and a Maintenance/Storage Building at the Bucklin Point campus. The Operations Building will contain additional office space, training and locker rooms, and the WWTF's SCADA Control Room which is necessary to maintain system reliability and efficient operations. The Maintenance/Storage Building(s) will improve the efficiency of plant maintenance services necessary to ensure the reliable operation and performance of critical infrastructure systems and address various storage needs at the BPWWTF. ☐

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 32,991	\$ 5,656	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,822

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-	-	-	-	-	-
A/E Professional		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 998	\$ 195.9	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,199
A/E Professional	1	0	-	-	-	-	-	-	1
Construction	31,917	2,937.4	170	-	-	-	-	-	35,024
Contingency	-	2,507.2	-	-	-	-	-	-	2,507
Other	76	15.0	-	-	-	-	-	-	91
Total	\$ 32,991	\$ 5,656	\$ 175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,822

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	70,715	70,715	70,715	70,715	70,715
Net Impact on Operating Budget	\$ -	\$ 70,715	\$ 70,715	\$ 70,715	\$ 70,715	\$ 70,715

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20300

FPWWTF Improvements

Project Manager: David Bowen, P.E.
 Contractor(s): TBD

Location: Field's Point WWTF
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	March-21	March-24	36 Months	\$3,151
Construction	March-24	July-27	41 Months	22,555
Total Project	March-21	July-27	77 Months	\$25,706



Photo: Primary Sludge Pump Station

Improvements to the FPWWTF include replacement of the Pepcon unit at the Gravity Thickener Building; evaluation and design of miscellaneous improvements to the WWTF's Disinfection and Dechlorination systems; a new transformer and replacement of the automatic strainer system. Other improvements include the design and construction of three Variable Frequency Drives; an OSHA safety required handrail installation at the Blower/Screw Lift Building and the Primary Sludge Pump Station; replacement of the HVAC unit at the Gravity Thickener Pump Station, modifications to the retaining wall systems, and other improvements.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 2,994	\$ 1,684	\$ 2,739	\$ 6,188	\$ 12,075	\$ 27	\$ -	\$ -	\$ 25,706

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 210	\$ 59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 268
Land	-	-	-	-	-	-	-	-	-
A/E Professional	1,265	1,083	-	-	-	-	-	-	2,348
Other	65	470	-	-	-	-	-	-	535
Total	\$ 1,539	\$ 1,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,151

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 20	\$ 43	\$ 264	\$ 360	\$ 303	\$ 7	\$ -	\$ -	\$ 995
A/E Professional	-	30	308	285	565	21	-	-	1,209
Construction	1,434	-	2,125	5,500	6,146	-	-	-	15,205
Contingency	-	-	-	-	5,062	-	-	-	5,062
Other	-	-	43	43	-	-	-	-	85
Total	\$ 1,454	\$ 73	\$ 2,739	\$ 6,188	\$ 12,075	\$ 27	\$ -	\$ -	\$ 22,555

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	75,000	75,000
Increased Expense	-	-	-	-	-	-
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ (75,000)

20500

FPWWTF Maintenance and Storage Buildings

Project Manager: David Bowen, P.E.
 Contractor(s): TBD

Location: Field's Point WWTF
 Project Priority: A

Total Project Duration/Cost

Project Phase	Start Date	Completion Date	Project Duration	Cost (in Thousands)
Planning	N/A	N/A	N/A	N/A
Design	February-22	January-24	23 Months	\$3,240
Construction	April-23	April-26	37 Months	24,039
Total Project	February-22	April-26	51 Months	\$27,279



Photo: Existing FPWWTF Maintenance Building

This project involves the planning, design and construction of a new Maintenance Building, an Interceptor Maintenance (IM) Storage Building and related support facilities at the Field's Point campus to support NBC's long-range planning goals to address resiliency and aging infrastructure concerns.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 2,546	\$ 813	\$ 10,884	\$ 13,037	\$ -	\$ -	\$ -	\$ -	\$ 27,279

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 211	\$ 71	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282
Land	1,000	-	-	-	-	-	-	-	1,000
A/E Professional	1,153	418	-	-	-	-	-	-	1,570
Other	153	236	-	-	-	-	-	-	388
Total	\$ 2,516	\$ 724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,240

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 30	\$ 69	\$ 320	\$ 135	\$ -	\$ -	\$ -	\$ -	\$ 553
A/E Professional	-	20	713	145	-	-	-	-	878
Construction	-	-	9,700	3,800	-	-	-	-	13,500
Contingency	-	-	-	8,907	-	-	-	-	8,907
Other	-	-	152	50	-	-	-	-	202
Total	\$ 30	\$ 89	\$ 10,884	\$ 13,037	\$ -	\$ -	\$ -	\$ -	\$ 24,039

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	-	17,679	70,715	70,715	70,715
Net Impact on Operating Budget	\$ -	\$ -	\$ 17,679	\$ 70,715	\$ 70,715	\$ 70,715

20600

NBC Solar Carport

Project Manager: Jim Kelly
 Contractor(s): Various

Location: WQSB
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	March-23	May-23	2 Months	N/A
Construction	July-23	April-25	21 Months	\$1,270
Total Project	March-23	April-25	25 Months	\$1,270



Photo: Solar Carport

This project involves the design and installation of a solar carport on the Field's Point campus and will serve as an additional renewable energy source to help NBC achieve its goal of 100% renewable energy resources. The solar carport will also protect vehicles and staff from ice shed from the wind turbines. This project may be eligible for up to \$206,600 in grant funding through the Rhode Island Renewable Energy Fund (REF) Commercial-Scale Program.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 43	\$ 1,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 23	\$ 63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85
A/E Professional	20	65	-	-	-	-	-	-	85
Construction	-	1,000	-	-	-	-	-	-	1,000
Contingency	-	100	-	-	-	-	-	-	100
Other	-	-	-	-	-	-	-	-	-
Total	\$ 43	\$ 1,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,270

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ 425	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101	\$ 5,101
Reduced Expense	4,628	55,531	55,531	55,531	55,531	55,531
Increased Expense	249	2,990	2,990	2,990	2,990	2,990
Net Impact on Operating Budget	\$ (4,804)	\$ (57,642)	\$ (57,642)	\$ (57,642)	\$ (57,642)	\$ (57,642)

40101

FPWWTF Electrical Improvements

Project Manager: David Bowen, P.E. Location: Providence, RI
 Contractor(s): Various Project Priority: A

Total Project Duration/Cost

Project Phase	Start Date	Completion Date	Project Duration	Cost (in Thousands)
Planning	N/A	N/A	N/A	N/A
Design	May-23	December-24	20 Months	\$1,161
Construction	January-25	May-28	41 Months	8,523
Total Project	May-23	May-28	61 Months	\$9,684



Photo: Field's Point Screw and Blower Generator

This project involves the evaluation and installation of standby power capabilities for critical facilities at the Field's Point WWTf in order to maintain uninterrupted operation of treatment processes.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 9	\$ 551	\$ 658	\$ 1,757	\$ 1,833	\$ 4,877	\$ -	\$ -	\$ 9,684

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 9	\$ 86	\$ 50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	420	310	-	-	-	-	-	730
Other	-	45	242	-	-	-	-	-	287
Total	\$ 9	\$ 551	\$ 602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,161

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ 35	\$ 122	\$ 78	\$ 122	\$ -	\$ -	\$ 356
A/E Professional	-	-	22	175	130	109	-	-	435
Construction	-	-	-	1,430	1,575	3,295	-	-	6,300
Contingency	-	-	-	-	-	1,347	-	-	1,347
Other	-	-	-	30	50	5	-	-	85
Total	\$ -	\$ -	\$ 56	\$ 1,757	\$ 1,833	\$ 4,877	\$ -	\$ -	\$ 8,523

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	1,943	3,330	3,330	3,330	3,330
Net Impact on Operating Budget	\$ -	\$ 1,943	\$ 3,330	\$ 3,330	\$ 3,330	\$ 3,330

71000

Lincoln Septage Receiving Station Replacement

Project Manager: David Bowen, P.E.
 Contractor(s): TBD

Location: Lincoln, RI
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	February-22	December-23	22 Months	\$1,063
Construction	October-23	January-26	28 Months	7,573
Total Project	February-22	January-26	47 Months	\$8,636



Photo: Lincoln Septage Receiving Station

The Lincoln Septage Receiving Station has reached the end of its useful life and needs to be replaced. This project includes design and construction of a new septage receiving station equipped with a screening mechanism and sample collection capabilities. In addition, the new facility will contain an Odor Control System to mitigate and manage fugitive emissions and odors.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 696	\$ 742	\$ 5,382	\$ 1,816	\$ -	\$ -	\$ -	\$ -	\$ 8,636

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 96	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126
Land	-	-	-	-	-	-	-	-	-
A/E Professional	522	223	-	-	-	-	-	-	745
Other	78	114	-	-	-	-	-	-	192
Total	\$ 696	\$ 367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,063

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ 98	\$ 183	\$ 104	\$ -	\$ -	\$ -	\$ -	\$ 384
A/E Professional	-	43	221	62	-	-	-	-	325
Construction	-	200	4,150	650	-	-	-	-	5,000
Contingency	-	-	799	1,000	-	-	-	-	1,799
Other	-	35	30	-	-	-	-	-	65
Total	\$ -	\$ 376	\$ 5,382	\$ 1,816	\$ -	\$ -	\$ -	\$ -	\$ 7,573

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	8,333	20,000	20,000	20,000
Increased Expense	-	-	-	-	-	-
Net Impact on Operating Budget	\$ -	\$ -	\$ 8,333	\$ 20,000	\$ 20,000	\$ 20,000

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40200

NBC System-wide Inflow Reduction

Project Manager: David Bowen, P.E.
 Contractor(s): N/A

Location: NBC Service Area
 Project Priority: D

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	October-22	August-25	34 Months	\$705
Construction	March-24	November-25	20 Months	875
Total Project	March-24	November-25	20 Months	\$1,580

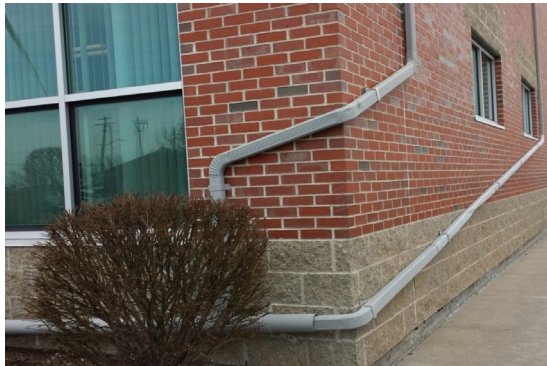


Photo: Downspouts at NBC's Corporate Office Building

This project involves the development and implementation of an inflow reduction program to remove stormwater from sanitary sewers in the NBC's service area. This project is imperative to prevent surcharging of sewers that could cause illegal sanitary sewer overflows during wet weather events.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ -	\$ 240	\$ 706	\$ 538	\$ 96	\$ -	\$ -	\$ -	\$ 1,580

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ 49	\$ 68	\$ 60	\$ 9	\$ -	\$ -	\$ -	\$ 186
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	120	126	131	10	-	-	-	386
Other	-	-	33	24	77	-	-	-	133
Total	\$ -	\$ 169	\$ 226	\$ 214	\$ 96	\$ -	\$ -	\$ -	\$ 705

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ 58	\$ 87	\$ 36	\$ -	\$ -	\$ -	\$ -	\$ 180
A/E Professional	-	14	66	28	-	-	-	-	107
Construction	-	-	298	108	-	-	-	-	405
Contingency	-	-	-	123	-	-	-	-	123
Other	-	-	30	30	-	-	-	-	60
Total	\$ -	\$ 72	\$ 480	\$ 324	\$ -	\$ -	\$ -	\$ -	\$ 875

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	-	-	-	-	-
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

30802

CSO Phase III A Facilities - Tunnel Pump Station Fit-out

Project Manager: Kathryn Kelly, P.E.
 Contractor(s): TBD

Location: Pawtucket
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	N/A	N/A	N/A	N/A
Construction	January-24	February-27	37 Months	\$149,446
Total Project	January-24	February-27	37 Months	\$149,446

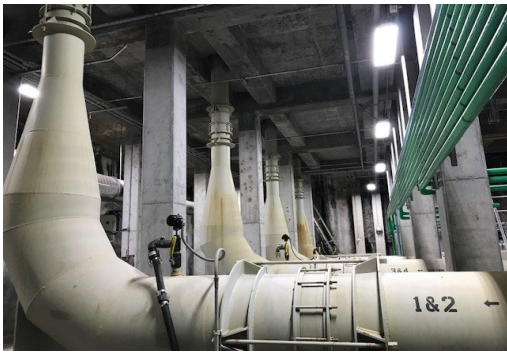


Photo: CSO Tunnel Pump Station

This project includes construction of the CSO Tunnel Pump Station (TPS). The TPS will be constructed in Pawtucket near the Bucklin Point Wastewater Treatment Facility. This project also includes the construction of a consolidation conduit to direct flow to the tunnel via Drop Shaft 218 from CSO OF 218. Wet weather flow will be diverted from OF 218 to new consolidation conduit that will ultimately direct flow to Drop Shaft 218.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 27	\$ 12,310	\$ 63,285	\$ 52,810	\$ 21,014	\$ -	\$ -	\$ -	\$ 149,446

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 27	\$ 560	\$ 685	\$ 610	\$ 311	\$ -	\$ -	\$ -	\$ 2,193
A/E Professional	-	-	-	-	-	-	-	-	-
Construction	-	10,400	61,100	50,700	7,800	-	-	-	130,000
Contingency	-	-	-	-	12,005	-	-	-	12,005
Other	-	1,350	1,500	1,500	898	-	-	-	5,248
Total	\$ 27	\$ 12,310	\$ 63,285	\$ 52,810	\$ 21,014	\$ -	\$ -	\$ -	\$ 149,446

Note: Cash Flow Basis in Thousands

Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	-	-	1,103,635	1,965,591	1,965,591
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ 1,103,635	\$ 1,965,591	\$ 1,965,591

30805

CSO Phase III A Facilities - OF 217

Project Manager: Rich Bernier, P.E.
 Contractor(s): DiGregorio, Inc

Location: Pawtucket
 Project Priority: A

Total Project Duration/Cost

<u>Project Phase</u>	<u>Start Date</u>	<u>Completion Date</u>	<u>Project Duration</u>	<u>Cost (in Thousands)</u>
Planning	N/A	N/A	N/A	N/A
Design	N/A	N/A	N/A	N/A
Construction	December-21	July-23	19 Months	\$16,226
Total Project	December-21	July-23	19 Months	\$16,226



Photo: OF 217

This project includes the construction of a consolidation conduit to direct flow to the tunnel via Drop Shaft 213 from CSO OF 217. Wet weather flow will be diverted from OF 217 to a new 48-inch consolidation conduit that will ultimately direct flow to Drop Shaft 213.

CIP Window Summary

Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
\$ 13,962.60	\$ 2,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,226

Projected Expenditures - Planning

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Design

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-	-	-	-	-	-
A/E Professional	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Projected Expenditures - Construction

Cost Category	Pre FY 24	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	Post FY 29	Total
Administrative	\$ 298	\$ 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328
A/E Professional	-	-	-	-	-	-	-	-	-
Construction	13,440	234	-	-	-	-	-	-	13,673
Contingency	-	2,000	-	-	-	-	-	-	2,000
Other	225	-	-	-	-	-	-	-	225
Total	\$ 13,963	\$ 2,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,226

Note: Cash Flow Basis in Thousands

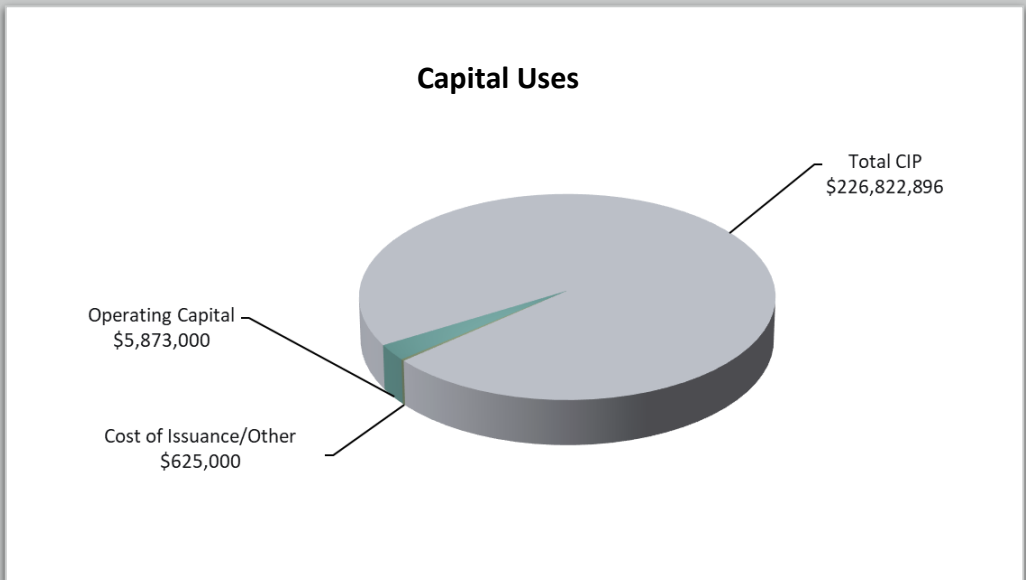
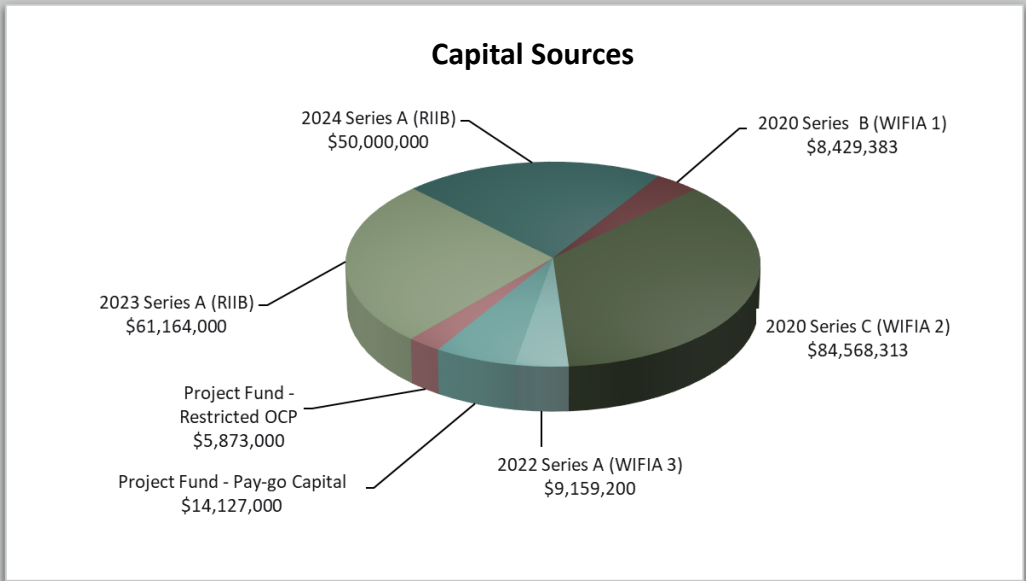
Operating Budget Impacts

	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reduced Expense	-	-	-	-	-	-
Increased Expense	-	-	-	-	-	-
Net Impact on Operating Budget	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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FY 2024 Capital Budget

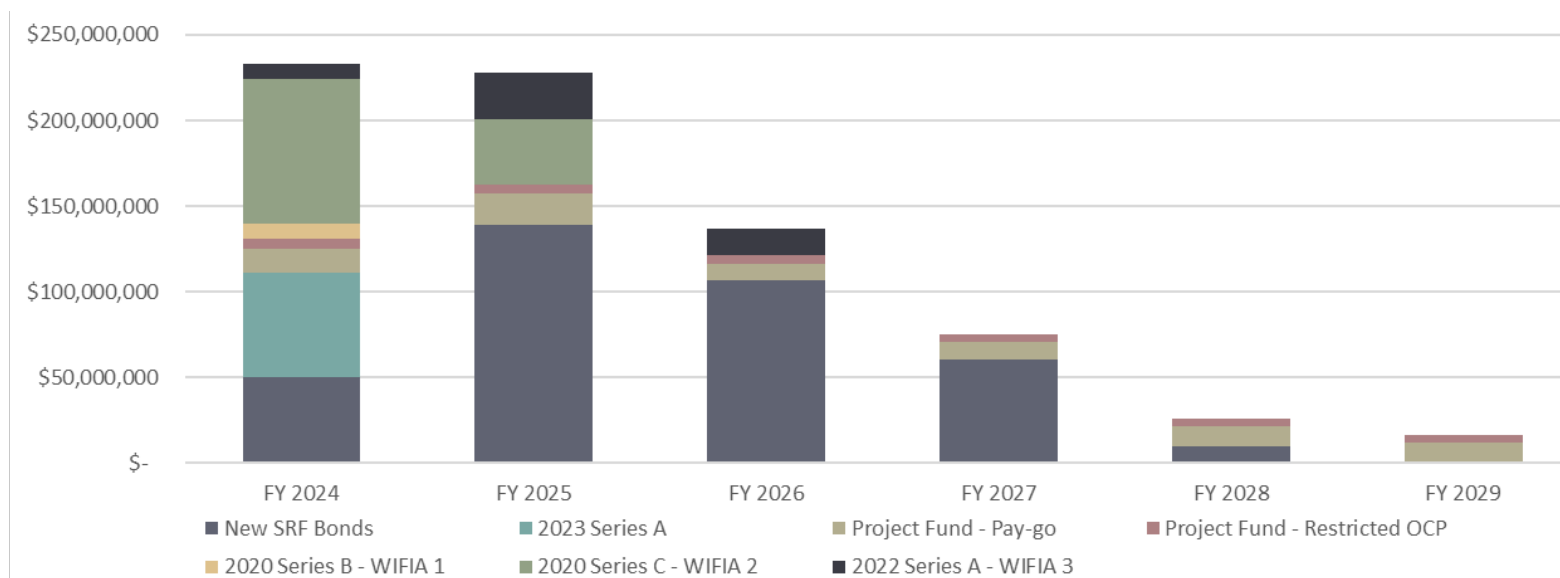


	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	Budgeted Difference	%
Sources of Funds					
Project Fund - Pay-go Capital	6,575,500	26,836,186	14,127,000	(12,709,186)	52.6%
Project Fund - Restricted OCP	3,862,857	3,812,000	5,873,000	2,061,000	154.1%
2021 Series A (RIIB)	43,411,916	1,000,000	-	(1,000,000)	0.0%
2023 Series A (RIIB)	-	-	61,164,000	61,164,000	-
2024 Series A (RIIB)	-	-	50,000,000	50,000,000	-
2020 Series B (WIFIA 1)	99,964,479	102,300,903	8,429,383	(93,871,520)	8.2%
2020 Series C (WIFIA 2)	13,397,162	80,656,987	84,568,313	3,911,326	104.8%
2022 Series A (WIFIA 3)	-	8,982,856	9,159,200	176,344	102.0%
Total Source of Funds	\$ 167,211,914	\$ 223,588,932	\$ 233,320,896	\$ 9,731,964	104.4%
Uses of Funds					
Operating Capital	\$ 3,862,857	\$ 3,812,000	\$ 5,873,000	2,061,000	154.1%
Total CIP	162,816,306	219,776,932	226,822,896	7,045,964	103.2%
Cost of Issuance/Other	532,750	-	625,000	625,000	-
Total Use of Funds	\$ 167,211,913	\$ 223,588,932	\$ 233,320,896	\$ 9,731,964	104.4%



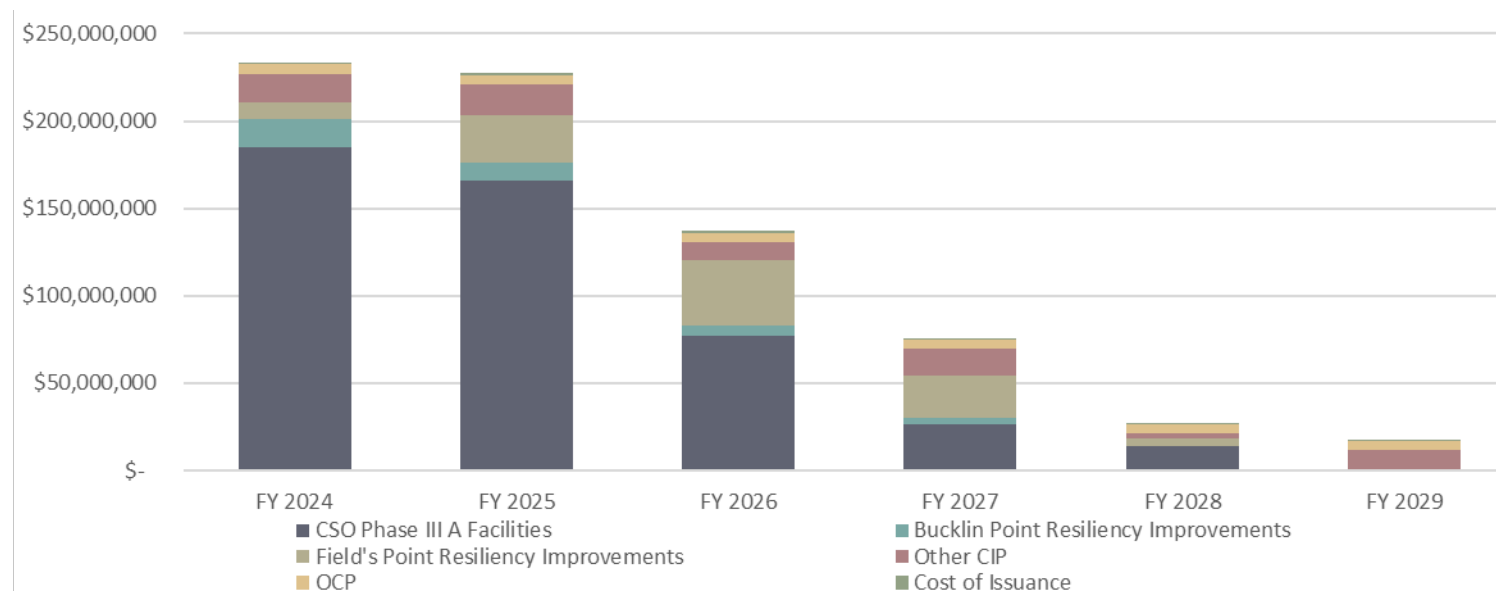
Capital Sources

Sources of Funds	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total FY 2024-2029
New SRF Bonds	\$ 50,000,000	\$ 138,972,493	\$ 106,810,143	\$ 60,732,123	\$ 10,016,197	\$ 138,269	\$ 366,669,225
2023 Series A	61,164,000	-	-	-	-	-	61,164,000
Project Fund - Pay-go	14,127,000	18,639,334	9,356,628	9,813,428	11,227,606	11,663,859	74,827,855
Project Fund - Restricted OCP	5,873,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	30,873,000
2020 Series B - WIFIA 1	8,429,383	-	-	-	-	-	8,429,383
2020 Series C - WIFIA 2	84,568,313	37,803,216	-	-	-	-	122,371,529
2022 Series A - WIFIA 3	9,159,200	27,370,100	15,915,294	-	-	-	52,444,594
Total	\$ 233,320,896	\$ 227,785,143	\$ 137,082,065	\$ 75,545,552	\$ 26,243,802	\$ 16,802,128	\$ 716,779,586



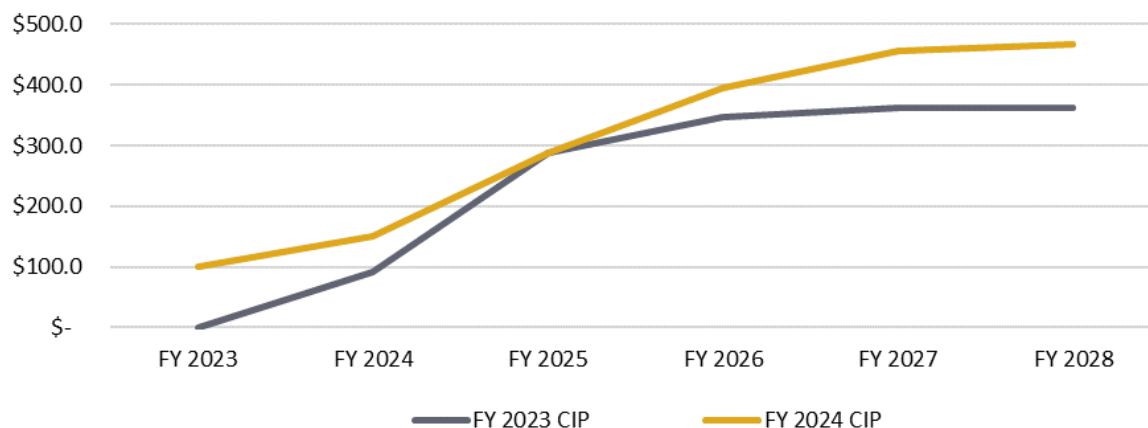
Capital Uses

Uses of Funds	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	Total FY 2024-2029
CSO Phase III A Facilities	\$ 184,702,400	\$ 165,679,607	\$ 77,336,700	\$ 26,614,223	\$ 13,683,300	\$ 684,900	\$ 468,701,130
Bucklin Point Resiliency Improvements	16,779,100	10,158,500	5,620,800	3,232,200	-	-	35,790,600
Field's Point Resiliency Improvements	9,159,200	27,370,100	37,064,225	24,696,700	4,904,300	-	103,194,525
Other CIP	16,182,196	17,839,780	10,725,213	15,243,277	2,531,000	11,115,500	73,636,966
OCP	5,873,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	30,873,000
Cost of Issuance	625,000	1,737,156	1,335,127	759,152	125,202	1,728	4,583,365
Total	\$ 233,320,896	\$ 227,785,143	\$ 137,082,065	\$ 75,545,552	\$ 26,243,802	\$ 16,802,128	\$ 716,779,586



Debt Service

**Cumulative RIIB Borrowings
(in Millions)**



Projected Cumulative RIIB Issues Year-over-Year (Millions)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
FY 2023 CIP	\$ -	\$ 90.8	\$ 287.3	\$ 347.9	\$ 361.7	\$ 361.7
FY 2024 CIP	100.0	150.0	289.0	395.8	456.5	466.5
Difference	\$ 100.0	\$ 59.2	\$ 1.7	\$ 47.8	\$ 94.8	\$ 104.8

Additional Debt to Fund CIP

RIIB - SRF 23 Spring 2023

Loan Amount	\$ 100,000,000
Principal Forgiveness:	
Affordability	1,050,000
Green	2,188,500

RIIB - SRF 24 Spring 2024

Loan Amount	\$ 50,000,000
Principal Forgiveness:	
Affordability	TBD
Green	TBD

Division Hearing on SRF 23 scheduled
March 13, 2023, at 9:30 a.m.

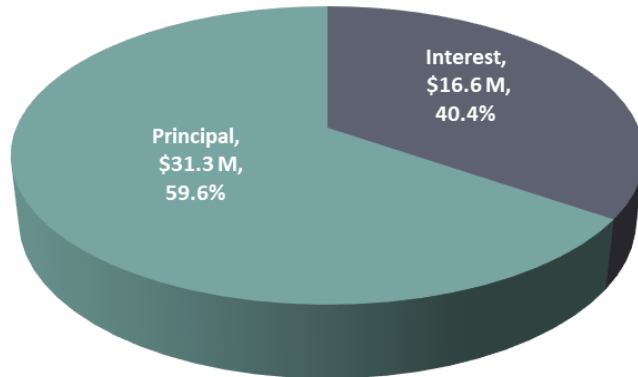
FY 2024 Debt Service

Increase in Budgeted Debt Service of \$6.7 M

- Higher payments on existing debt
- New RIIB Loans
- No User Fee Anticipation Notes

ACCOUNT	FY 2022 Actual	FY 2023 Budget	FY 2024 Budget	Difference	%
INTEREST EXPENSE-2015 SERIES A	\$ 128,600	\$ 128,600	\$ 128,600	\$ -	0.0%
INTEREST EXPENSE-2013 SERIES C	358,874	363,458	131,458	(232,000)	(63.8%)
INTEREST EXPENSE-2008 SERIES A	1,293,048	1,293,965	1,222,440	(71,525)	(5.5%)
INTEREST EXPENSE SRF	6,685,488	6,250,671	10,731,671	4,481,000	71.7%
INTEREST EXPENSE-2020 SERIES A	4,469,065	4,434,438	4,399,282	(35,156)	(0.8%)
REVENUE ANTICIPATION NOTES	-	375,000	-	(375,000)	(100.0%)
PRINCIPAL	28,170,271	28,427,904	31,344,795	2,916,891	10.3%
Total	\$43,382,454	\$41,274,036	\$47,958,246	\$ 6,684,210	16.2%

FY 2024 Principal and Interest



FY 2024 Budgeted Principal and Interest (Accrued)

Series	Par Amount (Millions)	Purpose	Div. 6-2 Attachment		
			Interest/Fees	Principal	Total
RIIB Loans					
2003 Series	\$ 40.000	Wastewater Treatment & Collections	\$ 60,492	\$ 2,344,000	\$ 2,404,492
2004 Series B	40.000	Wastewater Treatment & Collections	33,628	2,342,000	2,375,628
2005 Series B	30.000	Wastewater Treatment & Collections	34,924	1,720,000	1,754,924
2006 Series A	30.000	Wastewater Treatment & Collections	70,848	1,672,000	1,742,848
2007 Series B	25.000	Wastewater Treatment & Collections	79,659	1,469,000	1,548,659
2009 Series A	55.000	Wastewater Treatment & Collections	624,227	2,893,571	3,517,798
2010 Series A	2.000	Wastewater Treatment & Collections	16,090	91,698	107,788
2010 Series B	20.000	Wastewater Treatment & Collections	260,328	1,041,000	1,301,328
2011 Series A	30.000	Wastewater Treatment & Collections	451,943	1,417,118	1,869,061
2012 Series A	25.750	Wastewater Treatment & Collections	390,926	1,244,102	1,635,027
2013 Series B	25.000	Wastewater Treatment & Collections	403,366	1,191,114	1,594,480
2014 Series A	45.000	Wastewater Treatment & Collections	880,571	2,088,000	2,968,571
2015 Series B	41.754	Wastewater Treatment & Collections	1,070,011	1,135,908	2,205,919
2016 Series A	23.000	Wastewater Treatment & Collections	425,935	1,030,000	1,455,935
2019 Series A	35.000	Wastewater Treatment & Collections	659,813	1,486,286	2,146,099
2019 Series B	10.000	Wastewater Treatment & Collections	154,388	449,000	603,388
2021 Series A	45.000	Wastewater Treatment & Collections	661,556	-	661,556
New 2023 Series A	100.000	Wastewater Treatment & Collections	3,452,962	-	3,452,962
New 2024 Series A	50.000	Wastewater Treatment & Collections	1,000,000	-	1,000,000
Subtotal RIIB Loans	\$ 592.504		\$ 10,731,671	\$ 23,614,795	\$ 34,346,466

Revenue Bonds

Bond Issue	Par Amount (Millions)	Purpose	Interest	Principal	Total
2008 Series A	\$ 66.360	Wastewater Treatment & Collections	\$ 1,222,440	\$ 2,500,000	\$ 3,722,440
2013 Series C	34.970	Wastewater Treatment & Collections	131,458	2,785,000	2,916,458
2015 Series A	40.085	Wastewater Treatment & Collections	128,600	-	128,600
2020 Series A	196.360	Wastewater Treatment & Collections	4,399,282	2,445,000	6,844,282
Subtotal Revenue Bonds	\$ 337.775		\$ 5,881,781	\$ 7,730,000	\$ 13,611,781

WIFIA Loans

Issues	Par Amount (Millions)	Purpose	Interest	Principal	Total
WIFIA 1 - 2020 SERIES B	\$ 268.711	CSO Phase III A Facilities	\$ -	\$ -	\$ -
WIFIA 2 - 2020 SERIES C	190.634	CSO Phase III and Bucklin Point Resilience	-	-	-
WIFIA 3 - 2022 SERIES A	55.499	Field's Point Resilience Project	-	-	-
Subtotal WIFIA Loans	\$ 514.844		\$ -	\$ -	\$ -

Total Long Term Debt	\$ 1,445.123		\$ 16,613,451	\$ 31,344,795	\$ 47,958,246
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Revenue Anticipation Notes

			\$ -	\$ -	\$ -
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Total Debt Service			\$ 16,613,451	\$ 31,344,795	\$ 47,958,246
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Div. 6-3: Debt issuances. Refer to Mr. Fox's rebuttal testimony at page 7.

- a. Identify and provide the supporting documentation for the \$100 million loan from the Rhode Island Infrastructure Bank (RIIB) that NBC plans to close in the next 60 days.
- b. Identify the interest rate and repayment/amortization schedule for the \$100 million RIIB loan, showing all anticipated payments and the related amounts of principal and interest for each payment. Please include the related calculations in Excel.
- c. Identify and provide the supporting documentation for the additional \$50 million loan from RIIB prior to June 30, 2024, which is the end of the rate year in this docket (FY 2024).
- d. Identify the interest rate and repayment/amortization schedule for the additional \$50 million RIIB loan, showing all anticipated payments and the related amounts of principal and interest for each payment. Please include the related calculations in Excel.

Response:

- a. NBC submitted an Application to Enter Into Long-Term Debt Issuance of Revenue Bonds of \$100,000,000 to the Division on February 8, 2023 (Docket D-23-04). This application was approved by the Division in an Order dated March 22, 2023. Attached are NBC's resolution regarding the loan; RIIB's approval letter; and, the Division's Order.
- b. See attached draft schedule. The final debt service schedule will be available once the pricing has been completed.
- c. See attached application.
- d. Preliminary debt service schedules for the \$50 million RIIB loan in FY 2024 are attached.

Prepared by: Karen Giebink

The Narragansett Bay Commission
One Service Road
Providence, Rhode Island 02905

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<http://www.narrabay.com>



Vincent J. Meselella
Chairman

Laurie A. Horridge
Executive Director

RESOLUTION NO. 2022:16

RESOLUTION AUTHORIZING THE NARRAGANSETT BAY COMMISSION TO BORROW AN AMOUNT NOT TO EXCEED \$110,000,000 FROM THE RHODE ISLAND INFRASTRUCTURE BANK FOR THE PURPOSE OF FINANCING THE PLANNING, ACQUISITION, DESIGN, EVALUATION, INSPECTION, CONSTRUCTION, REPLACEMENT, IMPROVEMENT, INSTALLATION, CLEANING, REHABILITATION, FURNISHING AND EQUIPPING OF THE PHASE III COMBINED SEWER OVERFLOW (“CSO”) FACILITIES, THE LONG-RANGE BIOSOLIDS DISPOSAL, THE BUCKLIN POINT WASTEWATER TREATMENT FACILITY (“BPWWTF”) SLUDGE DIGESTION FACILITY IMPROVEMENTS, THE BPWWTF UV DISINFECTION IMPROVEMENTS, THE BPWWTF IMPROVEMENTS, THE BPWWTF OPERATIONS AND MAINTENANCE BUILDINGS, THE FIELD’S POINT WASTEWATER TREATMENT FACILITY (“FPWWTF”) IMPROVEMENTS, THE FPWWTF ERNEST STREET PUMP STATION IMPROVEMENTS, THE FPWWTF MAINTENANCE AND STORAGE BUILDINGS, THE NBC SOLAR CARPORT, THE CYBERSECURITY IMPROVEMENTS, THE FPWWTF ELECTRICAL IMPROVEMENTS, THE RIPDES COMPLIANCE IMPROVEMENTS, THE PILOT RESTORATION INITIATIVE, THE WATER QUALITY MODEL VALIDATION AND ENHANCEMENT, THE NBC SYSTEM-WIDE FACILITIES PLAN, THE NBC SYSTEM-WIDE INFLOW REDUCTION, THE FPWWTF PLAN UPDATE, THE RIPDES FLOW MONITORING SYSTEM IMPLEMENTATION, THE INTERCEPTOR MAINTENANCE BUILDING, THE NBC INTERCEPTOR EASEMENTS RESTORATION (VARIOUS LOCATIONS), THE NBC SYSTEM-WIDE REGULATOR MODIFICATIONS, THE OMEGA PUMP STATION IMPROVEMENTS, THE LINCOLN SEPTAGE RECEIVING STATION REPLACEMENT, THE WOONASQUATUCKET CSO OF 46 IMPROVEMENTS, THE LOUISQUISSET PIKE INTERCEPTOR IMPROVEMENTS, THE INTERCEPTOR INSPECTION AND CLEANING, AND OTHER PROJECTS OF THE COMMISSION

WHEREAS, the Narragansett Bay Commission (the “Commission”) desires to borrow an amount not to exceed One Hundred Ten Million Dollars (\$110,000,000) from the Rhode Island Infrastructure Bank (the “Bank”) in accordance with Title VI of the Federal Clean Water Act and

Title 46-12.2 of the Rhode Island General Laws, for the purpose of financing the planning, acquisition, design, evaluation, inspection, construction, replacement, improvement, installation, cleaning, rehabilitation, furnishing and equipping of the Phase III Combined Sewer Overflow (“CSO”) Facilities, the Long-range Biosolids Disposal, the Bucklin Point Wastewater Treatment Facility (“BPWWTF”) Sludge Digestion Facility Improvements, the BPWWTF UV Disinfection Improvements, the BPWWTF Improvements, the BPWWTF Operations and Maintenance Buildings, the Field’s Point Wastewater Treatment Facility (“FPWWTF”) Improvements, the FPWWTF Ernest Street Pump Station Improvements, the FPWWTF Maintenance and Storage Buildings, the NBC Solar Carport, the Cybersecurity Improvements, the FPWWTF Electrical Improvements, the RIPDES Compliance Improvements, the Pilot Restoration Initiative, the Water Quality Model Validation and Enhancement, the NBC System-wide Facilities Plan, the NBC System-wide Inflow Reduction, the FPWWTF Plan Update, the RIPDES Flow Monitoring System Implementation, the Interceptor Maintenance Building, the NBC Interceptor Easements Restoration (Various Locations), the NBC System-wide Regulator Modifications, the Omega Pump Station Improvements, the Lincoln Septage Receiving Station Replacement, the Woonasquatucket CSO of 46 Improvements, the Louisquisset Pike Interceptor Improvements, the Interceptor Inspection and Cleaning, and other projects of the Commission as defined in R.I. General Laws § 46-25-3(10), collectively, hereinafter referred to as the “Projects”;

WHEREAS, the Commission desires to issue an amount not to exceed One Hundred Ten Million Dollars (\$110,000,000) interest bearing revenue bonds for the purpose of evidencing the borrowing described above; and

WHEREAS, the Commission may desire to issue temporary notes in anticipation of the issuance of its revenue bonds.

NOW, THEREFORE, THE COMMISSION RESOLVES AS FOLLOWS:

1. The Chairman and the Executive Director are authorized to borrow, on behalf of the Commission, an amount not exceeding One Hundred Ten Million Dollars (\$110,000,000) from the Bank in accordance with Title VI of the Federal Clean Water Act and Title 46-12.2 of the Rhode Island General Laws, in order to finance the Projects. The Chairman and the Executive Director are also authorized, empowered and directed, on behalf of the Commission, to: (i) execute, acknowledge and deliver a loan agreement to the Bank representing such borrowing (the "Loan Agreement"), the next numerically sequential supplemental indenture (referred to herein for purposes of this Resolution as the "Supplemental Indenture" regardless of its actual sequential number, to be subsequently determined) amending and supplementing the trust indenture dated as of April 15, 2004 by and between the Commission and J.P. Morgan Trust Company, National Association, as initial trustee thereunder (the current successor trustee now being U.S. Bank National Association), as amended and supplemented (the "Trust Indenture"), relating to the issuance of the Bonds or Notes (each defined below) and any and all other documents, certificates or instruments necessary to effectuate such borrowing and issuance; (ii) to fix the terms, conditions and details of the Loan Agreement and the Supplemental Indenture; (iii) to comply with any requirements, restrictions or covenants not contrary to applicable local, state or federal law, pursuant to the Loan Agreement, the Trust Indenture and the Supplemental Indenture, or as requested by one or more insurance companies or financial institutions providing credit enhancement and/or liquidity facility support, if any, for the Bonds and Notes or any bonds or notes of the Bank in connection with the Projects; (iv) to amend, modify or supplement the Loan Agreement, Trust Indenture or Supplemental Indenture and any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purpose as such officers shall deem necessary, desirable or advisable; (v) to execute, acknowledge and

deliver any and all exhibits or other instruments as may be required by the Loan Agreement, Trust Indenture or Supplemental Indenture or required for the issuance of the Bonds or Notes; and (vi) to do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this resolution in order to effectuate said borrowing and the intent hereof.

2. Pursuant to Titles 46-12.2 and 46-25 of the Rhode Island General Laws and this Resolution, the Commission hereby authorizes the Chairman and the Executive Director, on behalf of the Commission, to issue an amount not to exceed One Hundred Ten Million Dollars (\$110,000,000) interest bearing revenue bonds for the purpose of evidencing the Loan in order to finance the Projects (the "Bonds").

3. The said officers from time to time may issue and refund not exceeding One Hundred Ten Million Dollars (\$110,000,000) interest bearing or discounted bond anticipation notes (the "Notes") in anticipation of the issuance of said Bonds.

4. The Bonds and Notes (collectively, the "Obligations") shall be issued by the Commission under its corporate name and seal or a facsimile of such seal. The Obligations shall be signed by the manual or facsimile signatures of the Chairman and the Executive Director. The manner of sale, denominations, maturities, interest rate or rates or method of determining the interest rate or rates, medium of payment and other terms, conditions, and details of the Obligations authorized herein shall be fixed by the Chairman and the Executive Director as set forth in the Supplemental Indenture. The Obligations shall be privately placed with the Bank. The Chairman and Executive Director are hereby authorized to execute and deliver such other documents and take such other actions, as may be necessary, desirable or advisable to effectuate the issuance of the Obligations, including, without limitation, such documents as may be necessary or convenient

in connection with obtaining credit enhancement and/or liquidity facility support for the Obligations or any bonds or notes of the Bank in connection with the Projects.

5. The Commission hereby pledges its full faith and credit or such security as required under the Loan Agreement for the payment of the principal amount of the Obligations and the interest thereon. The Obligations shall have such security provisions as to parity or subordination and shall be in such series and designated as set forth in the Trust Indenture and the Supplemental Indenture. The Obligations shall not be deemed to constitute a debt or pledge of the faith and credit of the State of Rhode Island (the "State") or any municipality. Neither the State nor any municipality shall be obligated to pay the Obligations or the interest thereon, and neither the faith and credit nor the taxing power of the State or any municipality is pledged to such payment. The Commission may issue additional revenue obligations on a parity with these Obligations.

6. If required, the Chairman and the Executive Director are authorized to execute and deliver one or more Disclosure Agreements in connection with the Obligations in such form as shall be deemed advisable by the Chairman and the Executive Director. The Commission hereby covenants and agrees that it will comply with and carry out all of the provisions of each Disclosure Agreement, as it may be amended from time to time.

7. This Resolution is an affirmative action of the Commission toward the issuance of the Obligations in accordance with the purposes of the laws of the State. This Resolution constitutes the Commission's declaration of official intent pursuant to the Treasury Regulation Section 1.150-2 to reimburse the Commission's Operation and Maintenance Fund or other funds and accounts for certain capital expenditures for the Projects paid on or after the date which is sixty (60) days prior to the date this Resolution is adopted, but prior to the issuance of the Obligations. Such amounts to be reimbursed shall not exceed \$110,000,000 and shall be reimbursed not later than eighteen (18) months after the later of (a) the date on which the

expenditure is paid, or (b) the date the applicable project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

8. The Obligations may be issued on a tax-exempt or taxable basis. If the Obligations are issued on a tax-exempt basis, the Commission agrees to take all lawful action necessary to ensure that the interest on the Obligations will remain exempt from federal income taxation to the extent provided in Section 103 of the Internal Revenue Code of 1986, as amended, and to refrain from taking any action which will cause interest on the Obligations to lose the benefit of the exclusion from gross income. The Chairman and the Executive Director are authorized to execute and deliver a Tax Certificate in connection with the issuance of the Obligations in order to effectuate the foregoing.

9. Any action to be taken by the Chairman or Executive Director pursuant to this Resolution may be taken by the Vice Chairman and Chief Financial Officer, respectively.

10. This Resolution shall take effect upon passage.

ADOPTED ON: May 17, 2022
SIGNED: Laurie Horridge
Laurie Horridge
Executive Director & Secretary

December 21, 2022

Karen Giebink
Chief Financial Officer
Narragansett Bay Commission
One Service Road
Providence, RI 02905

RE: Narragansett Bay Commission - up to \$100,000,000 Clean Water State Revolving Fund Loan for various projects relating to NBC's Capital Improvement Program

Dear Ms. Giebink,

The Board of Directors of Rhode Island Infrastructure Bank (the "Bank"), pursuant to policies and procedures adopted in accordance with Title VI of the Federal Clean Water Act, as amended, and Title 46-12.2 of the Rhode Island General Laws, is pleased to inform you that the application from the Narragansett Bay Commission (the "Borrower") dated as of March 25, 2022 for financing through the Bank has been accepted at the Bank's December 5, 2022 Board Meeting and in consideration of the receipt of the Certificate(s) of Approval referred to below, the Bank will provide financial aid in the form of a loan on the terms stated below in an amount up to \$100,000,000 for a term not to exceed thirty years from the time the project is completed (the "Loan"). Subject to the terms of this letter and the closing documents, the Bank shall forgive a portion of the Loan.

This approval is subject to the Borrower meeting the following terms:

- 1) that all Projects to be funded appear on the Rhode Island Department of Environmental Management's ("RIDEM") Project Priority List and have Certificates of Approval issued;
- 2) that the Loan complies with all applicable Federal, State, RIDEM and Bank laws, rules, and regulations;
- 3) that the Loan and debt service requirements be approved by the applicable regulatory agency;
- 4) that a satisfactory Loan agreement be signed by all parties to the transaction ("Agreement");
- 5) that the Loan will be made subject to availability of funds as related to the Bank's capacity; and
- 6) that the Loan will be made subject to ranking on RIDEM's Project Priority List.

TERMS AND CONDITIONS

(1) Certificate of Approval

Prior to disbursement of funds by the Bank, the Bank must be in receipt of Certificate(s) of Approval by RIDEM of the Borrower's proposed project(s), pursuant to Chapter 46-12.2 of the Rhode Island General Laws, and rules and regulations promulgated thereunder.

(2) **Loan Agreement**

The Agreement shall outline the specific terms and conditions of the Bank's loan program, as more generally set forth below, including the Loan to the Borrower. The Borrower's repayment obligation to the Bank under the Agreement will be evidenced by a bond(s) of the Borrower outlining the Loan's specific terms and conditions (the "Bonds"). The Bonds shall be in fully marketable form, accompanied by documentation, in form and substance satisfactory to the Bank, and an opinion, in form and substance satisfactory to the Bank, of nationally recognized bond counsel satisfactory to the Bank as to its valid authorization, execution, delivery and enforceability. The general provisions of the Agreement, which will be more fully set forth prior to the time of the pricing of the Loan by the Bank will include (without limitation) the following provisions:

(a) **Borrowing Rate**

The stated interest rate on the Borrower Bond, which is the Borrower's market rate (the "Market Rate"), is the prevailing market tax-exempt interest rate for issuers of comparable creditworthiness to the Borrower, as determined by the Bank on the advice of the Financial Advisor after consultation with the Borrower. The subsidized interest rate for the Loan is 33 1/3% off of the Market Rate (the "Subsidized Interest Rate"). The Borrower will be obligated by the Borrower Bond to pay the Market Rate but will be billed only for the Subsidized Interest Rate. If the Borrower or other borrowers of the Bank should default in timely payment of debt service on the Loan or on the loans made to such other borrowers of the Bank, the Bank may require the Borrower to pay up to the Market Rate on the Borrower Bond.

Interest is to be calculated based on a 360-day year and twelve thirty-day months and may be capitalized during construction. Interest payments shall be made semi-annually on March 1 and September 1.

(b) **Amortization**

Amortization will begin at a mutually agreed upon date, but in no case later than September 1 after completion of the construction of the projects. Principal payments shall be made annually on September 1 and the schedule of payments will be structured to meet the debt service and financial assistance needs of the Borrower.

(c) **Final Maturity**

The Loan shall mature no later than thirty years after the completion of the funded projects.

(d) **Prepayments**

The Loan may be prepaid by the Borrower at any time but may be subject to a prepayment penalty based on the cost of reinvesting the prepayment, the cost of prepaying outstanding bonds of the Bank, or any other negative financial impact to the Bank.

(e) **Security**

The Loan will have a pledge of (a) general revenues and/or wastewater system revenues; and (b) may be secured by any other assets and upon such other terms and conditions as the Bank deems appropriate to protect the interests of the other participants in the loan programs of the Bank; bondholders; other creditors of the Bank; or the finances of the Bank.

(3) **Construction Progress Payments**

Progress payments for each construction project will be made through the Construction Proceeds Fund (“CPF”). Loan proceeds will be transferred to the CPF for the benefit of the Borrower based upon approved Requisition Forms submitted to the Bank. Upon receipt of the Requisition Form, The Bank will verify: a) that a Certificate of Approval has been issued by RIDEM; b) that the vendor is identified in the contract; and c) that there is sufficient availability in the CPF to make the payment. Payments will be made directly to the vendor and/or the Borrower for reimbursements by the Bank, and a “paid” stamped copy of the Requisition Form will be sent to the Borrower and RIDEM. RIDEM will perform periodic project inspections to: a) monitor construction progress; b) verify eligibility of construction costs under the program; and c) ensure that construction is in conformity with Plans and Specifications. RIDEM will provide a copy of the inspection report to the Bank. Any adverse conditions will be reported to the Bank who will suspend further payments until the adverse conditions have been rectified. RIDEM will perform a final project inspection before the final payment is made by the Bank.

(4) **Reporting Requirements**

The Borrower will be required to provide information to the Bank during the life of the Loan:

- (a) A copy of its annual audited financial statements in accordance with Generally Accepted Government Accounting Standards.
- (b) An annual analysis of operating revenues and expenses, including without limitation, a description of the status of the dedicated wastewater system revenues and/or general revenues and operating expenses in excess of budget and a schedule of current and projected user rates.
- (c) A copy of the annual budget of the Borrower, within fifteen days of its adoption.
- (d) An annual schedule of current and projected short term and long-term debt service.

- (e) Copies of reports submitted to RIDEM, the U.S. Environmental Protection Agency (“EPA”) and any other regulatory agency relating to any project financed by the Bank or the operation thereof.
- (f) Other information or reports that the Bank deems appropriate.

(5) **Compliance with State and Federal Law**

The Borrower must comply with all applicable laws and regulations. Recipients of loans must also comply with all requirements of Title VI of the Federal Clean Water Act (“CWA”), including new programmatic requirements established under the Water Resources Reform and Development Act of 2014 (“WRRDA”), and regulations issued thereunder in addition to any other applicable Federal laws and regulations (see attached: Davis-Bacon (“DB”) prevailing wage requirements and new WRRDA requirements).

(6) **Clean Water Act Amendments**

As part of the WRRDA, Congress amended the CWA. The following are key provisions that affect CWSRF borrowers:

Davis Bacon Act made permanent. The CWA amendments have made the DB prevailing wage requirements a permanent part of the CWSRF program. This requirement has been part of the program since 2009. See Attachment for further details on prevailing wage requirements.

American Iron and Steel (“AIS”) requirements made permanent. AIS was added to the CWSRF program in 2014, but was not applicable to most CWSRF borrowers. The CWA amendments have made this permanent and have made the requirement applicable to all CWSRF financed projects going forward.

Fiscal Sustainability Planning (Asset Management). A fiscal sustainability plan will need to be developed that inventories and evaluates assets and implements water and energy conservation. See Attachment 2 for further details on Fiscal Sustainability Plans and Certification which must be completed and signed by the Borrower in connection with closing the Loan.

Cost & Effectiveness. The CWSRF program requires as a condition of providing financial assistance that the recipient of such assistance shall certify that the recipient:

1. Has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and

2. Has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account the following:
 - the cost of constructing the project or activity;
 - the cost of operating and maintaining the project or activity over the life of the project or activity; and
 - the cost of replacing the project or activity.

See Attachment 3 for Form of Certification, which must be completed and signed by the Borrower in connection with closing the Loan.

(7) **Fees**

An origination fee of the greater of one thousand dollars (\$1,000) or one percent (1%) of the principal amount of the Loan will be payable to the Bank by the Borrower at the time of the Loan's closing. All other costs incidental to the Borrower's role in the transaction, i.e. legal fees, financial advisory fees, bond insurance premiums and the like, will be paid by the Borrower. The Bank will charge an annual service fee of three-tenths of one percent (0.3%) of the Loan's outstanding principal, payable semi-annually at each interest payment date. A late payment fee will be charged for every 15 days that a payment is late of five percent (5%) of the amount of the late payment.

(8) **Modifications**

Where deemed appropriate by the Bank, waiver or variation of any provisions herein may be made or additional requirements may be added.

(9) **Merger**

Once the Agreement, the Bonds, and all other closing documents, in form and substance satisfactory to the Bank, associated with the making of the Loan (collectively, the "Closing Documents") are executed, the terms of this letter shall be merged with those of the Closing Documents. The terms of the Closing Documents will govern the extension of the Loan to the Borrower. To the extent that any provisions contained in this letter are inconsistent with the definitive provisions contained in the Closing Documents, the terms of the Closing Documents shall control.

(10) **Beneficiaries**

This letter shall constitute a binding commitment between the Bank and the Borrower. No third party shall have any rights arising hereunder and the Borrower shall indemnify and hold the Bank harmless from any and all claims arising from or in connection with



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Providence, Rhode Island 02908
Riib.org

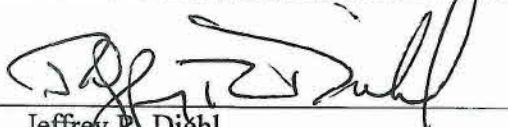
this letter, the Loan or the project financed thereby. In any case, the Bank's liability under this letter shall be limited to the amount held in the Borrower's CPF from time to time.

Please sign and return one original copy of this letter to the Bank at 235 Promenade Street, Suite 119, Providence, RI 02908 or via email. Attachments 2 and 3, fiscal sustainability certification and cost and effectiveness certification, do not need to be completed with this letter. Cost and effectiveness certification, and fiscal sustainability certification if required, must be executed at or prior to loan closing.

I would like to take this opportunity to thank you for your participation in the Bank's loan program. Please be assured that every effort will be made to get the lowest total cost for your long-term capital needs. If you have any questions, please do not hesitate to contact me.

Very truly yours,

RHODE ISLAND INFRASTRUCTURE BANK

By: 
Jeffrey R. Diehl
Executive Director and CEO

Accepted this 19th day of January, 2023

By: 

Title: CFD
Authorized Official

Name and Address of Legal Counsel and/or Bond Counsel to the Borrower

Karen S.D. Grande
Partner
Locke Lord LLP
2800 Financial Plaza
Providence, RI 02903

ATTACHMENT 1**I. Requirements under the Water Resources Reform and Development Act of 2014 For Sub recipients That Are Governmental Entities:**

The following terms and conditions specify how recipients will assist U.S. Environmental Protection Agency (“EPA”) in meeting its Davis-Bacon (“DB”) responsibilities when DB applies to EPA awards of financial assistance under the Water Resources Reform and Development Act of 2014 (“WRRDA”) - with respect to State recipients and sub recipients that are governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient. If a State recipient needs guidance, the recipient may contact **Valerie Marshall, marshall.valerie@dpa.gov, (617) 918-1674**, of EPA, - for guidance. The recipient or sub recipient may also obtain additional guidance from U.S. Department of Labor’s (“DOL”) web site at <http://www.dol.gov/whd/>.

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the WRRDA, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

- (a) Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract. (i) While the solicitation remains open, the sub recipient shall monitor www.wdol.gov weekly to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient. (ii) If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c) (3) (iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.



- (b) If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.
- (c) Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- (d) As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

- (a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of two thousand dollars (\$2,000) which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or FY 2015 WRRDA, the following clauses:

- (1) Minimum wages

- (i) All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs

incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.

(ii)

- a. The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:
 - (1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 - (2) The classification is utilized in the area by the construction industry; and
 - (3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
- b. If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient (s) to the State award official. The State award official will transmit the request, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the

State award official or will notify the State award official within the 30-day period that additional time is necessary.

- c. In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
- d. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

(2) Withholding.

The sub recipient(s), shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee,

or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(3) Payrolls and basic records.

(i) Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

(ii)

A) The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm>

or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

- B) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
1. That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
 2. That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
 3. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.
- C) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.
- D) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
- (iii) The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview

employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

(4) Apprentices and trainees.

- a. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or sub contractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an

- apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- b. Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.
- c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.
- (5) Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- (6) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be

responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

- (7) Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- (8) Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- (9) Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.
- (10) Certification of eligibility.
 - a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1). (ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1). (iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

- (a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
 - a. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

- b. Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (a)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a)(1) of this section.
 - c. Withholding for unpaid wages and liquidated damages. The sub recipient, upon written request of the EPA Award Official or an authorized representative of the Department of Labor, shall withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b)(2) of this section.
 - d. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.
- (b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or

subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.
- (c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable, the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor's submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments there under by contractors and subcontractors who claim credit for fringe benefit contributions.
- (d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <http://www.dol.gov/whd/america2.htm>.

II. Requirements Under the Water Resource Reform and Development Act of 2014 (WRDA) For Sub recipients That Are Not Governmental Entities:

The following terms and conditions specify how recipients will assist EPA in meeting its DB responsibilities when DB applies to EPA awards of financial assistance under – FY 2014 Water Resource Reform and Development Act with respect to sub recipients that are not governmental entities. If a sub recipient has questions regarding when DB applies, obtaining the correct DB wage determinations, DB provisions, or compliance monitoring, it may contact the State recipient for guidance. If a State recipient needs guidance, the recipient may contact **Valerie Marshall, marshall.valerie@dpa.gov, (617) 918-1674**, of EPA'S Grants Management Office for guidance. The recipient or sub recipient may also obtain additional guidance from DOL's web site at <http://www.dol.gov/whd/> **Under these terms and conditions, the sub recipient must submit its proposed DB wage determinations to the State recipient for approval prior to including the wage determination in any solicitation, contract task orders, work assignments, or similar instruments to existing contractors.**

1. Applicability of the Davis- Bacon (DB) prevailing wage requirements.

Under the FY 2015 Water Resource Reform and Development Act, DB prevailing wage requirements apply to the construction, alteration, and repair of treatment works carried out in whole or in part with assistance made available by a State water pollution control revolving fund. If a sub recipient encounters a unique situation at a site that presents uncertainties regarding DB applicability, the sub recipient must discuss the situation with the recipient State before authorizing work on that site.

2. Obtaining Wage Determinations.

- a.** Sub recipients must obtain proposed wage determinations for specific localities at www.wdol.gov. After the Sub recipient obtains its proposed wage determination, it must submit the wage determination to Jay Manning, jam.manning@dem.ri.gov, (401) 222-3961, extension 7254, for approval prior to inserting the wage determination into a solicitation, contract or issuing task orders, work assignments or similar instruments to existing contractors (ordering instruments unless subsequently directed otherwise by the State Recipient Award Official.)
- b.** Sub recipients shall obtain the wage determination for the locality in which a covered activity subject to DB will take place prior to issuing requests for bids, proposals, quotes or other methods for soliciting contracts (solicitation) for activities subject to DB. These wage determinations shall be incorporated into solicitations and any subsequent contracts. Prime contracts must contain a provision requiring that subcontractors follow the wage determination incorporated into the prime contract.
 - i.** While the solicitation remains open, the sub recipient shall monitor www.wdol.gov on a weekly basis to ensure that the wage determination contained in the solicitation remains current. The sub recipients shall amend the solicitation if DOL issues a modification more than 10 days prior to the closing date (i.e. bid opening) for the

solicitation. If DOL modifies or supersedes the applicable wage determination less than 10 days prior to the closing date, the sub recipients may request a finding from the State recipient that there is not a reasonable time to notify interested contractors of the modification of the wage determination. The State recipient will provide a report of its findings to the sub recipient.

- ii. If the sub recipient does not award the contract within 90 days of the closure of the solicitation, any modifications or supersedes DOL makes to the wage determination contained in the solicitation shall be effective unless the State recipient, at the request of the sub recipient, obtains an extension of the 90 day period from DOL pursuant to 29 CFR 1.6(c)(3)(iv). The sub recipient shall monitor www.wdol.gov on a weekly basis if it does not award the contract within 90 days of closure of the solicitation to ensure that wage determinations contained in the solicitation remain current.
- c. If the sub recipient carries out activity subject to DB by issuing a task order, work assignment or similar instrument to an existing contractor (ordering instrument) rather than by publishing a solicitation, the sub recipient shall insert the appropriate DOL wage determination from www.wdol.gov into the ordering instrument.
- d. Sub recipients shall review all subcontracts subject to DB entered into by prime contractors to verify that the prime contractor has required its subcontractors to include the applicable wage determinations.
- e. As provided in 29 CFR 1.6(f), DOL may issue a revised wage determination applicable to a sub recipient's contract after the award of a contract or the issuance of an ordering instrument if DOL determines that the sub recipient has failed to incorporate a wage determination or has used a wage determination that clearly does not apply to the contract or ordering instrument. If this occurs, the sub recipient shall either terminate the contract or ordering instrument and issue a revised solicitation or ordering instrument or incorporate DOL's wage determination retroactive to the beginning of the contract or ordering instrument by change order. The sub recipient's contractor must be compensated for any increases in wages resulting from the use of DOL's revised wage determination.

3. Contract and Subcontract provisions.

- (a) The Recipient shall insure that the sub recipient(s) shall insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a treatment work under the CWSRF - or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in § 5.1 or the FY 2015 Water Resource Reform and Development Act, the following clauses:
 - a. Minimum wages.

- i. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in § 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. Sub recipients may obtain wage determinations from the U.S. Department of Labor's web site, www.dol.gov.
- ii.
 1. The sub recipient(s), on behalf of EPA, shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The State award official shall approve a request for an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:
 1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and
 2. The classification is utilized in the area by the construction industry; and

3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.
 - (B) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the sub recipient(s) agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), documentation of the action taken and the request, including the local wage determination shall be sent by the sub recipient(s) to the State award official. The State award official will transmit the report, to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC 20210 and to the EPA DB Regional Coordinator concurrently. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification request within 30 days of receipt and so advise the State award official or will notify the State award official within the 30-day period that additional time is necessary.
 - (C) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the sub recipient(s) do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the award official shall refer the request, and the local wage determination, including the views of all interested parties and the recommendation of the State award official, to the Administrator for determination. The request shall be sent to the EPA Regional Coordinator concurrently. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt of the request and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.
 - (D) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs (a)(1)(ii)(B) or (C) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.
- iii. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.
- iv. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-

Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

- b. Withholding. The sub recipient(s) shall upon written request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the (Agency) may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.
- c. Payrolls and basic records.
 - i. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.
 - ii.
 1. The contractor shall submit weekly, for each week in which any contract work is performed, a copy of all payrolls to the sub recipient, that is, the entity that

receives the sub-grant or loan from the State capitalization grant recipient. Such documentation shall be available on request of the State recipient or EPA. As to each payroll copy received, the sub recipient shall provide written confirmation in a form satisfactory to the State indicating whether or not the project is in compliance with the requirements of 29 CFR 5.5(a)(1) based on the most recent payroll copies for the specified week. The payrolls shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on the weekly payrolls. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at <http://www.dol.gov/whd/forms/wh347instr.htm> or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the sub recipient(s) for transmission to the State or EPA if requested by EPA, the State, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sub recipient(s).

2. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:
 - a. That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;
 - b. That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;
 - c. That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of

work performed, as specified in the applicable wage determination incorporated into the contract.

3. The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by paragraph (a)(3)(ii)(B) of this section.
 4. The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.
- iii. The contractor or subcontractor shall make the records required under paragraph (a)(3)(i) of this section available for inspection, copying, or transcription by authorized representatives of the State, EPA or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the Federal agency or State may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.
- d. Apprentices and trainees
- i. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage

rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractors registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- ii. Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

- iii. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended and 29 CFR part 30.
- e. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.
- f. Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the EPA determines may be appropriate, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.
- g. Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.
- h. Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract.
- i. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and Sub recipient(s), State, EPA, the U.S. Department of Labor, or the employees or their representatives.
- j. Certification of eligibility.
 - i. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - ii. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).
 - iii. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

4. Contract Provision for Contracts in Excess of \$100,000.

- (a) Contract Work Hours and Safety Standards Act. The sub recipient shall insert the following clauses set forth in paragraphs (a)(1), (2), (3), and (4) of this section in full in any contract in an amount in excess of \$100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by Item 3, above or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.
- (1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
 - (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (b)(1) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (b)(1) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.
 - (3) Withholding for unpaid wages and liquidated damages. The sub recipient shall upon the request of the EPA Award Official or an authorized representative of the Department of Labor, withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (a)(2) of this section.
 - (4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (a)(1) through (4) of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a)(1) through (4) of this section.

- (b) In addition to the clauses contained in Item 3, above, in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in 29 CFR 5.1, the Sub recipient shall insert a clause requiring that the contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the contract for all laborers and mechanics, including guards and watchmen, working on the contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the Sub recipient shall insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the contractor or subcontractor for inspection, copying, or transcription by authorized representatives of the (write the name of agency) and the Department of Labor, and the contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

5. Compliance Verification

- (a) The sub recipient shall periodically interview a sufficient number of employees entitled to DB prevailing wages (covered employees) to verify that contractors or subcontractors are paying the appropriate wage rates. As provided in 29 CFR 5.6(a)(6), all interviews must be conducted in confidence. The sub recipient must use Standard Form 1445 (SF 1445) or equivalent documentation to memorialize the interviews. Copies of the SF 1445 are available from EPA on request.
- (b) The sub recipient shall establish and follow an interview schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. Sub recipients must conduct more frequent interviews if the initial interviews or other information indicated that there is a risk that the contractor or subcontractor is not complying with DB. Sub recipients shall immediately conduct interviews in response to an alleged violation of the prevailing wage requirements. All interviews shall be conducted in confidence.”
- (c) The sub recipient shall periodically conduct spot checks of a representative sample of weekly payroll data to verify that contractors or subcontractors are paying the appropriate wage rates. The sub recipient shall establish and follow a spot check schedule based on its assessment of the risks of noncompliance with DB posed by contractors or subcontractors and the duration of the contract or subcontract. At a minimum, if practicable the sub recipient should spot check payroll data within two weeks of each contractor or subcontractor’s submission of its initial payroll data and two weeks prior to the completion date the contract or subcontract. Sub recipients must conduct more frequent spot checks if the initial spot check or other information indicates that there is a risk that the contractor or subcontractor is not complying with DB. In addition, during the examinations the sub recipient shall verify evidence of fringe benefit plans and payments

there under by contractors and subcontractors who claim credit for fringe benefit contributions.

- (d) The sub recipient shall periodically review contractors and subcontractors use of apprentices and trainees to verify registration and certification with respect to apprenticeship and training programs approved by either the U.S Department of Labor or a state, as appropriate, and that contractors and subcontractors are not using disproportionate numbers of, laborers, trainees and apprentices. These reviews shall be conducted in accordance with the schedules for spot checks and interviews described in Item 5(b) and (c) above.
- (e) Sub recipients must immediately report potential violations of the DB prevailing wage requirements to the EPA DB contact listed above and to the appropriate DOL Wage and Hour District Office listed at <https://www.dol.gov/whd/local/index.htm>.

ATTACHMENT 2**Rhode Island Clean Water State Revolving Fund
Fiscal Sustainability Plan Certification**

Section 603(d)(1)(E):

As amended, the FWPCA now includes section 603(d)(1)(E), which states:

(E) For a treatment works proposed for repair, replacement, or expansion, and eligible for assistance under subsection (c)(1), the recipient of a loan shall—

- (i) Develop and implement a fiscal sustainability plan that includes—
 - (I) an inventory of critical assets that are a part of the treatment works;
 - (II) an evaluation of the condition and performance of inventoried assets or asset groupings;
 - (III) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
 - (IV) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or
- (ii) Certify that the recipient has developed and implemented a plan that meets the requirements under clause (i);

The FWPCA section 603(d)(1)(E) requires a recipient of a loan for a project that involves the repair, replacement, or expansion⁵ of a publicly owned treatment works to develop and implement a fiscal sustainability plan (FSP) or certify that it has developed and implemented such a plan. This provision applies to all loans for which the borrower submitted an application⁶ on or after October 1, 2014.

FSPs should be treated as “living documents” that are regularly reviewed, revised, expanded, and implemented as an integral part of the operation and management of the system. From this perspective, there may be no final deadline for the completion of an FSP; however, it is necessary to set a date for submission of an FSP certification in order to ensure compliance with this provision. An FSP certification is a certification by the borrower that the FSP has been developed and is being implemented. For systems that self-certify under the FWPCA section 603(d)(1)(E)(ii), certification is due at the time of loan closing. For systems developing an FSP under the FWPCA section 603(d)(1)(E)(i), the requirement to develop and implement an FSP must be a condition of the loan agreement, which must also specify when the FSP certification is due. CWSRF programs may establish a program-wide deadline or a unique deadline for each project relative to the borrower’s size, ability, and experience with fiscal sustainability planning. It is recommended that CWSRFs require borrowers to submit the FSP certification before the final disbursement is approved.

The statute requires that FSPs include, at a minimum:

- ◆ an inventory of critical assets that are part of the treatment works;
- ◆ an evaluation of the condition and performance of inventoried assets or asset groupings;
- ◆ a certification that the assistance recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
- ◆ a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities.

Each CWSRF program must develop specific criteria for the contents of the FSP that meet these minimum requirements (see Appendix I for energy and water conservation resources). CWSRFs may consider allowing recipients to take a phased approach such that the initial FSP covers only the funded project and closely associated components⁷. This approach should be applied in such a way that a comprehensive and cohesive plan that covers the entire treatment works eventually results as the utility continues to repair, replace, and expand the system. States may also consider creating tiered requirements that scale the level of complexity of the FSP to the size of the municipality or utility (e.g., population served, millions of gallons treated, etc.).

At a minimum, CWSRFs must require loan recipients to certify that an FSP has been developed and is being implemented and, if deemed necessary, review the FSP. Such a review could occur during an on-site project evaluation; CWSRFs are not required to collect FSPs, but could document this review process with a memorandum to the file, a letter to the loan recipient, or an evaluation form (e.g., a checklist). An FSP review could include the following elements: ensure the loan recipient developed an FSP, that the FSP has an appropriate level of depth and complexity and that the recipient is implementing the FSP. Regarding the water and energy efficiency provision, CWSRFs should ensure the statutorily required certification is included in the FSP. It is recommended that the CWSRFs also evaluate whether the recipient has incorporated, to the maximum extent practicable, water and energy efficient approaches into the funded project.

Development of an FSP is an eligible cost. It is recommended that CWSRFs review and accept any FSP developed as a condition of the loan or paid for by the CWSRF, including cases of self certification where the loan recipient is reimbursed for the cost of developing the equivalent plan. As a best practice, EPA encourages CWSRFs to review all FSPs during the final inspections.

⁵ FSPs are not required for new treatment works (unless they are physically replacing an existing treatment works or expanding the treatment capacity of an existing system) or for projects involving an upgrade that does not involve repair/replacement or expand the treatment capacity (e.g., adding advanced treatment). ⁶ States will determine what constitutes an application and must be consistent. ⁷ The treatment works should be broken down into logical sections using best professional judgment. For a sewer rehabilitation or replacement project, for example, it may be

appropriate to segment a large collection system into areas or zones and create an FSP for the affected area only. On the other hand, for a small system it may be more appropriate to create a plan that covers the entire collection system.

FISCAL SUSTAINABILITY PLAN CERTIFICATION

Pursuant to the WRRDA, effective October 1, 2014, all loan recipients proposing to repair, replace, or expand their treatment works are required to develop and implement a Fiscal Sustainability Plan (“FSP”).

As stated in section 603(d)(1)(E) of the Federal Water Pollution Control Act, as amended:

“(E) for a treatment works proposed for repair, replacement, or expansion, and eligible for assistance under subsection (c)(1), the recipient of a loan shall –

- (i) develop and implement a fiscal sustainability plan that includes –
 - (I) an inventory of critical assets that are part of the treatment works;
 - (II) an evaluation of the conditions and performance of inventoried assets or asset groupings;
 - (III) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and
 - (IV) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities; or
- (ii) certify that the recipient has developed and implemented a plan that meets requirements under clause (i);”

Recipients of a CWSRF loan are required to certify that they have met these statutory requirements for critical assets within the FSP plan area and developed an FSP that includes, at a minimum, the specific criteria set forth in this Exhibit. If, prior to closing, the Borrower has not developed an FSP meeting the minimum requirements, the Borrower shall certify that it will develop and implement the FSP. The Department of Environmental Management, with input from the Borrower, has determined that the planning area for the FSP is _____ (the “Planning Area”). The FSP shall be made available to the Department staff for inspection at the Borrower’s office upon request.

CERTIFICATION ON NEXT PAGE

FSP CERTIFICATION

IF FSP HAS BEEN COMPLETED:

I (name), _____, (title/position) _____, of (organization) _____ hereby certify that the Borrower has developed and implemented the FSP for the Planning Area in accordance with all statutory requirements. The FSP for the Planning Area has been submitted to the Department of Environmental Management with a copy to the Bank.

Authorized Official

Date

OR

IF FSP HAS NOT BEEN COMPLETED:

I (name), _____, (title/position) _____, of (organization) _____ hereby certify that the Borrower shall develop and implement the FSP for the Planning Area in accordance with all statutory requirements. The FSP for the Planning Area shall be developed, implemented, and submitted to the Department of Environmental Management with a copy to the Bank by the earlier of one year from the date of this Agreement or the final draw on the Loan

Authorized Official

Date

ATTACHMENT 3
Rhode Island Clean Water State Revolving Fund
Cost and Effectiveness Certification

As a condition for receiving financial assistance through the Rhode Island Clean Water State Revolving Fund, the Borrower hereby certifies that, in compliance with Section 602(b)(13) of the Water Resources Reform and Development Act of 2014 (“WRRDA”), it:

- A) Has studied and evaluated the cost and effectiveness of the process, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this title; and
- B) Has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account;
 - a. The cost of constructing the project or activity;
 - b. The cost of operating and maintaining the project or activity over the life of the project or activity; and
 - c. The cost of replacing the project or activity.

Project Name/Contract Number:

Reports/Documents Supporting This Certification:

Name and Title of Authorized Official: _____

Signature of Authorized Official: _____ Date: _____

Name of Professional Engineer: _____

Professional Engineer License Number: _____

Signature of Professional Engineer: _____ Date: _____

**STATE OF RHODE ISLAND
DIVISION OF PUBLIC UTILITIES AND CARRIERS
89 JEFFERSON BOULEVARD
WARWICK, RHODE ISLAND 02888**

In Re: The Narragansett Bay Commission)
Application Seeking Approval to) Docket No.: D-23-04
enter Long-Term Debt and Issuance)
of Revenue Bonds of \$100,000,000)
State Revolving Fund (SRF) Loan

REPORT AND ORDER

On February 8, 2023, the Narragansett Bay Commission (“NBC”) filed an application with the Rhode Island Division of Public Utilities and Carriers (“Division”) seeking authority to borrow from the Rhode Island Infrastructure Bank (“RIIB”) an amount not to exceed \$100,000,000. The application was filed in accordance with the requirements of Rhode Island Gen. Law §39-3-15 and Rule 1.14 of the Division’s *Rules of Practice and Procedure*. In its filing, NBC states that the purpose of the loan is to fund the design and construction of multiple NBC projects and to issue bonds evidencing the loan.¹

In response to the filing, the Division conducted a duly noticed public hearing on March 13, 2023. The hearing was conducted in the Division’s hearing room, located at 89 Jefferson Boulevard in Warwick.

¹ Pre-filed testimony Karen L. Giebink, (February 8, 2023) at 1.

The following counsel entered appearances at the hearing:

For NBC:	Joseph A. Keough, Esq.
For the Division's Advocacy Section:	Leo Wold, Esq.

NBC's Direct Case

NBC submitted pre-filed direct testimony from two witnesses in support of its application: Karen L. Giebink, Chief Financial Officer and Stephen Maceroni, a Director with PFM Financial Advisors, LLC. NBC presented Leah Foster, Controller, at the hearing, to answer specific questions.

Karen L. Giebink, Chief Financial Officer²

In her capacity as CFO, Ms. Giebink has testified numerous times in various docketed proceedings before both the Division and the Public Utilities Commission ("PUC").³ She noted that NBC has, on multiple prior occasions, been approved for borrowing totaling \$708,673,210 and has received \$13,396,592 in loan forgiveness from RIIB.⁴ She explained that the current filing proposes that the new debt service will be "wrapped" around NBC's existing debt service level to level annual debt service and to mitigate ratepayer impact. The loan does not include any capitalized interest and amortization will not exceed 30 years. Notably, the loan is anticipated to be at a subsidy of 1/3 market rates. Moreover, RIIB has confirmed that NBC is eligible to receive \$1,050,000 in affordability-based principal forgiveness and \$2,188,500 in loan forgiveness

² At hearing, Ms. Giebink adopted her pre-filed testimony under oath, without amendment.

³ *Id.*

⁴ *Id.* at 2.

through the Rhode Island Clean Water State Revolving Fund's Green Project Reserve program.⁵

Ms. Giebink related that the loan proceeds would be utilized as follows: \$21.9 million (22%) on the Bucklin Point Resiliency projects; \$1.3 million (1%) on the Field's Point Resiliency Project; \$75.7 million (76%) on CSO Phase III A projects; and \$1.3 (1%) million for the RIIB origination fee and bond issuance costs. She identified that all of NBC's proposed projects are included on the State of Rhode Island's Department of Environmental Management's ("RIDEM") 2022 Project Priority List.⁶

She further testified that NBC's current rates, as approved by the PUC, are designed to generate total revenue of \$107,180,080 of which \$62,642,390 is for debt service and debt service coverage, and that NBC has sufficient revenue to service the new debt.⁷ As such, no rate increase is required. Ms. Giebink submitted exhibits which verified that NBC's Board of Commissioners passed an Authorizing Resolution for the borrowing of an amount not to exceed \$110,000,000 at its May 17, 2022 meeting.⁸ Moreover, NBC received a commitment letter for the loan from RIIB dated December 21, 2022.⁹ As part of its application, NBC also submitted the proposed loan agreement.¹⁰

At the hearing conducted on March 13, 2023, Ms. Giebink indicated that NBC was removing a \$1.27 million solar carport project from the list of projects

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* See also, Ex. KG-1.

⁸ Exhibit KG-2.

⁹ Exhibit KG-3.

¹⁰ Exhibit KG-4.

because NBC was pursuing other sources of funding, potentially including grants. On cross-examination, Ms. Gieblink corrected an error on NBC's answer to Div. 1-2, the Lincoln Septage Receiving Station Replacement. The very bottom line showing net impact on operating budget for the fiscal years 2026 through 2029 should be negative numbers, not positive.

She further clarified that although no rate increase is required for this filing, Div. 1-7 shows that in the years 2044 and 2046, the debt service coverage ratio would dip below the required 1.25. She indicated that NBC would file a rate case prior to 2044.

Stephen Maceroni, Director-PFM Financial Advisors, LLC¹¹

In his prefiled testimony, Mr. Maceroni stated that his firm has been working with NBC's Board of Directors since 2012 and that he has worked closely with NBC on its loans through the Water Infrastructure Finance and Innovation Act program which is administered by the United States Environmental Protection Agency.

He described the anticipated revenue bonds as having a final maturity date of September 1, 2049 with principal amortization commencing on September 1, 2029.¹² The bonds will be structured with a RIIB subsidy of 1/3 of the market rate, plus expected principal forgiveness in the aggregate amount of \$3.2 million and an administrative fee of .30%. On an aggregate basis, it is anticipated that the borrowing will not exceed a market rate of 4.0% and an all-in subsidized rate

¹¹ At hearing, Mr. Maceroni adopted his pre-filed testimony under oath, with one amendment.

¹² The date of 2049 was provided at the hearing and corrected the pre-filed testimony of Stephen Maceroni at p. 2, line 22, which stated September 1, 2050.

of 3.74%. The bonds are structured to “smooth-out” NBC’s overall long-term debt service structure.¹³

Mr. Maceroni provided an update on current market rates, the yield curve, NBC’s credit rating and how these factors influence NBC’s options. He noted that tax-exempt interest rates increased steadily throughout most of 2022, primarily due to rising inflation and recession concerns. For instance, the 30-year AAA Municipal Market Rate Data Index (MMD) as of January 27, 2023 was 3.18%, up from 1.50% in January 2022. Mr. Maceroni indicated that NBC enjoys stable credit ratings which contribute to cost savings for ratepayers compared to lower ratings.¹⁴

Finally, Mr. Maceroni explained the facial discrepancy between his testimony in NBC’s pending rate case, PUC Docket No. 22-47-WW, and the current filing as it relates to RIIB’s projected subsidized interest rates. In the rate case, Mr. Maceroni projected that RIIB’s subsidized interest rate would be 4.0% and that in this filing, the loan schedule was created using an all-in subsidized rate of 3.745%.¹⁵ He explained that the .25% reduction occurred because during the 4th quarter of 2022, long-term tax-exempt rates declined from 3.81% in October to 3.18% as of January 27, 2023. The reduced rate will result in more rapid loan amortization and reducing the overall interest expense.¹⁶

¹³ Pre-filed testimony Stephen Maceroni, (February 8, 2023) at 2.

¹⁴ Maceroni testimony at 3.

¹⁵ Maceroni testimony at 4.

¹⁶ *Id.*

The Advocacy Section's Position

The Division's Advocacy Section issued a series of data requests that were entered as Div. Exhibit #1. Although the Division's Rate Analyst, Joel Munoz, did not submit pre-filed testimony, the parties agreed that he could testify on the Division's behalf at the hearing. He explained that the Division reviews debt filings to understand the amount, purpose, and terms of the loan and if the filing has provided adequate supporting documentation. The Division thoroughly examined Exhibits KG-2, KG-3, and KG-4 and subsequently issued a set of ten data requests, seeking additional information on the proposed projects, the debt service coverage ratio, NBC's credit ratings, and a pro forma Statement of Net Position.¹⁷ The Division was satisfied with NBC's responses. The Division further confirmed that the proposed projects were in fact on the RIDEM's list of priority projects and appeared reasonable to the Division.

Mr. Munoz related that the Division examined the ratepayer impacts and relying upon NBC Exhibit KG-1 (column SRF 23) and NBC's response to Div. data request 1-7, found that there were sufficient current revenues to service the proposed debt and that no rate increase would result. He further testified that the Division examined the evidence provided on NBC's strong credit worthiness and found those results satisfactory. Upon conclusion of his testimony, Mr. Munoz stated that the Division was, therefore, in support of the filing and recommended approval.

¹⁷ Division Data Requests 1-10 (Answers dated Mar. 3. 2023).

Findings

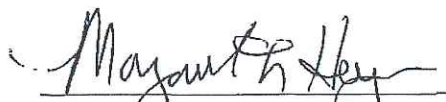
The Division finds that the witnesses appearing before the Hearing Officer were credible and reliable and that there were no conflicting facts. Predicated on a careful examination of the record and testimony in this matter, the Division finds that the instant application request is reasonable and in the best interest of NBC's ratepayers, and meets the requisite burden of proof set forth in R.I. Gen. Law §39-3-15, et seq.

Now, therefore, it is

(24624) ORDERED:

1. That NBC's February 8, 2023 application, which seeks Division approval under R.I. Gen Law §39-3-15, to borrow an amount not to exceed \$100,000,000 from the Rhode Island Infrastructure Bank, as amended at hearing, is hereby approved.
2. That the Division hereby limits approval of the instant application to the terms and details identified in the record, as amended at hearing.

Dated and Effective at Warwick, Rhode Island on March 22, 2023.


Margaret L. Hogan, Esq.
Hearing Officer

Approved: 
Linda D. George, Esq.
Administrator



STATE OF RHODE ISLAND

**DIVISION OF PUBLIC UTILITIES & CARRIERS
89 Jefferson Boulevard
Warwick, Rhode Island 02888
(401) 941-4500**

**FAX: (401) 941-9161
TDD: (401) 941-4500**

NOTICE OF AVAILABILITY OF JUDICIAL REVIEW
(PROVIDED PURSUANT TO R.I.G.L. § 42-35-12)

Please be advised that if you are aggrieved by this final decision (report and order) of the Rhode Island Division of Public Utilities and Carriers (“Division”) you may seek judicial review of the Division’s final decision by filing an appeal with the Rhode Island Superior Court. You have thirty (30) days from the mailing date (or hand delivery date) of the Division’s final decision to file your appeal. The procedures for filing the appeal are set forth in Rhode Island General Laws, Section 42-35-15.

Proceedings for review may be instituted by filing a complaint in the Superior Court of Providence or Kent Counties. Copies of the complaint must be served upon the Division and all other parties of record in your case. You must serve copies of the complaint within ten (10) days after your complaint is filed with the Superior Court.

Please be advised that the filing of a complaint (appeal) with the Superior Court does not itself stay enforcement of the Division’s final decision. You may however, seek a stay from the Division and/or from the Court.

The judicial review shall be conducted by the Superior Court without a jury and shall be confined to the record. The Court, upon request, shall hear oral argument and receive written briefs.

Sources and Uses of Funds

**Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
Includes 33% Subsidy + .30% Annual Admin Fee
Dated March 1, 2023**

Sources:

Bond Proceeds:		
	Par Amount	97,895,000.00
Other Sources of Funds:		
	Principal Forgiveness	2,105,000.00
		<hr/>
		100,000,000.00

Uses:

Project Fund Deposits:		
	Project Fund	100,000,000.00
		<hr/>
		100,000,000.00

Bond Summary Statistics

**Proposed RIIB SRF Loan
 Narragansett Bay Commission
 Estimated Rate of 4.00%
 Includes 33% Subsidy + .30% Annual Admin Fee
 Dated March 1, 2023**

Dated Date	3/1/2023
Delivery Date	3/1/2023
Last Maturity	9/1/2053
Arbitrage Yield	4.000000%
True Interest Cost (TIC)	4.000000%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.000000%
Average Coupon	4.000000%
Average Life (years)	21.924
Duration of Issue (years)	14.312
Par Amount	97,895,000.00
Bond Proceeds	97,895,000.00
Total Interest	85,849,500.00
Net Interest	85,849,500.00
Total Debt Service	183,744,500.00
Maximum Annual Debt Service	9,098,000.00
Average Annual Debt Service	6,024,409.84

Underwriter's Fees (per \$1000)
 Average Takedown
 Other Fee

 Total Underwriter's Discount

Bid Price 100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Bond Component	97,895,000.00	100.000	4.000%	21.924
	97,895,000.00			21.924

	TIC	All-In TIC	Arbitrage Yield
Par Value	97,895,000.00	97,895,000.00	97,895,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
-----	-----	-----	-----
Target Value	97,895,000.00	97,895,000.00	97,895,000.00
Target Date	3/1/2023	3/1/2023	3/1/2023
Yield	4.000000%	4.000000%	4.000000%

Bond Debt Service

**Proposed RIIB SRF Loan
 Narragansett Bay Commission
 Estimated Rate of 4.00%
 Includes 33% Subsidy + .30% Annual Admin Fee
 Dated March 1, 2023**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
9/1/2023			1,957,900	1,957,900	
3/1/2024			1,957,900	1,957,900	
6/30/2024					3,915,800
9/1/2024			1,957,900	1,957,900	
3/1/2025			1,957,900	1,957,900	
6/30/2025					3,915,800
9/1/2025			1,957,900	1,957,900	
3/1/2026			1,957,900	1,957,900	
6/30/2026					3,915,800
9/1/2026			1,957,900	1,957,900	
3/1/2027			1,957,900	1,957,900	
6/30/2027					3,915,800
9/1/2027			1,957,900	1,957,900	
3/1/2028			1,957,900	1,957,900	
6/30/2028					3,915,800
9/1/2028	2,000,000	4.000%	1,957,900	3,957,900	
3/1/2029			1,917,900	1,917,900	
6/30/2029					5,875,800
9/1/2029			1,917,900	1,917,900	
3/1/2030			1,917,900	1,917,900	
6/30/2030					3,835,800
9/1/2030			1,917,900	1,917,900	
3/1/2031			1,917,900	1,917,900	
6/30/2031					3,835,800
9/1/2031			1,917,900	1,917,900	
3/1/2032			1,917,900	1,917,900	
6/30/2032					3,835,800
9/1/2032	2,000,000	4.000%	1,917,900	3,917,900	
3/1/2033			1,877,900	1,877,900	
6/30/2033					5,795,800
9/1/2033	4,200,000	4.000%	1,877,900	6,077,900	
3/1/2034			1,793,900	1,793,900	
6/30/2034					7,871,800
9/1/2034	3,000,000	4.000%	1,793,900	4,793,900	
3/1/2035			1,733,900	1,733,900	
6/30/2035					6,527,800
9/1/2035	5,745,000	4.000%	1,733,900	7,478,900	
3/1/2036			1,619,000	1,619,000	
6/30/2036					9,097,900
9/1/2036	5,975,000	4.000%	1,619,000	7,594,000	
3/1/2037			1,499,500	1,499,500	
6/30/2037					9,093,500
9/1/2037	6,220,000	4.000%	1,499,500	7,719,500	
3/1/2038			1,375,100	1,375,100	
6/30/2038					9,094,600

DIV 6-3 B Proposed RIIB 2023 Loan

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
9/1/2038	6,475,000	4.000%	1,375,100	7,850,100	
3/1/2039			1,245,600	1,245,600	
6/30/2039					9,095,700
9/1/2039			1,245,600	1,245,600	
3/1/2040			1,245,600	1,245,600	
6/30/2040					2,491,200
9/1/2040			1,245,600	1,245,600	
3/1/2041			1,245,600	1,245,600	
6/30/2041					2,491,200
9/1/2041			1,245,600	1,245,600	
3/1/2042			1,245,600	1,245,600	
6/30/2042					2,491,200
9/1/2042			1,245,600	1,245,600	
3/1/2043			1,245,600	1,245,600	
6/30/2043					2,491,200
9/1/2043			1,245,600	1,245,600	
3/1/2044			1,245,600	1,245,600	
6/30/2044					2,491,200
9/1/2044			1,245,600	1,245,600	
3/1/2045			1,245,600	1,245,600	
6/30/2045					2,491,200
9/1/2045			1,245,600	1,245,600	
3/1/2046			1,245,600	1,245,600	
6/30/2046					2,491,200
9/1/2046	6,740,000	4.000%	1,245,600	7,985,600	
3/1/2047			1,110,800	1,110,800	
6/30/2047					9,096,400
9/1/2047	7,015,000	4.000%	1,110,800	8,125,800	
3/1/2048			970,500	970,500	
6/30/2048					9,096,300
9/1/2048	7,300,000	4.000%	970,500	8,270,500	
3/1/2049			824,500	824,500	
6/30/2049					9,095,000
9/1/2049	7,600,000	4.000%	824,500	8,424,500	
3/1/2050			672,500	672,500	
6/30/2050					9,097,000
9/1/2050	7,910,000	4.000%	672,500	8,582,500	
3/1/2051			514,300	514,300	
6/30/2051					9,096,800
9/1/2051	8,230,000	4.000%	514,300	8,744,300	
3/1/2052			349,700	349,700	
6/30/2052					9,094,000
9/1/2052	8,570,000	4.000%	349,700	8,919,700	
3/1/2053			178,300	178,300	
6/30/2053					9,098,000
9/1/2053	8,915,000	4.000%	178,300	9,093,300	
6/30/2054					9,093,300
	97,895,000		85,849,500	183,744,500	183,744,500

Bond Debt Service
Proposed RIIB SRF Loan
Narragansett Bay Commission
Current Market Rates + .50%
33% Subsidy + .30% Annual Admin Fee
Dated March 1, 2023

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
6/30/2024			3,915,800	3,915,800
6/30/2025			3,915,800	3,915,800
6/30/2026			3,915,800	3,915,800
6/30/2027			3,915,800	3,915,800
6/30/2028			3,915,800	3,915,800
6/30/2029	2,000,000	4.000%	3,875,800	5,875,800
6/30/2030			3,835,800	3,835,800
6/30/2031			3,835,800	3,835,800
6/30/2032			3,835,800	3,835,800
6/30/2033	2,000,000	4.000%	3,795,800	5,795,800
6/30/2034	4,200,000	4.000%	3,671,800	7,871,800
6/30/2035	3,000,000	4.000%	3,527,800	6,527,800
6/30/2036	5,745,000	4.000%	3,352,900	9,097,900
6/30/2037	5,975,000	4.000%	3,118,500	9,093,500
6/30/2038	6,220,000	4.000%	2,874,600	9,094,600
6/30/2039	6,475,000	4.000%	2,620,700	9,095,700
6/30/2040			2,491,200	2,491,200
6/30/2041			2,491,200	2,491,200
6/30/2042			2,491,200	2,491,200
6/30/2043			2,491,200	2,491,200
6/30/2044			2,491,200	2,491,200
6/30/2045			2,491,200	2,491,200
6/30/2046			2,491,200	2,491,200
6/30/2047	6,740,000	4.000%	2,356,400	9,096,400
6/30/2048	7,015,000	4.000%	2,081,300	9,096,300
6/30/2049	7,300,000	4.000%	1,795,000	9,095,000
6/30/2050	7,600,000	4.000%	1,497,000	9,097,000
6/30/2051	7,910,000	4.000%	1,186,800	9,096,800
6/30/2052	8,230,000	4.000%	864,000	9,094,000
6/30/2053	8,570,000	4.000%	528,000	9,098,000
6/30/2054	8,915,000	4.000%	178,300	9,093,300
	97,895,000		85,849,500	183,744,500

Financial Application

For long-term financing

Purpose: This application is for public entities to apply for long-term financing for drinking water, clean water, energy efficiency, renewable energy, and road and bridge projects.

Instructions: To apply, send completed application and attachments to BD@riib.org. At the bottom of the application is a checklist describing all required attachments. All information is required for financing approval.

If you have any questions or need further information, please contact:

Anna Coelho Cortes / (401)453-4430 ext. 112 / acoelho@riib.org or

Sydney Usatine / (401)453-4430 ext. 126 / susatine@riib.org

Rhode Island Infrastructure Bank, 235 Promenade Street Suite 119, Providence, RI 02908

Application Questions:

1. Applicant entity name: **Narragansett Bay Commission**

2. Description of project:

Narragansett Bay Commission-Clean Water-2024

3. Gross loan request (\$): **50,000,000**

Please download and complete two Excel-based schedules from our website.

[Project cost schedule](#) describes the cost of the project broken down by component.

[Construction draw schedule](#) describes a best estimate of when funds are going to be requested for disbursement after loan close.

Ensure the Gross Loan Request amount is consistent across schedules.

Required attachment: Project cost schedule

Required attachment: Construction draw schedule.

4. Desired loan term: **30 years**

Terms may be up to 20 years or the life of the asset, whichever is less.

5. Desired financing date:

6. Are you interested in capitalizing interest? **No**

7. Is the project listed on a Project Priority List? **Yes**

8. Borrower long-term credit rating, if rated: **Other**
Moody's, Standard & Poor's, or Fitch ratings equivalent.

9. Loan security: **Revenue Pledge**

Note, revenue pledges require a debt service reserve fund or the purchase of a surety bond equal to that amount. Contact us if you would like to discuss security options.

10. Do you have the authority to borrow funds for this project? **No**

Please explain. When was it granted, or when is it anticipated to be granted?

Required attachment: Documentation of borrowing authority.

11. Financial data: Provide attachments with most recent financial information.

Required attachment(s): Financial audit, independent auditor's report, and statement of findings.

12. For municipalities: does your municipality have a FEMA-approved hazard mitigation plan? **NO**

13. For all applicants: What adaptation strategies (plans, policies or projects) has your organization undertaken to address the impacts of climate change?

NBC completed a detailed Resiliency Plan for NBC facilities and received regulator approval.

14. Contact information

a. Financial advisor: **Public Financial Management**

If other, please provide firm name, contact name, telephone and email address.

b. Bond counsel:

i. Firm name: **Locke Lord LLP**

ii. Contact name: **Karen Grande**

iii. Telephone: **401-455-7608**

iv. Email address: **karen.grande@lockelord.com**

c. Legal counsel:

i. Firm name:

ii. Contact name:

iii. Telephone:

iv. Email address:

15. **Application certification.** By typing your name below, you are signing this application electronically. You are attesting that you are authorized to request the funds described in this application on behalf of the Borrower and that, to the best of your knowledge, all information is valid and accurate.

a. Name: **Karen Giebink**

b. Title: **Chief Financial Officer**

c. Telephone: **401.443.4560**

d. Email address: **KGiebink@narrabay.com**

Send completed application and attachments to BD@riib.org.

Application package checklist

Required items:

- Financial application (this document)
- Project cost schedule
- Construction draw schedule
- Borrowing authority documentation
- Financial audit, independent auditor's report and statement of findings

Sources and Uses of Funds
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

Sources:

Bond Proceeds:	
Par Amount	50,000,000.00
	50,000,000.00

Uses:

Project Fund Deposits:	
Project Fund	49,350,000.00
Delivery Date Expenses:	
Cost of Issuance	650,000.00
	50,000,000.00

Cost of Issuance
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

<i>Cost of Issuance</i>	<i>\$/1000</i>	<i>Amount</i>
Local COI	3.00	150,000.00
RIIB Fee	10.00	500,000.00
	13.00	650,000.00

Bond Summary Statistics
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

Dated Date	1/1/2024
Delivery Date	1/1/2024
Last Maturity	9/1/2050
Arbitrage Yield	4.000403%
True Interest Cost (TIC)	4.000403%
Net Interest Cost (NIC)	4.000000%
All-In TIC	4.121676%
Average Coupon	4.000000%
Average Life (years)	15.414
Duration of Issue (years)	11.041
Par Amount	50,000,000.00
Bond Proceeds	50,000,000.00
Total Interest	30,827,133.33
Net Interest	30,827,133.33
Total Debt Service	80,827,133.33
Maximum Annual Debt Service	3,402,800.00
Average Annual Debt Service	3,031,017.50
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	

Total Underwriter's Discount	
Bid Price	100.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Bond Component	50,000,000.00	100.000	4.000%	15.414
	50,000,000.00			15.414

	TIC	All-In TIC	Arbitrage Yield	
	-----	-----	-----	
Par Value	50,000,000.00			50,000,000.00
+ Accrued Interest				
+ Premium (Discount)				
- Underwriter's Discount				
- Cost of Issuance Expense			-650,000.00	
- Other Amounts				
	-----	-----	-----	
Target Value	50,000,000.00		49,350,000.00	50,000,000.00

Bond Debt Service
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
6/30/2024			333,333.33	333,333.33
6/30/2025	1,000,000	4.000%	1,980,000.00	2,980,000.00
6/30/2026	1,170,000	4.000%	1,936,600.00	3,106,600.00
6/30/2027	1,520,000	4.000%	1,882,800.00	3,402,800.00
6/30/2028	1,580,000	4.000%	1,820,800.00	3,400,800.00
6/30/2029	1,645,000	4.000%	1,756,300.00	3,401,300.00
6/30/2030	1,710,000	4.000%	1,689,200.00	3,399,200.00
6/30/2031			1,655,000.00	1,655,000.00
6/30/2032			1,655,000.00	1,655,000.00
6/30/2033	1,780,000	4.000%	1,619,400.00	3,399,400.00
6/30/2034	1,850,000	4.000%	1,546,800.00	3,396,800.00
6/30/2035	1,925,000	4.000%	1,471,300.00	3,396,300.00
6/30/2036	2,000,000	4.000%	1,392,800.00	3,392,800.00
6/30/2037	2,085,000	4.000%	1,311,100.00	3,396,100.00
6/30/2038	2,165,000	4.000%	1,226,100.00	3,391,100.00
6/30/2039	2,255,000	4.000%	1,137,700.00	3,392,700.00
6/30/2040	2,345,000	4.000%	1,045,700.00	3,390,700.00
6/30/2041	2,435,000	4.000%	950,100.00	3,385,100.00
6/30/2042	2,535,000	4.000%	850,700.00	3,385,700.00
6/30/2043	2,635,000	4.000%	747,300.00	3,382,300.00
6/30/2044	1,780,000	4.000%	659,000.00	2,439,000.00
6/30/2045	2,810,000	4.000%	567,200.00	3,377,200.00
6/30/2046			511,000.00	511,000.00
6/30/2047	2,925,000	4.000%	452,500.00	3,377,500.00
6/30/2048	3,040,000	4.000%	333,200.00	3,373,200.00
6/30/2049	3,165,000	4.000%	209,100.00	3,374,100.00
6/30/2050	3,290,000	4.000%	80,000.00	3,370,000.00
6/30/2051	355,000	4.000%	7,100.00	362,100.00
	50,000,000		30,827,133.33	80,827,133.33

Bond Debt Service
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
3/1/2024			333,333.33	333,333.33	
6/30/2024					333,333.33
9/1/2024	1,000,000	4.000%	1,000,000.00	2,000,000.00	
3/1/2025			980,000.00	980,000.00	
6/30/2025					2,980,000.00
9/1/2025	1,170,000	4.000%	980,000.00	2,150,000.00	
3/1/2026			956,600.00	956,600.00	
6/30/2026					3,106,600.00
9/1/2026	1,520,000	4.000%	956,600.00	2,476,600.00	
3/1/2027			926,200.00	926,200.00	
6/30/2027					3,402,800.00
9/1/2027	1,580,000	4.000%	926,200.00	2,506,200.00	
3/1/2028			894,600.00	894,600.00	
6/30/2028					3,400,800.00
9/1/2028	1,645,000	4.000%	894,600.00	2,539,600.00	
3/1/2029			861,700.00	861,700.00	
6/30/2029					3,401,300.00
9/1/2029	1,710,000	4.000%	861,700.00	2,571,700.00	
3/1/2030			827,500.00	827,500.00	
6/30/2030					3,399,200.00
9/1/2030			827,500.00	827,500.00	
3/1/2031			827,500.00	827,500.00	
6/30/2031					1,655,000.00
9/1/2031			827,500.00	827,500.00	
3/1/2032			827,500.00	827,500.00	
6/30/2032					1,655,000.00
9/1/2032	1,780,000	4.000%	827,500.00	2,607,500.00	
3/1/2033			791,900.00	791,900.00	
6/30/2033					3,399,400.00
9/1/2033	1,850,000	4.000%	791,900.00	2,641,900.00	
3/1/2034			754,900.00	754,900.00	
6/30/2034					3,396,800.00
9/1/2034	1,925,000	4.000%	754,900.00	2,679,900.00	
3/1/2035			716,400.00	716,400.00	
6/30/2035					3,396,300.00
9/1/2035	2,000,000	4.000%	716,400.00	2,716,400.00	
3/1/2036			676,400.00	676,400.00	
6/30/2036					3,392,800.00
9/1/2036	2,085,000	4.000%	676,400.00	2,761,400.00	
3/1/2037			634,700.00	634,700.00	
6/30/2037					3,396,100.00
9/1/2037	2,165,000	4.000%	634,700.00	2,799,700.00	
3/1/2038			591,400.00	591,400.00	
6/30/2038					3,391,100.00
9/1/2038	2,255,000	4.000%	591,400.00	2,846,400.00	
3/1/2039			546,300.00	546,300.00	

Bond Debt Service
Proposed RIIB SRF Loan
Narragansett Bay Commission
Estimated Rate of 4.00%
33% Subsidy
Dated January 1, 2024

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
9/1/2039	2,345,000	4.000%	546,300.00	2,891,300.00	
3/1/2040			499,400.00	499,400.00	
6/30/2040					3,390,700.00
9/1/2040	2,435,000	4.000%	499,400.00	2,934,400.00	
3/1/2041			450,700.00	450,700.00	
6/30/2041					3,385,100.00
9/1/2041	2,535,000	4.000%	450,700.00	2,985,700.00	
3/1/2042			400,000.00	400,000.00	
6/30/2042					3,385,700.00
9/1/2042	2,635,000	4.000%	400,000.00	3,035,000.00	
3/1/2043			347,300.00	347,300.00	
6/30/2043					3,382,300.00
9/1/2043	1,780,000	4.000%	347,300.00	2,127,300.00	
3/1/2044			311,700.00	311,700.00	
6/30/2044					2,439,000.00
9/1/2044	2,810,000	4.000%	311,700.00	3,121,700.00	
3/1/2045			255,500.00	255,500.00	
6/30/2045					3,377,200.00
9/1/2045			255,500.00	255,500.00	
3/1/2046			255,500.00	255,500.00	
6/30/2046					511,000.00
9/1/2046	2,925,000	4.000%	255,500.00	3,180,500.00	
3/1/2047			197,000.00	197,000.00	
6/30/2047					3,377,500.00
9/1/2047	3,040,000	4.000%	197,000.00	3,237,000.00	
3/1/2048			136,200.00	136,200.00	
6/30/2048					3,373,200.00
9/1/2048	3,165,000	4.000%	136,200.00	3,301,200.00	
3/1/2049			72,900.00	72,900.00	
6/30/2049					3,374,100.00
9/1/2049	3,290,000	4.000%	72,900.00	3,362,900.00	
3/1/2050			7,100.00	7,100.00	
6/30/2050					3,370,000.00
9/1/2050	355,000	4.000%	7,100.00	362,100.00	
6/30/2051					362,100.00
	50,000,000		30,827,133.33	80,827,133.33	80,827,133.33

Div. 6-4: Refer to the rebuttal testimony of Mr. Fox at pages 4 and 7. At page 4, Mr. Fox states that NBC has already withdrawn its request for rate increases in FYs 2026, 2027 and 2028 based on the changes in the CIP and borrowing needs. He states further at page 4, quoting from the response to DIV 3-2 that: "NBC would prefer to only have the Commission rule on a rate increase for FY 2024 and have the debt service compliance filing mechanism reinstated. This will allow NBC to deal with future rate increases attributable solely to debt through the debt service compliance filing mechanism rather than filing full rate cases and multi-year rate increases." Yet at page 7, Mr. Fox states that NBC is now claiming debt service costs based on FY2026: "Debt service and debt service coverage in the three years after rate year debt issuance is the highest in FY 2026. As a result, I have made a rebuttal adjustment to increase debt service by \$2,577,769 and debt service coverage by \$644,442."

- a. Explain how (1) having the Commission rule on a rate increase for FY 2024 and have the debt service compliance filing mechanism reinstated and (2) using debt service costs projected for FY2026 with a FY 2024 rate year in the current case is consistent.
- b. If the debt service compliance filing mechanism were reinstated, how would NBC's projected debt service costs for FY2025, FY2026, FY2027 and FY2028 be addressed using that mechanism? Explain fully.
- c. If projected FY 2026 debt service costs are used with a FY2024 rate year in the current case, how much excess revenue does NBC anticipate collecting in FY2024 and in FY 2025?
- d. If projected FY 2026 debt service costs are used with a FY2024 rate year in the current case, how will NBC account for the excess monies collected in FY 2024 and FY 2025 for debt service amounts that are based on projections for FY 2026 that are higher than NBC's updated projections for FY 2024 and FY 2025?

Response:

- a. As set forth in David Fox's rebuttal testimony, NBC's capital needs have changed. In FY 2024 (the rate year in this Docket), NBC's anticipated borrowing decreased from \$190,000,00 to \$50,000,000, but between FY 2026 and 2028, NBC's anticipated borrowings have increased. In order to execute the \$50,000,000 loan in FY 2024, NBC's Trust Indenture requires NBC to demonstrate that it has sufficient rates to make debt service payments, including coverage, in the year the new loan is issued and the subsequent three years. This is commonly referred to as the "Additional Bonds Test."

Thus, whenever NBC issues debt it must have sufficient net revenue (rates) to meet its debt service requirements in the three years following the debt issuance. Accordingly, the year with the highest annual debt service and debt service coverage in the three years following the FY 2024 \$50,000,000 debt issuance, which is FY 2026, has been used to determine the rate year debt service requirement in this Docket. NBC will be unable to issue the bonds if its rates are insufficient to meet the Additional Bonds Test. This has always been the case for NBC (and many other utilities that have similar Trust Indentures) and therefore the utility cannot close on a loan if it is only granted rates necessary to generate net revenue sufficient to make the rate year payments on the loan. By way of example, if NBC closes on the \$50 million dollar loan in FY 2024, the only payment it will make in FY 2024 is an interest payment of \$333,333. (See NBC response to Div. 6-3 d.) If that were the only additional revenue allowed for the rate year, NBC would not be able to execute the \$50,000,000 loan because starting in FY 2025, the loan payment increases to \$2,980,00, and in FY 2026 the payment increases to \$3,106,600 (in addition to NBC's other existing debt service obligations). Thus, NBC is required to demonstrate sufficient net revenue in FY 2024 to meet the three-year Additional Bonds Test. This would be the case even if NBC did not have the Debt Service Compliance Filing Mechanism ("DSCFM"), and would be the case even if NBC did not plan any borrowings beyond FY 2024.

Furthermore, having the Commission rule on a rate increase for FY 2024 using this three-year Additional Bonds Test is consistent with NBC's DSCFM because this is the same methodology used in those filings. A review of NBC's DSCFM Dockets (Dockets 3775, 4151, 4214, 4305, 4352, 4562, 4602 and 4885) shows that the rate year debt service and debt service coverage amount is based on the method described above. For example, NBC provided the following testimony in its last two DSCFM Filings:

Docket 4602

"Q. What are the test year and rate year in this filing?"

A. The test year is the rate year from Docket 4562. The rate year (FYE June 30, 2017) reflects the annual debt service in FY 2019 because it is the year with the highest annual debt service within the three year certificate period required by the Trust Indenture based on projected debt service and debt service coverage requirements. NBC must ensure that rates generate sufficient revenue to meet the debt service coverage requirements for the rate year and two succeeding years. (NBC Docket 4602, Direct Testimony of Walter Edge, p. 3, ll. 1-8)"

Docket 4885

"Q. What are the test year and rate year in this filing?"

A. The test year is FY 2018. The rate year (calendar year 2019) reflects the annual debt service in fiscal year 2021 because it is the year with the highest annual debt service within the three-year certificate period required by the Trust Indenture based on

projected debt service and debt service coverage requirements. NBC must ensure that rates generate sufficient revenue to meet the debt service coverage requirements for the rate year and two succeeding years.” (NBC Docket 4885, Direct Testimony of Karen Giebink, p. 3, ll. 17-22)

- b. NBC will use the DSCFM to incrementally issue debt required to finance its capital improvement program, beyond what is included in the rate year. The following table shows programmed debt issuances in FY 2025-2028 based on updated modeling completed for the FY 2024 capital budget. The actual amount and timing of the debt issuance may vary depending on cash flows, project costs and schedules, market conditions and other variables.

Fiscal Year	Amount (Millions)
FY 2025	\$139.0
FY 2026	106.8
FY 2027	60.7
FY 2028	<u>10.0</u>
Total	<u>\$316.5</u>

By way of example, in FY 2025, NBC plans on borrowing \$139 million, and would propose to seek funding for this loan through the DSCFM. The process would begin by NBC consulting with its Financial Advisor to determine the loan amount and structure. Then, NBC will submit a DSCFM application to the Commission. Consistent with past practice, and the requirements of the Additional Bonds Test, the application will include rate year revenues that generate 125% of the highest total debt service in the year of the issuance and the subsequent three years. For example, the debt service for the \$139.0 million loan will be added to NBC’s existing debt, and using a proposed amortization, the maximum annual total debt service, including the new loan will likely be FY 2028 (see below):

Fiscal Year	Existing Debt Plus Coverage	SRF 25 Plus Coverage	Total of Existing Debt Service plus Coverage and SRF 25 Debt plus Coverage
2024	\$ 59,754,341	-	\$ 59,754,341
2025	62,298,367	3,474,312	65,772,679
2026	62,559,885	8,808,033	71,367,918
2027	62,194,387	12,044,856	74,239,243
2028	\$ 61,911,137	\$ 12,738,163	\$ 74,649,300

- c./d. The monies collected will be accounted for in NBC’s restricted debt service and debt service coverage accounts. As set forth in section a. above, depending on the timing of

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the loan, NBC's payment in FY 2024 is anticipated to be \$333,333 on March 1, 2024. NBC also needs to make the deposits into the debt service payment accounts for the \$1 million payment six months later and another \$980,000 payment six months after that. Furthermore, the existing debt service allowance, which will include the funds allowed for debt service in FY 2024, will be taken into consideration when NBC determines the amount of increased revenue needed for its FY 2025 borrowing. Thus, NBC does not anticipate "excess" revenue because the revenue it collects in FY 2024 and 2025 will be restricted and can be used when calculating the amounts needed for future borrowings.

Prepared by: Karen Giebink

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Div. 6-5: Debt service amount for FY 2024. Please confirm that NBC's updated projection for debt service in FY 2024 is \$59,754,341 as shown in the table on page 7 of Mr. Fox's rebuttal testimony. If this cannot be confirmed, state the amount of NBC's updated projection for debt service in FY 2024.

Response: The amount of existing debt service for 2024, plus the payments needed for the SRF 23 and SRF 24 loans, plus coverage, does equal \$59,754,341. However, as set forth in NBC's response to Div. 6-4, NBC requires \$62,559,887 in debt service for FY2024 to execute the \$50 million borrowing in FY 2024.

Prepared by: Karen Giebink

- DIV 6-6.** Actual consumption for 12 months ending March 31, 2023. For each rate class, provide the actual consumption for the 12 months ending March 31, 2023:
- a. Residential
 - b. Commercial
 - c. Industrial

Response:

HCF	
April 1, 2022 – March 31, 2023	
Residential	8,081,158
Commercial	4,396,337
Industrial	554,522

Please note that as set forth in my rebuttal testimony, due to NBC's billing cycles and accounting practices, using twelve month of consumption, other than fiscal year consumption, as the basis for developing rate year consumption, may not be accurate. NBC receives meter readings from seven different water suppliers, which vary in frequency and the number of days included in each billing cycle. In fact, the number of days in billing cycles from the same water supplier may have different numbers of days. To ensure the reflection of twelve months of consumption revenue (and related HCF) in the financial statements, NBC makes accounting adjustments at fiscal year-end for unbilled consumption in accordance with GAAP. This ensures reporting of twelve months of consumption revenue in the financial statements and consistency.

Prepared by: David M. Fox

Div. 6-7: As soon as the information is available, for each rate class, provide the actual consumption for the 12 months ending April 30, 2023:

- a. Residential
- b. Commercial
- c. Industrial

Response:

	HCF
May 1, 2022 – April 30, 2023	
Residential	8,172,402
Commercial	4,443,579
Industrial	556,352

Prepared by: David M. Fox

CERTIFICATION

I hereby certify that on May 5, 2023, 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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