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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Chief
State of Rhode Island Office of Internal Audit
Providence, Rhode Island

We have performed the procedures enumerated below, which were agreed to by the State of Rhode Island Office of Internal Audit (the "Office of Internal Audit") (the specified party), on information related to water quality protection charges reported by each of the suppliers identified by the Office of Internal Audit (the "Supplier") for the respective Supplier's annual billing cycles occurring during the periods within 2014, 2015, and 2016. Each Supplier is responsible for maintaining records and reporting information related to water quality protection charges. The sufficiency of these procedures is solely the responsibility of the Office of Internal Audit. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures are as follows:

1. Obtain from each Supplier a schedule presenting the following information required to be reported and maintained by each Supplier under Rhode Island General Law Title 46, *Waters and Navigation*, Chapter 15.3, *Public Drinking Water Supply System Protection*, Section 9, *Collection of Charges* (the "Schedule of Historical Information"):
 - a. Number of gallons produced
 - b. Number of gallons produced that are subject to the water quality protection charge ("WQPC")
 - c. Amount of WQPC billed and to be remitted to the General Treasurer of the State of Rhode Island (the "General Treasurer") under Rhode Island General Law Title 46, *Waters and Navigation*, Chapter 15.3, *Public Drinking Water Supply System Protection*, Section 9(b), *Collection of Charges*
 - d. The Supplier's customer billing frequency

Compare the information included on the accompanying Schedule of Historical Information for each Supplier to the respective Supplier's billing or similar records.

Appendix 1 reflects the findings related to comparison of information included on the Schedule of Historical Information to the respective Supplier's billing or similar records.



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2. Recalculate the WQPC billed and to be remitted by the Supplier to the General Treasurer based on the number of gallons produced subject to the WQPC reported by the Supplier on the Schedule of Historical Information based on the WQPC rate under Rhode Island General Law Title 46, *Waters and Navigation*, Chapter 15.3, *Public Drinking Water Supply System Protection*, Section 5, *Water Quality Protection Charge*. The formula used to recalculate the WQPC is as follows: $\$ 0.0292 \times 57\% = \$ 0.016644$.

Appendix 2 reflects the findings related to the recalculation of the WQPC.

3. Compare the amount of the WQPC to be remitted by the Supplier to the General Treasurer to the amount received by the General Treasurer based on remittances or other supporting documentation provided by the General Treasurer or by the Department of Administration Division of Planning.

The Schedule of Historical Information reflects the findings related to comparison of the amount of WQPC to be remitted to the amount of WQPC received for each period during the supplier fiscal years of 2014, 2015, and 2016. Appendix 4 reflects the aggregate amount, if any, underpaid/(overpaid) by the Supplier to the General Treasurer during the periods within 2014, 2015 and 2016.

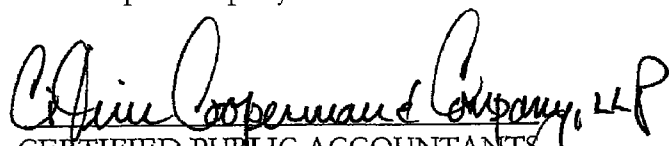
4. Determine whether the amount of the WQPC to be remitted by the Supplier to the General Treasurer was received by the General Treasurer on or before the 20th day of the second month following the month of billing as required under Rhode Island General Law Title 46, *Waters and Navigation*, Chapter 15.3, *Public Drinking Water Supply System Protection*, Section 9(a)(1), *Collection of Charges*.

Appendix 3 reflects the findings related to the timeliness of the WQPC required to be remitted.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the information related to water quality protection charges reported by each of the Suppliers for the respective Supplier's annual billing cycles occurring during the periods within 2014, 2015, and 2016. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

While performing the agreed-upon procedures, we received additional information from certain Suppliers that is not within the scope of the procedures and have included it as other information in the accompanying appendices.

This report is intended solely for the information and use of the Office of Internal Audit and is not intended to be and should not be used by anyone other than this specified party.


CERTIFIED PUBLIC ACCOUNTANTS

Providence, Rhode Island
August 14, 2018

2013/2014 Reporting Period

Per Amounts Reported by the Supplier

| Name of Supplier | Supplier's Reporting Period | Total Number of Gallons Billed | Number of Gallons Exempt from WQPC | Number of Gallons Subject to WQPC | Dollar Amount of WQPC Calculated by Supplier | Dollar Amount of Charge to be Remitted Based on Statutory Calculation | Dollar Amount of WQPC Received by General Treasurer | Amount Supplier Owes (Overpaid) to General Treasurer |
|-----------------------------------|-------------------------------|--------------------------------|------------------------------------|-----------------------------------|--|---|---|--|
| Block Island Water Department | July 2013 - June 2014 | 19,026,000 | - | 19,026,000 | 3,166 | 3,166 | 3,166 | - |
| Bristol County Water Authority | July 2013 - June 2014 | 1,009,695,690 | 103,823,408 | 905,872,282 | 150,682 | 150,773 | 129,933 | 20,840 |
| Cumberland Water Department | July 2013 - June 2014 | 624,885,415 | 57,065,089 | 567,820,326 | 89,796 | 94,508 | 89,796 | 4,712 |
| East Providence Water Department | July 2013 - June 2014 | 1,193,819,204 | 82,256,646 | 1,111,562,558 | 194,168 | 185,008 | 194,168 | (9,160) |
| East Smithfield Water District | January 2014 - December 2014 | 162,717,784 | 32,914,906 | 129,802,878 | 14,348 | 21,604 | 22,653 | (1,049) |
| Harrisville Fire District | January 2014 - December 2014 | 77,400,854 | - | 77,400,854 | 12,933 | 12,933 | 12,933 | - |
| Greenville Water District | January 2014 - December 2014 | 300,735,043 | 4,865,112 | 295,867,931 | 49,178 | 49,178 | 49,178 | - |
| Jamestown - Water Division | July 2013 - June 2014 | 53,382,411 | 2,496,636 | 50,885,775 | 8,460 | 8,460 | 8,460 | - |
| Johnston Water Control Facility | April 2013 - April 2014 | 197,705,597 | - | 197,705,597 | 20,838 | 32,906 | 36,443 | (3,537) |
| Kent County Water Authority | July 2013 - June 2014 | 2,373,861,885 | 128,805,952 | 2,245,055,933 | 344,898 | 344,898 | 314,147 | 30,751 |
| Kingston Water District | July 2013 - June 2014 | 104,464,000 | 33,881,314 | 70,582,686 | 11,745 | 11,745 | 11,745 | - |
| Lincoln Water Commission | July 2013 - June 2014 | 679,529,777 | - | 679,529,777 | 109,861 | 113,101 | 109,861 | 3,240 |
| Narragansett - Water Department | January 2014 - December 2014 | 248,760,490 | 4,016,012 | 244,744,478 | 46,713 | 40,735 | 22,043 | 18,692 |
| Newport Water Division | July 2013 - June 2014 | 1,820,656,554 | 746,125,595 | 1,074,530,959 | 178,845 | 178,705 | 178,705 | - |
| North Kingstown Water Department | July 2013 - June 2014 | 613,124,857 | - | 613,124,857 | 102,049 | 102,049 | 82,426 | 19,623 |
| North Smithfield Water Department | October 2013 - September 2014 | 48,413,541 | 1,828,023 | 46,585,518 | 7,754 | 7,754 | 4,765 | 2,989 |
| North Tiverton Fire District | January 2014 - December 2014 | 124,144,711 | - | 124,144,711 | 20,658 | 20,658 | 20,658 | - |
| Pascag Utility District | January 2014 - November 2014 | 100,469,763 | 3,969,530 | 96,500,233 | 16,292 | 16,292 | 16,292 | - |
| Pawtucket Water Supply Board | July 2013 - June 2014 | 2,706,709,595 | 342,546,723 | 2,364,162,872 | 393,491 | 393,491 | 393,491 | - |
| Portsmouth Water & Fire District | July 2013 - June 2014 | 301,750,000 | 1,372,000 | 300,378,000 | 49,983 | 49,983 | 49,983 | - |
| Providence Water Supply Board | July 2013 - June 2014 | 9,545,069,476 | 374,997,050 | 9,170,072,426 | 1,517,456 | 1,526,267 | 1,517,456 | 8,811 |
| Quonset Development Corp. | July 2013 - June 2014 | 179,640,298 | 1,055,300 | 178,584,998 | 29,731 | 29,731 | 29,731 | - |
| Richmond Water Supply System | August 2013 - July 2014 | 14,617,013 | - | 14,617,013 | 2,432 | 2,432 | 2,432 | - |
| Smithfield Water Supply Board | July 2013 - June 2014 | 283,581,789 | 11,281,000 | 272,300,789 | 45,476 | 45,322 | 46,224 | (902) |
| South Kingstown Water Department | July 2013 - June 2014 | 118,283,895 | 10,014,792 | 108,269,103 | 18,016 | 18,016 | 18,016 | - |
| Stone Bridge Fire District | January 2014 - December 2014 | 191,090,690 | 126,777,164 | 64,313,526 | 10,713 | 10,713 | 10,713 | - |
| SUEZ (United Water RI) | December 2013 - November 2014 | 982,979,000 | 339,862,000 | 643,117,000 | 102,542 | 107,280 | 107,280 | - |
| Warwick Water Division | July 2013 - June 2014 | 1,886,500,671 | 212,022,701 | 1,674,477,970 | 278,633 | 278,633 | 278,633 | - |
| Westerly Water Department | July 2013 - June 2014 | 825,331,200 | - | 825,331,200 | 137,335 | 137,335 | 137,335 | - |
| Woonsocket Water Division | July 2013 - June 2014 | 1,074,314,247 | - | 1,074,314,247 | 178,809 | 178,809 | 178,809 | - |

Historical information required to be maintained pursuant to Rhode Island General Law ("RIGL") Chapter 46-15.3 and in accordance with RIGL Chapter 46-15.3-9 as provided by each supplier.

2014/2015 Reporting Period

Per Amounts Reported by the Supplier

| Name of Supplier | Supplier's Reporting Period | Total Number of Gallons Billed | Number of Gallons Exempt from WQPC | Number of Gallons Subject to WQPC | Dollar Amount of WQPC Calculated by Supplier | Dollar Amount of Charge to be Reimitted based on Statutory Calculation | Dollar Amount of WQPC Received by General Treasurer | Amount Supplier Owes (Overpaid) to General Treasurer |
|-----------------------------------|-------------------------------|--------------------------------|------------------------------------|-----------------------------------|--|--|---|--|
| Block Island Water Department | July 2014 - June 2015 | 19,887,000 | - | 19,887,000 | 3,309 | 3,309 | 3,309 | - |
| Bristol County Water Authority | July 2014 - June 2015 | 1,025,292,986 | 106,521,487 | 920,771,302 | 153,244 | 153,253 | 149,213 | 4,040 |
| Cumberland Water Department | July 2014 - June 2015 | 667,632,134 | 59,667,762 | 607,964,372 | 101,192 | 101,192 | 101,192 | - |
| East Providence Water Department | July 2014 - June 2015 | 1,246,461,583 | 39,453 | 1,246,422,130 | 229,546 | 207,455 | 229,961 | (22,506) |
| East Smithfield Water District | January 2015 - December 2015 | 168,546,000 | 34,682,512 | 133,863,488 | 14,797 | 22,280 | 23,361 | (1,081) |
| Harrisville Fire District | January 2015 - December 2015 | 86,246,179 | - | 86,246,179 | 14,524 | 14,524 | 14,524 | - |
| Greenville Water District | January 2015 - December 2015 | 286,334,521 | 3,630,791 | 282,703,730 | 46,807 | 46,807 | 46,807 | - |
| Jamestown - Water Division | July 2014 - June 2015 | 55,508,022 | 2,259,632 | 53,248,390 | 8,851 | 8,859 | 8,859 | - |
| Johnston Water Control Facility | April 2014 - April 2015 | 165,982,266 | - | 165,982,266 | 27,603 | 27,626 | 26,963 | 663 |
| Kent County Water Authority | July 2014 - June 2015 | 2,414,896,295 | 132,558,627 | 2,282,337,668 | 380,882 | 380,882 | 380,882 | - |
| Kingston Water District | July 2014 - June 2015 | 108,792,972 | 35,791,941 | 73,001,031 | 12,147 | 12,147 | 12,147 | - |
| Lincoln Water Commission | July 2014 - June 2015 | 756,466,301 | - | 756,466,301 | 102,026 | 125,906 | 102,026 | 23,880 |
| Narragansett - Water Department | January 2015 - December 2015 | 244,253,266 | 3,974,872 | 240,278,394 | 39,982 | 39,982 | 39,982 | - |
| Newport Water Division | July 2014 - June 2015 | 1,834,756,142 | 652,132,509 | 1,182,623,633 | 196,775 | 196,775 | 196,775 | - |
| North Kingstown Water Department | July 2014 - June 2015 | 625,339,968 | - | 625,339,968 | 104,179 | 104,189 | 104,189 | - |
| North Smithfield Water Department | October 2014 - September 2015 | 50,227,509 | 2,304,949 | 47,922,560 | 7,976 | 7,983 | 7,983 | - |
| North Tiverton Fire District | January 2015 - December 2015 | 76,528,906 | - | 76,528,906 | 12,734 | 12,734 | 12,734 | - |
| Pascoag Utility District | January 2015 - November 2015 | 91,082,946 | 3,720,130 | 87,362,816 | 15,111 | 14,637 | 15,111 | (474) |
| Pawtucket Water Supply Board | July 2014 - June 2015 | 2,804,663,220 | 395,486,835 | 2,409,176,385 | 400,983 | 400,983 | 400,983 | - |
| Portsmouth Water & Fire District | July 2014 - June 2015 | 357,440,000 | 47,688,000 | 309,752,000 | 51,542 | 51,555 | 47,288 | 4,267 |
| Providence Water Supply Board | July 2014 - June 2015 | 9,553,901,987 | 318,708,970 | 9,235,193,016 | 1,532,777 | 1,537,106 | 1,334,753 | 202,353 |
| Quonset Development Corp. | July 2014 - June 2015 | 172,831,307 | 597,310 | 172,233,997 | 28,667 | 28,667 | 28,667 | - |
| Richmond Water Supply System | August 2014 - July 2015 | 23,685,514 | - | 23,685,514 | 3,941 | 3,941 | 3,941 | - |
| Smithfield Water Supply Board | July 2014 - June 2015 | 310,661,105 | 10,531,000 | 300,130,105 | 49,942 | 49,942 | 49,942 | - |
| South Kingstown Water Department | July 2014 - June 2015 | 121,879,240 | 10,785,464 | 111,093,776 | 18,486 | 18,486 | 18,486 | - |
| Stone Bridge Fire District | January 2015 - December 2015 | 152,236,680 | 81,408,976 | 70,827,704 | 11,800 | 11,801 | 11,801 | - |
| SUEZ (United Water RI) | December 2014 - November 2015 | 971,644,000 | 320,641,000 | 651,003,000 | 106,155 | 108,353 | 106,155 | 2,198 |
| Warwick Water Division | July 2014 - June 2015 | 1,999,107,066 | 230,428,578 | 1,768,678,488 | 294,308 | 294,308 | 294,308 | - |
| Westerly Water Department | July 2014 - June 2015 | 842,978,400 | - | 842,978,400 | 140,272 | 140,272 | 140,272 | - |
| Woonsocket Water Division | July 2014 - June 2015 | 1,079,125,890 | - | 1,079,125,890 | 179,610 | 179,610 | 179,610 | - |

Historical information required to be maintained pursuant to Rhode Island General Law ("RIGL") Chapter 46-15.3 and in accordance with RIGL Chapter 46-15.3-9 as provided by each supplier.

2015/2016 Reporting Period

Per Amounts Reported by the Supplier

| Name of Supplier | Supplier's Reporting Period | Total Number of Gallons Billed | Number of Gallons Exempt from WQPC | Number of Gallons Subject to WQPC | Dollar Amount of WQPC Calculated by Supplier | Dollar Amount of Charge to be Remitted Based on Stationary Calculation | Dollar Amount of WQPC Received by General Treasurer | Amount Supplier Owes (Overpaid) to General Treasurer |
|-----------------------------------|-------------------------------|--------------------------------|------------------------------------|-----------------------------------|--|--|---|--|
| Block Island Water Department | July 2015 - June 2016 | 20,518,000 | - | 20,518,000 | 3,414 | 3,414 | 3,414 | - |
| Bristol County Water Authority | July 2015 - June 2016 | 1,017,352,381 | 112,802,791 | 904,549,590 | 150,516 | 150,553 | 59,789 | 90,764 |
| Cumberland Water Department | July 2015 - June 2016 | 675,665,265 | 60,762,230 | 614,903,035 | 102,321 | 102,321 | 102,321 | - |
| East Providence Water Department | July 2015 - June 2016 | 1,191,181,712 | 37,980 | 1,191,143,732 | 219,910 | 198,254 | 220,609 | (21,355) |
| East Smithfield Water District | January 2016 - December 2016 | 166,264,105 | 11,723,216 | 154,540,889 | 17,083 | 25,722 | 22,104 | 3,618 |
| Harrisville Fire District | January 2016 - December 2016 | 90,354,818 | - | 90,354,818 | 15,765 | 15,039 | 15,765 | (726) |
| Greenville Water District | January 2016 - December 2016 | 317,459,711 | 6,339,556 | 311,120,155 | 51,637 | 51,637 | 51,637 | - |
| Jamestown - Water Division | July 2015 - June 2016 | 55,598,285 | 2,507,829 | 53,090,456 | 8,834 | 8,834 | 8,834 | - |
| Johnston Water Control Facility | April 2015 - April 2016 | 177,383,327 | - | 177,383,327 | 29,498 | 29,524 | - | 29,524 |
| Kent County Water Authority | July 2015 - June 2016 | 2,500,470,215 | 134,118,019 | 2,366,352,196 | 402,845 | 402,845 | 402,845 | 1,000 |
| Kingston Water District | July 2015 - June 2016 | 100,753,222 | 30,424,625 | 70,328,597 | 11,703 | 11,703 | 11,703 | - |
| Lincoln Water Commission | July 2015 - June 2016 | 699,608,316 | - | 699,608,316 | 107,518 | 116,443 | 105,418 | 11,025 |
| Narragansett - Water Department | January 2016 - December 2016 | 248,013,612 | 4,016,760 | 243,996,852 | 40,601 | 40,601 | 40,601 | - |
| Newport Water Division | July 2015 - June 2016 | 1,636,047,197 | 593,848,634 | 1,042,198,563 | 173,463 | 173,463 | 173,463 | - |
| North Kingstown Water Department | July 2015 - June 2016 | 661,719,040 | - | 661,719,040 | 110,110 | 110,137 | 97,697 | 12,440 |
| North Smithfield Water Department | October 2015 - September 2016 | 52,980,882 | 2,214,560 | 50,766,322 | 8,450 | 8,450 | 8,450 | - |
| North Tiverton Fire District | January 2016 - December 2016 | 115,468,532 | - | 115,468,532 | 19,214 | 19,214 | 19,214 | - |
| Pascoag Utility District | January 2016 - November 2016 | 83,172,995 | 3,248,209 | 79,924,786 | 13,071 | 13,208 | 13,208 | - |
| Pawtucket Water Supply Board | July 2015 - June 2016 | 2,764,925,682 | 384,259,007 | 2,380,666,675 | 396,238 | 396,238 | 396,238 | - |
| Portsmouth Water & Fire District | July 2015 - June 2016 | 343,928,000 | 44,271,000 | 299,657,000 | 49,862 | 49,875 | 54,119 | (4,244) |
| Providence Water Supply Board | July 2015 - June 2016 | 9,504,961,890 | 243,279,530 | 9,261,682,360 | 1,532,276 | 1,541,514 | 1,535,759 | 5,755 |
| Quonset Development Corp. | July 2015 - June 2016 | 190,431,244 | 1,260,620 | 189,170,624 | 31,434 | 31,434 | 31,434 | - |
| Richmond Water Supply System | August 2015 - July 2016 | 19,040,043 | - | 19,040,043 | 3,168 | 3,168 | 3,168 | - |
| Smithfield Water Supply Board | July 2015 - June 2016 | 311,458,130 | 11,054,000 | 300,404,132 | 50,237 | 49,999 | 48,038 | 1,961 |
| South Kingstown Water Department | July 2015 - June 2016 | 125,923,489 | 11,311,593 | 114,611,896 | 19,071 | 19,071 | 19,071 | - |
| Stone Bridge Fire District | January 2016 - December 2016 | 170,778,426 | 116,658,508 | 54,119,918 | 8,951 | 8,951 | 8,951 | - |
| SUEZ (United Water RI) | December 2015 - November 2016 | 1,038,777,000 | 375,230,000 | 663,547,000 | 107,138 | 110,441 | 107,138 | 3,303 |
| Warwick Water Division | July 2015 - June 2016 | 1,999,874,103 | 218,004,353 | 1,781,869,750 | 296,503 | 296,503 | 296,503 | - |
| Westerly Water Department | July 2015 - June 2016 | 863,256,300 | - | 863,256,300 | 143,646 | 143,646 | 143,646 | - |
| Woonsocket Water Division | July 2015 - June 2016 | 1,164,630,446 | - | 1,164,630,446 | 193,841 | 193,841 | 193,841 | - |

Historical information required to be maintained pursuant to Rhode Island General Law ("RIGL") Chapter 46-15.3 and in accordance with RIGL Chapter 46-15.3-9 as provided by each supplier.

Appendix 1 – Result of Procedure 1
Comparison of Supplier Information to Respective Supplier's Billing Records

| Name of Supplier | Findings | Other Information |
|-----------------------------------|--|---|
| Block Island Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Bristol County Water Authority | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Cumberland Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| East Providence Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| East Smithfield Water District | East Smithfield Water District residential customers were billed quarterly, while larger multi-family customers, commercial users, and industrial users were billed monthly. East Smithfield provided documentation for quarterly billings only. East Smithfield merged with Providence Water Supply Board in January 2017, and represented that records for the monthly billings could not be located. Consequently, we could not perform recalculation procedures for multi-family, commercial and industrial users. | |
| Harrisville Fire District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Greenville Water District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Jamestown - Water Division | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Johnston Water Control Facility | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Kent County Water Authority | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Kingston Water District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Lincoln Water Commission | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Narragansett - Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Newport Water Division | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| North Kingstown Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| North Smithfield Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| North Tiverton Fire District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | Paul LeHeroux, General Manager North Tiverton Fire District ("NTFD"), represented that NTFD does not have their own water supply. Water is purchased from Stone Bridge Fire District (in-state) and Fall River, MA (out-of-state). It is not possible for NTFD to calculate exemptions; therefore, all water purchased from Stone Bridge is subject to the WQPC charge. |

Appendix 1 – Result of Procedure 1 (Continued)
 Comparison of Supplier Information to Respective Supplier's Billing Records

| Name of Supplier | Findings | Other Information |
|----------------------------------|--|--|
| Pascoag Utility District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Pawtucket Water Supply Board | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Portsmouth Water & Fire District | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Providence Water Supply Board | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Quonset Development Corp. | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Richmond Water Supply System | <p>For fiscal 2016: Quarter 2 - two residential meters malfunctioned and reported 199,980 gallons of excess usage to the residents in error. The excess usage per the malfunctioned meter read was not billed to the customer and therefore the billing records utilized to compare to Schedule 1 did not agree by this amount.</p> <p>For fiscal 2015: Quarter 3 - the same two residential meters malfunctioned and reported 199,980 gallons of excess usage to the residents in error. Further, a third meter reported approximately 18,000,000 gallons of excess usage in error.</p> <p>For fiscal 2015: Quarter 4 - noted total difference of 89,568 of gallons billed.</p> | <p>Dave Krugman, Director of Finance of the Town of Richmond, represented that the differences between Schedule 1 and billing records are due to adjustments of WQPC charge on the billing reports not changing the billed gallons as a result of report structure. Further, Dave noted that adjustments were made due to the implementation of the new electronic meters and have been reduced to almost none during fiscal 2017.</p> |
| Smithfield Water Supply Board | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| South Kingstown Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Stone Bridge Fire District | Total number of billed gallons for monthly billing period ended March 2014 reported in billing records exceeded gallons reported on Schedule 1 by 99,800,000 gallons. | Lot Scanlon, Office Manager Stone Bridge Fire District, represented that the difference resulted from a faulty meter read that read 99,800,000 for a residential meter and this reading was removed when preparing Schedule 1. |
| SUEZ (United Water RI) | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Warwick Water Division | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Westerly Water Department | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |
| Woonsocket Water Division | No exceptions noted between amount reported by Supplier, as reported on the Schedule of Historical Information, and the Supplier's billing records | |

Appendix 2 - Result of Procedure 2
Recalculation of WQPC

| Name of Supplier | Findings | Other Information |
|----------------------------------|--|---|
| Block Island Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Bristol County Water Authority | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Cumberland Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| East Providence Water Department | For the 2013/2014 fiscal period we calculated a WQPC of \$185,008 which was \$9,160 less than the \$194,168 calculated by the supplier. For the 2014/2015 fiscal period we calculated a WQPC of \$207,455, which was \$22,092 less than the \$229,546 calculated by the supplier. For the 2015/2016 fiscal period we calculated a WQPC of \$198,254, which was \$21,656 less than the \$219,910 calculated by the supplier. | The amount calculated by the Town for the period July 1, 2013 - September 30, 2013 was reduced by \$4,693 to adjust for an overpayment in such amount made in a previous quarter. |
| East Smithfield Water District | East Smithfield Water District residential customers were billed quarterly, while larger multi-family customers, commercial users, and industrial users were billed monthly. East Smithfield provided documentation for quarterly billings only. East Smithfield merged with Providence Water Supply Board in January 2017, and represented that records for the monthly billings could not be located. Consequently, we could not perform recalculation procedures for multi-family, commercial and industrial users. In total we agreed \$46,228 of \$69,606 of WQPC to billing records. | |
| Harrisville Fire District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Greenville Water District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Jamestown - Water Division | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Johnston Water Control Facility | For the April 2013 - April 2014 period, we calculated a WQPC of \$32,906 which was \$12,068 more than the WQPC reported by the supplier of \$20,838; however, the supplier remitted \$36,443 of WQPC for the same period. | |
| Kent County Water Authority | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Kingston Water District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Lincoln Water Commission | For the 2013/2014 fiscal period we calculated a WQPC of \$113,101 which was \$3,240 greater than the \$109,861 calculated by the supplier. For the 2014/2015 fiscal period we calculated a WQPC of \$125,906, which was \$23,880 greater than the \$102,026 calculated by the supplier. For the 2015/2016 fiscal period we calculated a WQPC of \$116,443, which was \$8,925 greater than the \$107,518 calculated by the supplier. | |
| Narragansett - Water Department | WQPC amount reported by the supplier for 2013/2014 period was \$5,978 in excess of the recalculated amount. | |

Appendix 2 - Result of Procedure 2 (Continued)
Recalculation of WQPC

| Name of Supplier | Findings | Other Information |
|-----------------------------------|--|---|
| Newport Water Division | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| North Kingstown Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| North Smithfield Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| North Tiverton Fire District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Pascoag Utility District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Pawtucket Water Supply Board | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Portsmouth Water & Fire District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Providence Water Supply Board | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Quonset Development Corp. | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Richmond Water Supply System | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Smithfield Water Supply Board | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| South Kingstown Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Stone Bridge Fire District | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| SUEZ (United Water RI) | For the 2013/2014 fiscal period we calculated a WQPC of \$107,280 which was \$4,499 greater than the \$102,781 calculated by the supplier. For the 2014/2015 fiscal period we calculated a WQPC of \$108,353, which was \$2,198 greater than the \$106,155 calculated by the supplier. For the 2015/2016 fiscal period we calculated a WQPC of \$110,441, which was \$2,963 greater than the \$107,478 calculated by the supplier. | Kamcka Witzel, Financial Manager of Suez Water, represented that the differences are due to the billing system calculating the WQPC on CCRS (cubic feet) and then converting to gallons. This results in a total WQPC charge of \$,028 compared to the \$,0292. |
| Warwick Water Division | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Westerly Water Department | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |
| Woonsocket Water Division | Recalculation of WQPC agreed to the amount computed and reported by the supplier | |

Appendix 3 - Result of Procedure 4
Timeliness of Submission of WQPC

| Name of Supplier | Frequency of Billing | Findings |
|----------------------------------|--|---|
| Block Island Water Department | Monthly | 21 of 36 required submissions were remitted timely. We obtained a letter from Block Island's finance director and one check covering all late payments for the period April 2015 to October 2016, explaining that there was confusion about the payment due to staffing changes and stating that future payments would not be late. |
| Bristol County Water Authority | Monthly | None of the 36 required submissions were remitted timely, last payment received by General Treasurer was 1/11/2016. |
| Cumberland Water Department | Quarterly | None of the 12 required submissions were remitted timely |
| East Providence Water Department | Monthly | 11 of the 36 required submissions were remitted timely |
| East Smithfield Water District | Monthly for Residents, Quarterly for Industry and Multifamily | All required submissions were remitted timely |
| Harrisville Fire District | Quarterly | All required submissions were remitted timely |
| Greenville Water District | Quarterly | All required submissions were remitted timely |
| Jamestown Water Division | Quarterly with Supplemental Billing for final bills on property sales/corrective adjustments | 12 of the 24 required submissions were remitted timely |
| Johnston Water Control Facility | Semi-annually with Supplemental Billing for meter corrections | The Town bills semi-annually, 2 of 6 required semi-annual submissions were remitted timely |
| Kent County Water Authority | Monthly | 29 of the 36 required submissions were remitted timely |
| Kingston Water District | Quarterly | All required submissions were remitted timely |
| Lincoln Water Commission | Monthly | 7 of the 36 required submissions were remitted timely |
| Narragansett Water Department | Quarterly | None of the 12 required submissions were remitted timely |
| Newport Water Division | Monthly | 31 of the 36 required submissions were remitted timely |
| North Kingstown Water Department | Monthly for Residents, Quarterly for Industry and Multifamily | 17 of the 36 required submissions were remitted timely |

Appendix 3 – Result of Procedure 4 (Continued)
Timeliness of Submission of WQPC

| Name of Supplier | Frequency of Billing | Findings |
|-----------------------------------|--|--|
| North Smithfield Water Department | Quarterly | 4 of the 12 required submissions were remitted timely |
| North Tiverton Fire District | Monthly | 34 of the 36 submissions were remitted timely |
| Pascoag Utility District | Monthly | All submissions were remitted timely |
| Pawtucket Water Supply Board | Monthly | 18 of the 36 required submissions were remitted timely |
| Ponemouth Water & Fire District | Monthly | 23 of the 36 required submissions were remitted timely |
| Providence Water Supply Board | Monthly | None of the 36 required submissions were remitted timely |
| Quonset Development Corp. | Monthly | 33 of the 36 required submissions were remitted timely |
| Richmond Water Supply System | Annually for the first period and Quarterly after the first period | 4 of the 9 required submissions were remitted timely |
| Smithfield Water Supply Board | Monthly | 35 of the 36 required submissions were remitted timely; the untimely submission was remitted to the Rhode Island Infrastructure Bank rather than to the General Treasurer. As of date of testing the remittance had not been forwarded to the General Treasurer. |
| South Kingstown Water Department | Annually for the first period and Quarterly after the first period | None of the 9 required submissions were remitted timely |
| Stone Bridge Fire District | Monthly | 18 of the 36 required submissions were remitted timely |
| SUEZ (United Water RI) | Monthly | 35 of the 36 required submissions were remitted timely |
| Warwick Water Division | Quarterly | 3 of the 12 required submissions were remitted timely |
| Woonsocket Water Division | Quarterly | 9 of the 12 required submissions were remitted timely |
| Westerly Water Department | Monthly | 30 of the 36 required submissions were remitted timely |

Appendix 4 - Summary of Amounts Under (Over) Paid by Supplier to General Treasurer

| Name of Supplier | Underpaid (Overpaid) | | | Total |
|-----------------------------------|----------------------|-----------|-----------|----------|
| | 2013/2014 | 2014/2015 | 2015/2016 | |
| Block Island Water Department | - | - | - | - |
| Bristol County Water Authority | 20,840 | 4,040 | 90,764 | 115,643 |
| Cumberland Water Department | 4,712 | - | - | 4,712 |
| East Providence Water Department | (9,160) | (22,506) | (22,355) | (54,021) |
| East Smithfield Water District | (1,049) | (1,081) | 3,618 | 1,488 |
| Harrisville Fire District | - | - | (726) | (726) |
| Greenville Water District | - | - | - | - |
| Jamestown - Water Division | - | - | - | - |
| Johnston Water Control Facility | (3,537) | 663 | 29,524 | 26,650 |
| Kent County Water Authority | 30,751 | - | 1,000 | 31,751 |
| Kingston Water District | - | - | - | - |
| Lincoln Water Commission | 3,240 | 23,880 | 11,025 | 38,145 |
| Narragansett - Water Department | 18,692 | - | - | 18,692 |
| Newport Water Division | - | - | - | - |
| North Kingstown Water Department | 19,623 | - | 12,440 | 32,063 |
| North Smithfield Water Department | 2,989 | - | - | 2,989 |
| North Tiverton Fire District | - | - | - | - |
| Pascoag Utility District | - | (474) | - | (474) |
| Pawtucket Water Supply Board | - | - | - | - |
| Portsmouth Water & Fire District | - | 4,267 | (4,244) | 23 |
| Providence Water Supply Board | 8,811 | 202,353 | 5,755 | 216,919 |
| Quonset Development Corp. | - | - | - | - |
| Richmond Water Supply System | - | - | - | - |
| Smithfield Water Supply Board | (902) | - | 1,961 | 1,059 |
| South Kingstown Water Department | - | - | - | - |
| Stone Bridge Fire District | - | - | - | - |
| SUEZ (United Water RI) | - | 2,198 | 3,303 | 5,501 |
| Warwick Water Division | - | - | - | - |
| Westerly Water Department | - | - | - | - |
| Woonsocket Water Division | - | - | - | - |

Note 1 Of the \$216,919 due from Providence Water Supply Board \$157,524 was paid to the Rhode Island Infrastructure Bank in error. As such, \$159,395 is due to the General Treasurer from the Providence Water Supply Board