

NARRAGANSETT BAY COMMISSION

CREDIT REVIEW PRESENTATION

MAY 20, 2025



TRANSACTION

2025 Series A/B - \$100M RIIB Loan



TRANSACTION OVERVIEW

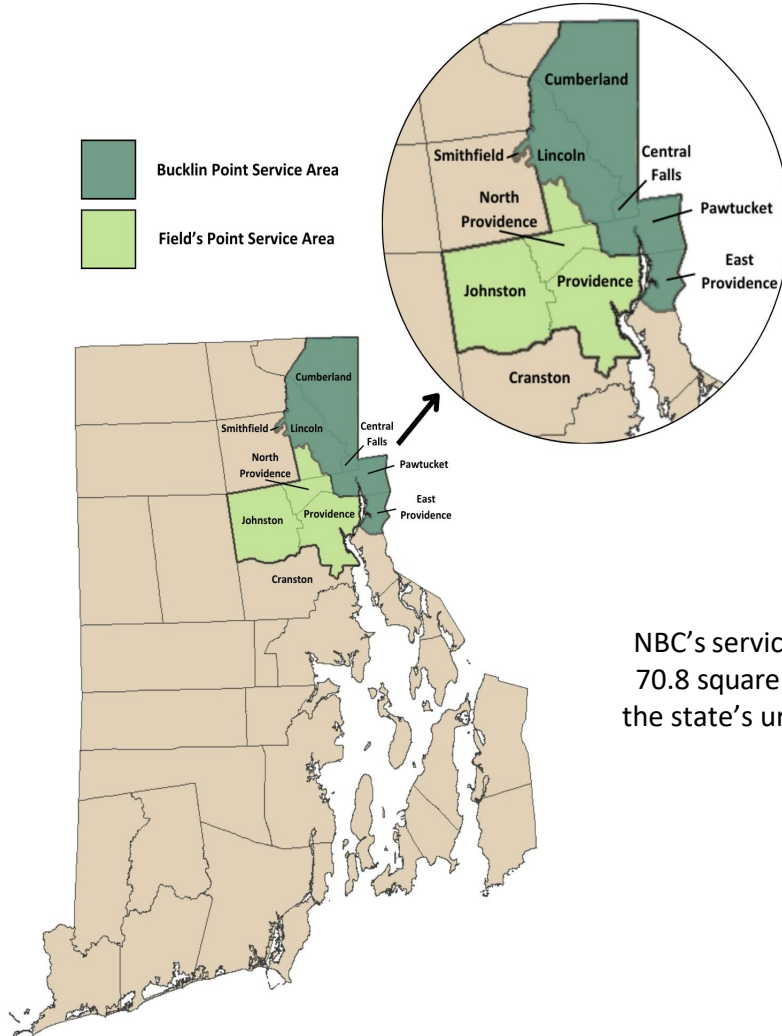
- Provide Funding for CIP
- PUC Division Hearing held on April 28, 2025
- PUC Division Order issued on May 5, 2025
- Repayment of Bond Anticipation Note
 - \$25M (\$7M in SRF Principal Forgiveness)
- New Money Transaction
 - \$75M
- Anticipated Closing: June 23, 2025

Principal Amount of \$100,000,000	Amount
Cost of Issuance	1,250,000
Repayment of BANs	25,000,000
Capital Improvement Projects	73,750,000
	<u>\$ 100,000,000</u>

GENERAL

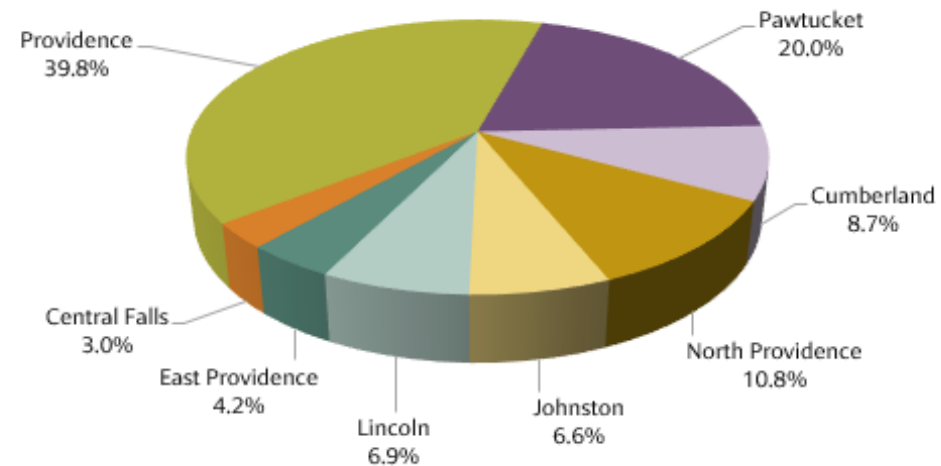
PRIMARY SERVICE AREA OVERVIEW

- NBC serves approximately 400,00 residents and nearly 8,000 businesses
- Approximately 60% of NBC's accounts are in Providence and Pawtucket



NBC's service area is 70.8 square miles in the state's urban core

Percentage of Accounts by Community



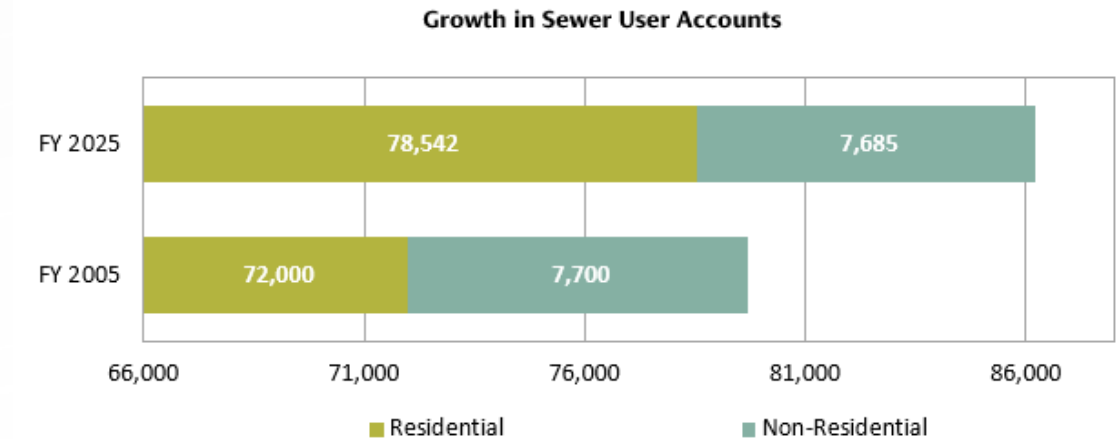
GENERAL

TOP TEN CUSTOMERS AND CUSTOMER GROWTH

NBC's Top Ten Customers		
Customer	FY2024 Billings	% of Total Annual User Charges
1. Providence Housing Authority	\$2.0M	1.88%
2. Rhode Island Hospital	\$1.8M	1.66%
3. Brown University	\$1.5M	1.37%
4. City of Pawtucket	\$878K	0.80%
5. Rhode Island Resource Recovery	\$850K	0.77%
6. City of Providence	\$817K	0.74%
7. Providence School Department	\$540K	0.49%
8. Providence College	\$520K	0.47%
9. State of Rhode Island	\$420K	0.39%
10. Fairfield Residential	\$410K	0.37%

8.2% growth in the number of accounts since 2005

- 9.1% increase in Residential accounts
- 0.2% decrease in Non-Residential accounts



- Top 10 customers represent less than 9% of revenue; nearly all are institutional and governmental entities

- Growth in NBC accounts since 2005 is twice the rate of RI's population growth over the same period

NBC MANAGEMENT



PROACTIVE FINANCIAL MANAGEMENT

- Budget Management – 31 Years Under Budget
- Timely and Complete Financial Reporting
- Strong Liquidity and Debt Service Coverage
- Comprehensive Financial Policies and Procedures
- 24-month electricity supply contract
- New Strategic Plan

TIMELY RATE RELIEF

- Analysis of Future Operating Needs
- Ongoing Revenue Analysis
- Use of Long-Term Financial Plan
- Extension of Debt Service Compliance Filing Mechanism
- Good Relationship with RI PUC and Division

FACILITIES MANAGEMENT

- Identification of need through Inspection, Monitoring, and Testing
- Asset Management Program
- Identification of Resiliency Improvements
- Data from NBC's science and analytical personnel
- Active Capital Project Oversight
- Awareness of Industry Regulatory Issues

CUSTOMER CARE

- Enhanced Billing
- Effective Collections
- Successful implementation of new payment platform

CYBERSECURITY

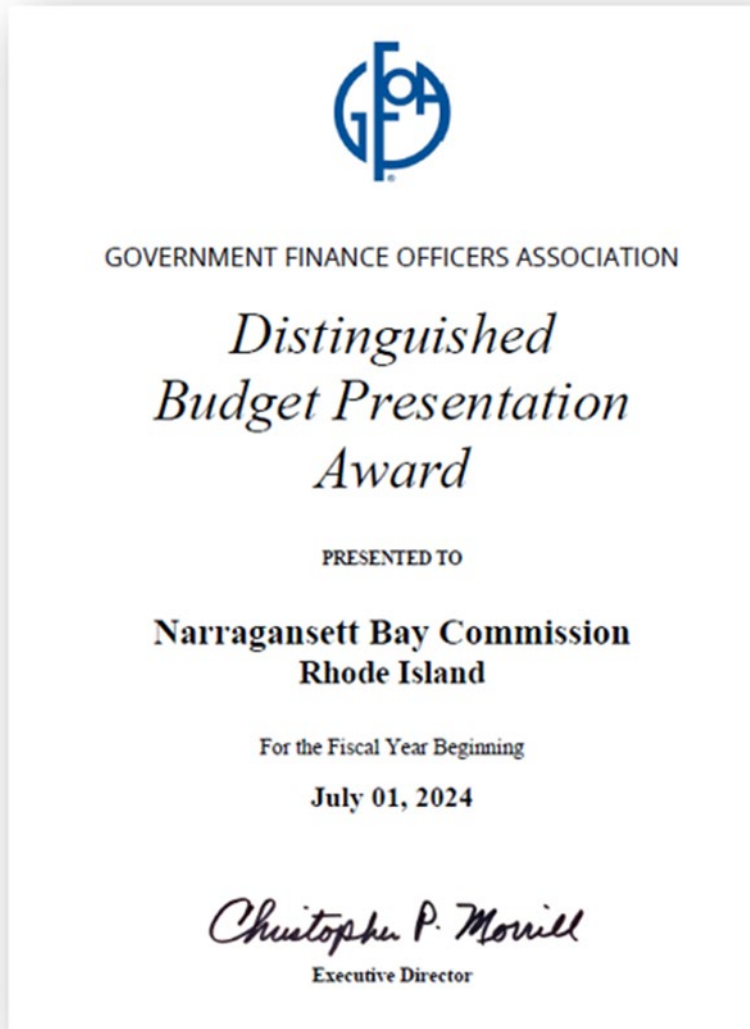
- Upgraded cybersecurity technologies

FINANCIAL UPDATE

GFOA Distinguished Budget Presentation Award
and GFOA Certificate of Achievement for
Excellence in Financial Reporting
for each of the last 23 years

FY 2025 Budget also received Special Recognition
for Long-Range Operating Financial Plans

Clean Audit Opinion with no management letter
the past 27 years



FY 2025 PERFORMANCE

UNAUDITED FINANCIAL STATEMENTS – GAAP BASIS



STATEMENT OF NET POSITION As of April 30, 2025

Assets

Current assets	\$ 158,929,286
Restricted assets	77,727,740
Capital assets	1,666,610,424
Other assets	6,281,566
Total Assets	1,909,549,016

Deferred outflows of resources

	9,189,811
Total deferred outflows of resources	9,189,811

Liabilities

Current liabilities	39,241,457
Non-current liabilities	1,187,386,309
Total Liabilities	1,226,627,766

Deferred inflows of resources

	4,976,986
Total deferred inflows of resources	4,976,986

Net Position

Net investment in capital assets	608,202,092
Restricted - environmental enforcement fund	56,751
Restricted - bond covenants	44,364,600
Restricted - operating reserve for revenue stability fund	4,515,706
Restricted - operation and maintenance reserve fund	1,506,599
Restricted - operating capital	18,656,782
Restricted - net pension asset	6,281,566
Unrestricted	3,549,979

Total net position	\$ 687,134,075
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Statement of Revenue, Expense and Changes in Net Position For the Period Ending April 30, 2025

Operating Revenues

User fees, residential	\$ 55,608,466
User fees, commercial and industrial	39,498,295
Connection fees/capacity charges	334,825
Pretreatment fees	57,940
Environmental enforcement fees	8,756
Septage income	267,300
Renewable energy credits	903,813
Miscellaneous revenue	104,685
Late charge penalties	595,190

Non-operating revenue

	3,058,567
Total Revenue	100,437,837

Operating Expenses

Personnel	24,678,040
Operating supplies/expense	18,900,068
Professional services	1,901,740
Depreciation and amortization	19,909,803

Non-operating expense

	18,684,490
Total Expense	84,074,141

Net income before capital contributions	16,363,696
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Capital contribution	11,546,633
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Change in net position	27,910,329
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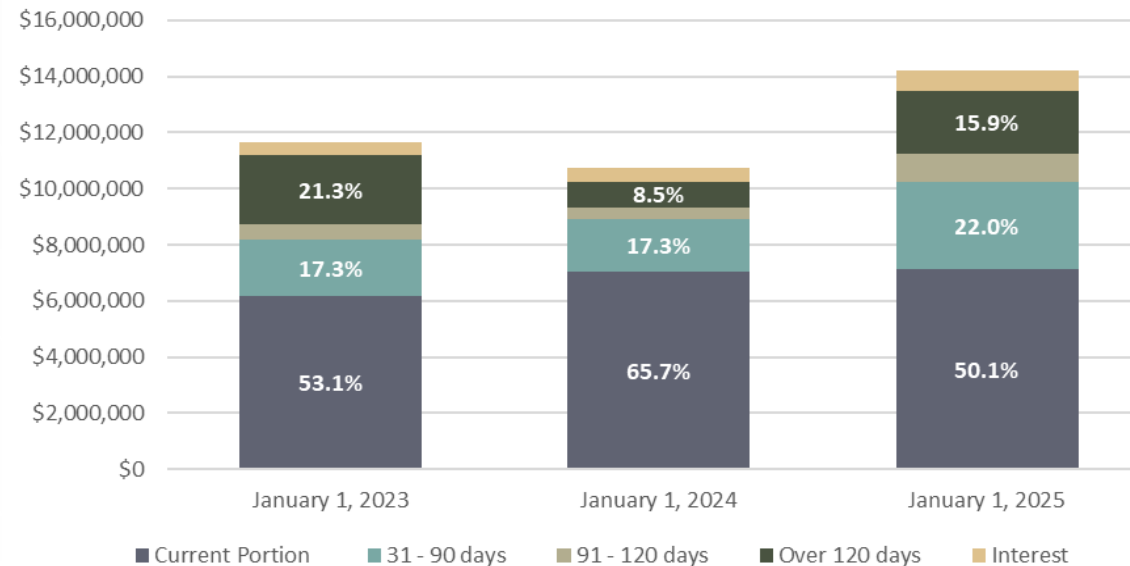
Total net position, beginning of year	659,223,746
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Total net position, end of year	\$ 687,134,075
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COLLECTIONS

ACCOUNTS RECEIVABLE

- New RI statute extended service shutoff moratoria two weeks – now in effect from 11/1-5/1
- Successful implementation of popular payment platform in Fall 2025 delayed collections for some accounts
- May collections have shown improvement and NBC management will continue to monitor to ensure positive trends
- Customer Care has recently completed a Business Process Review to enhance customer experience



	April 30, 2023		April 30, 2024		April 30, 2025	
Current Portion	\$	7,023,238	\$	6,867,342	\$	7,025,862
31 - 90 days		1,589,086		1,778,088		3,074,200
91 - 120 days		472,591		400,794		855,086
Over 120 days		2,121,564		784,365		3,114,939
Interest		409,186		495,944		925,850
Total	\$	11,615,666	\$	10,326,532	\$	14,995,937

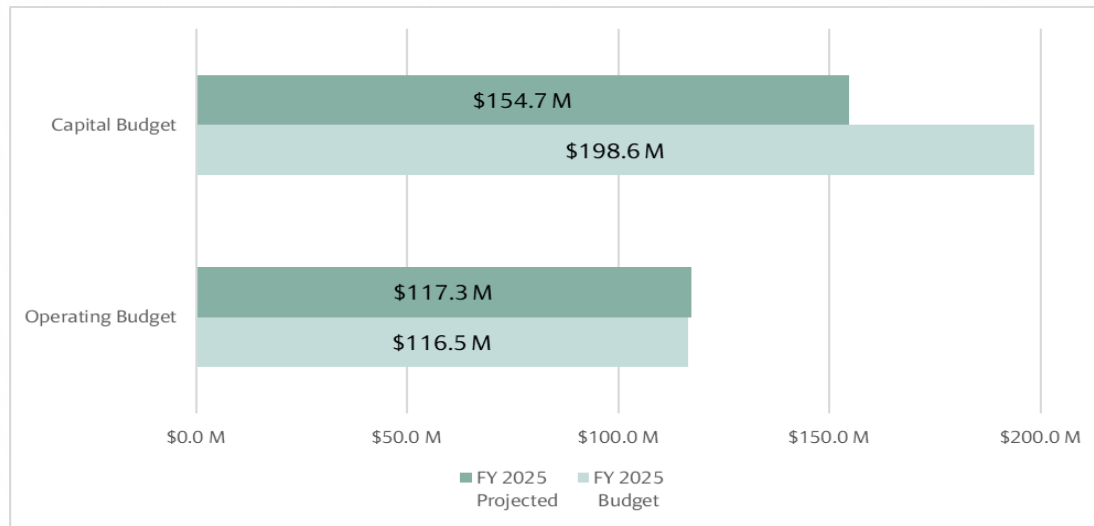
FY 2025 PERFORMANCE

ANNUAL BUDGET PROJECTIONS⁽¹⁾



Projected Budget Finish is \$272.0M

- Under Budget by \$43.1M or 13.7%
 - Operating Budget \$.8M higher
 - Capital Budget \$43.9M lower



⁽¹⁾Preliminary and subject to change

FY 2025 OPERATING BUDGET VS. PROJECTED

	FY 2025 Budget	FY 2025 Projected	Difference	%
Revenue				
Operating Revenue	\$ 114,802,150	\$ 115,130,720	\$ 328,570	0.3%
Non-Operating Revenue	1,737,800	2,198,275	460,475	26.5%
<i>Total Revenue</i>	<i>116,539,950</i>	<i>117,328,995</i>	<i>789,045</i>	<i>0.7%</i>
Expense				
Operating Expense	60,006,548	56,380,429	(3,626,119)	(6.0%)
Debt Service	44,645,826	42,980,691	(1,665,135)	(3.7%)
<i>Total Expense</i>	<i>104,652,374</i>	<i>99,361,120</i>	<i>(5,291,254)</i>	<i>(5.1%)</i>
Transfer to Project Fund	11,887,576	17,967,875	6,080,299	51.1%
Total	\$ 116,539,950	\$ 117,328,995	\$ 789,045	0.7%

FY 2025 CAPITAL BUDGET VS. PROJECTED

	FY 2025 Budget	FY 2025 Projected	Difference	%
Sources				
Operating Capital Account - Restricted CIP and OCP	\$ 17,371,500	\$ 15,380,657	\$ (1,990,843)	(11.5%)
RIIB Bonds	129,954,900	130,754,087	799,187	0.6%
WIFIA	51,315,414	8,580,515	(42,734,899)	(83.3%)
<i>Total Sources of Capital Funds</i>	<i>198,641,814</i>	<i>154,715,259</i>	<i>(43,926,555)</i>	<i>(22.1%)</i>
Uses				
Operating Capital Program (OCP)	5,248,000	4,198,400	(1,049,600)	(20.0%)
Capital Improvement Program (CIP)	192,418,814	149,266,859	(43,151,955)	(22.4%)
Cost of Issuance/Other	975,000	1,250,000	275,000	28.2%
<i>Total Uses of Capital Funds</i>	<i>\$ 198,641,814</i>	<i>\$ 154,715,259</i>	<i>\$ (43,926,555)</i>	<i>(22.1%)</i>
Total	\$ 198,641,814	\$ 154,715,259	\$ (43,926,555)	(22.1%)

FY 2025 ANNUAL BUDGET VS. PROJECTED

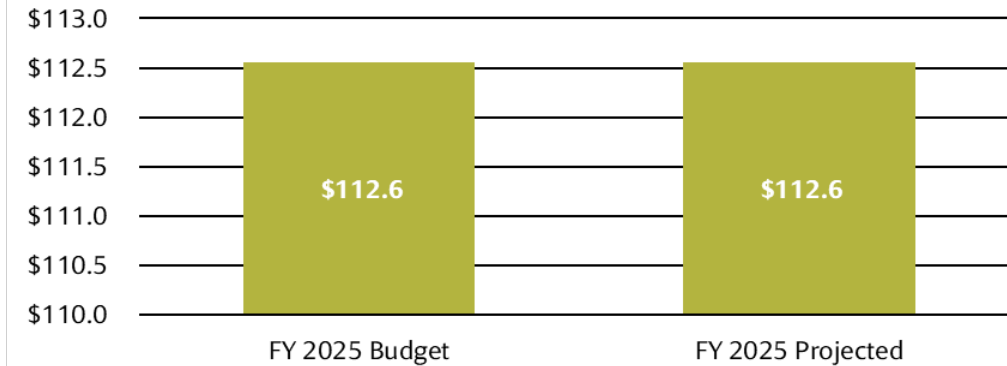
	FY 2025 Budget	FY 2025 Projected	Difference	%
Total	\$ 315,181,764	\$ 272,044,254	\$ (43,137,510)	(13.7%)

FY 2025 PERFORMANCE

PROJECTED REVENUE⁽¹⁾



FY 2025 Budgeted vs. Projected
User Fee Revenue
(in millions)



- User Fee Revenue is nearly exactly as budgeted
 - Budget based on approved 2.56% rate increase effective July 1, 2024

FY 2025 Budgeted vs. Projected
Consumption and Flat Fee Revenue

	Residential	Commercial	Industrial	Total
Consumption Fees				
Budgeted	\$ 33,466,400	\$ 27,647,500	\$ 2,322,000	\$ 63,435,900
Projected	33,581,360	27,649,239	2,172,959	63,403,558
Over(Under)	114,960	1,739	(149,041)	(32,342)
Flat Fees				
Budgeted	32,195,000	16,138,200	790,200	49,123,400
Projected	32,171,924	16,199,604	780,566	49,152,094
Over(Under)	(23,076)	61,404	(9,634)	28,694
Total User Fees				
Budgeted	65,661,400	43,785,700	3,112,200	112,559,300
Projected	65,753,284	43,848,843	2,953,525	112,555,652
Over(Under)	\$ 91,884	\$ 63,143	\$ (158,675)	\$ (3,648)

⁽¹⁾Preliminary and subject to change

FY 2025 PERFORMANCE

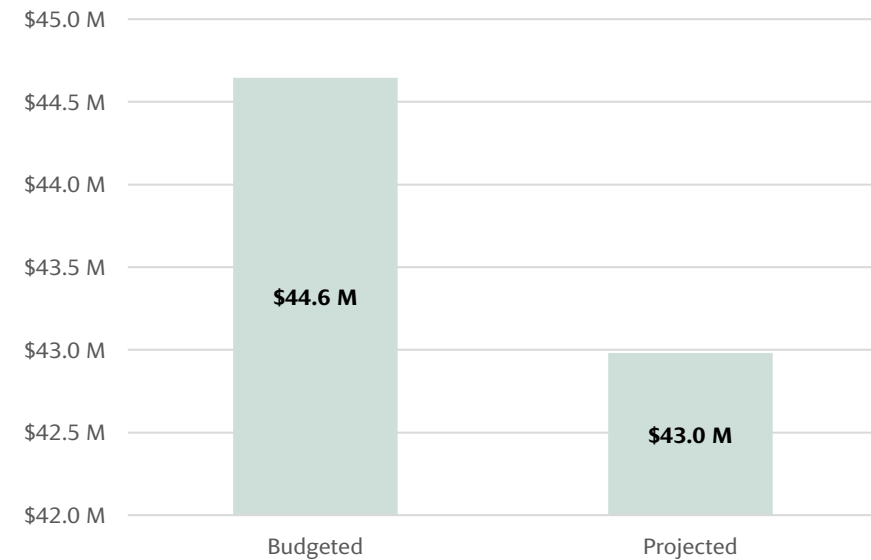
PROJECTED EXPENSE⁽¹⁾



FY 2025 Budget vs. Projected Expense

	FY 2025 Budget	FY 2025 Projected	Difference	%
EXPENSE				
Operating Expense				
Personnel	\$ 31,304,710	\$ 29,791,651	\$ (1,513,059)	95.2%
Operating Supplies/Expense	25,500,408	23,926,759	(1,573,649)	93.8%
Professional Services	2,862,198	2,351,661	(510,538)	82.2%
Lease/Subscriptions Expense	339,232	310,359	(28,873)	91.5%
<i>Total Operating Expense</i>	60,006,548	56,380,429	(3,626,119)	94.0%
Debt Service				
Principal	26,628,162	26,628,162	-	100.0%
Interest	18,017,664	16,352,529	(1,665,135)	90.8%
<i>Total Debt Service</i>	44,645,826	42,980,691	(1,665,135)	96.3%
Total Expense	\$ 104,652,374	\$ 99,361,120	\$ (5,291,254)	94.9%

FY 2025 Budget vs. Projected Debt Service



⁽¹⁾Preliminary and subject to change

FY 2025 PERFORMANCE

PROJECTED PERSONNEL EXPENSE VARIANCE⁽¹⁾



Projected \$1.5 M under budget

Union and Non-Union salaries and wages
\$1.9M under budget

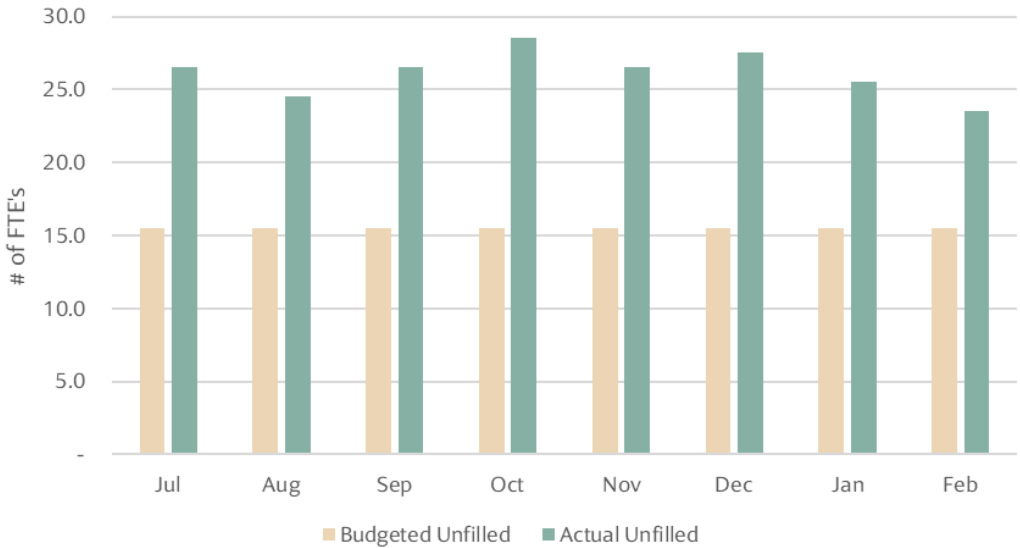
- Turnover
- Unfilled Positions
 - 15.5 FTEs or 5.0% Budgeted
 - 26.1 FTEs or 8.4% Actual (on average)



⁽¹⁾Preliminary and subject to change

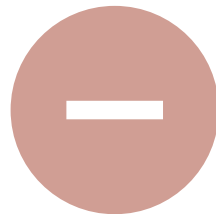
FY 2025 Budgeted vs. Actual Unfilled Positions

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Average
Budgeted Positions	311.0	311.0	311.0	311.0	311.0	311.0	311.0	311.0	311.0
Less: Budgeted Unfilled	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)	(15.5)
Net Budgeted Positons	295.5	295.5	295.5	295.5	295.5	295.5	295.5	295.5	295.5
Actual Filled Positions	269.0	271.0	269.0	267.0	269.0	268.0	270.0	272.0	269.4
Unfilled Budgeted Positions	(26.5)	(24.5)	(26.5)	(28.5)	(26.5)	(27.5)	(25.5)	(23.5)	(26.1)



FY 2025 PERFORMANCE

PROJECTED OPERATING SUPPLIES/EXPENSE VARIANCES⁽¹⁾



Expense	FY 2025 BUDGET	FY 2025 PROJECTED	DIFFERENCE	%
Favorable Variance				
BIOSOLID DISPOSAL	\$ 6,157,775	\$ 5,871,352	\$ (286,423)	(4.7%)
NATURAL GAS	1,040,265	722,817	(317,448)	(30.5%)
COVENTRY TURBINES	430,173	298,724	(131,449)	(30.6%)
BIOGAS	150,250	68,257	(81,993)	(54.6%)
NBC NET METERING CREDITS	(1,475,468)	(1,623,558)	(148,090)	10.0%
CHEMICALS	2,342,423	1,659,165	(683,258)	(29.2%)
SCREENING & GRIT DISPOSAL	369,600	283,780	(85,820)	(23.2%)
OTHER	11,119,841	10,494,201	(625,640)	(5.6%)
Total Favorable Variance	\$ 20,134,859	\$ 17,774,738	\$ (2,360,121)	(11.7%)
Unfavorable Variance				
ELECTRICITY	\$ 5,365,549	\$ 6,152,021	\$ 786,472	14.7%
Total Unfavorable Variance	\$ 5,365,549	\$ 6,152,021	\$ 786,472	14.7%
Total Operating Supplies/Expense	\$ 25,500,408	\$ 23,926,759	\$ (1,573,649)	(6.2%)

⁽¹⁾Preliminary and subject to change

FY 2026 PROPOSED BUDGET

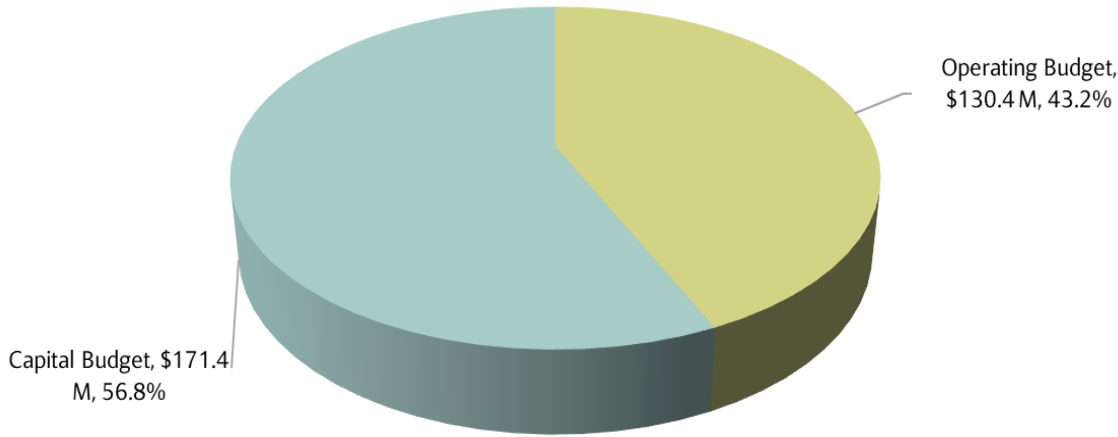


FY 2025 vs. FY 2026 Annual Budget (in Millions)

	FY 2025 Budget	FY 2026 Budget	Difference	Percent Change
Operating	\$116.5 M	\$130.4 M	\$13.8 M	11.9%
Capital	\$198.6 M	\$171.4 M	-\$27.2 M	(13.7%)
Total	\$315.2 M	\$301.8 M	-\$13.4 M	(4.2%)



Progress on CIP resulted in a decrease in budgeted capital expenditures



CSO Phase III A Pawtucket Tunnel Pump Station Fit-Out Construction Site

FY 2026 BUDGET

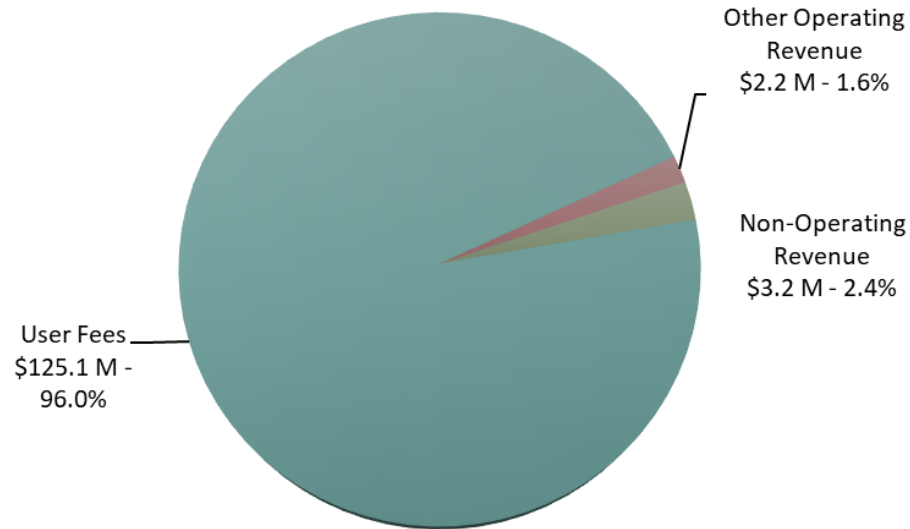
REVENUE



Total Revenue

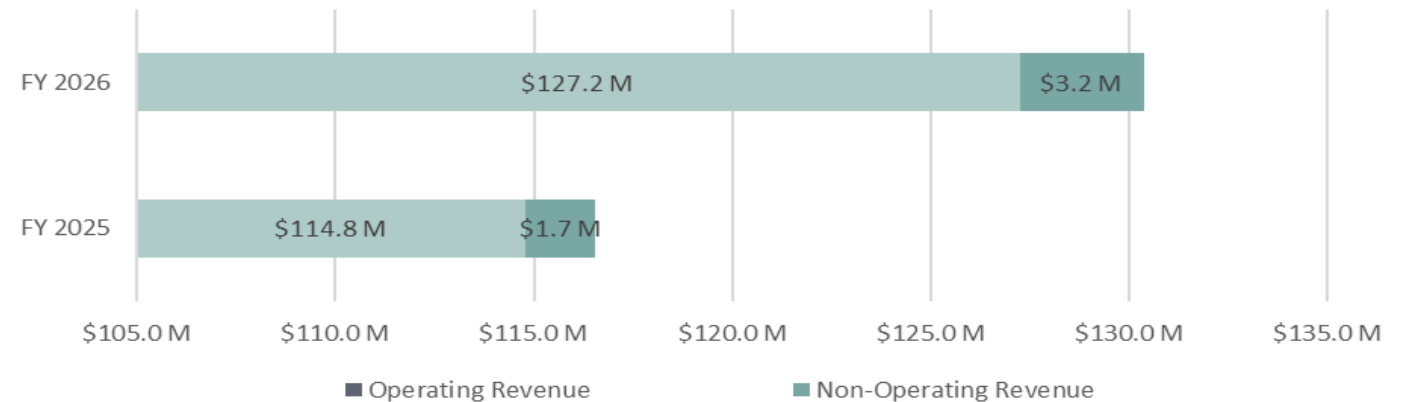
- \$13.8M higher than FY 2025 Budget
- Operating Revenue \$12.4M higher
- Non-Operating Revenue \$1.4M higher

FY 2026 Budgeted Revenue



FY 2026 Budgeted Revenue

Revenue	FY 2025 Budget	FY 2026 Budget	Budgeted Difference	Percent Change
Operating Revenue				
User Fees	\$ 112,559,300	\$ 125,068,706	\$ 12,509,406	11.1%
Application Fees	143,700	167,670	23,970	16.7%
Septage Income	358,300	368,239	9,939	2.8%
Capacity Charge Fees	219,500	206,168	(13,332)	(6.1%)
Late Fees	455,800	441,046	(14,754)	(3.2%)
Customer Service Fees	181,200	174,359	(6,841)	(3.8%)
Renewable Energy Credits	884,350	806,418	(77,932)	(8.8%)
Total Operating Revenue	\$ 114,802,150	\$ 127,232,606	\$ 12,430,456	10.8%
Non-Operating Revenue				
Investment Income	\$ 1,075,000	\$ 820,000	\$ (255,000)	(23.7%)
Miscellaneous Income	204,600	134,389	(70,211)	(34.3%)
Revenue Fund Balance	-	2,000,000	2,000,000	100.0%
OMR Fund	458,200	198,234	(259,966)	(56.7%)
Total Non-Operating Revenue	\$ 1,737,800	\$ 3,152,623	\$ 1,414,823	81.4%
Total Revenue	\$ 116,539,950	\$ 130,385,229	\$ 13,845,279	11.9%



FY 2026 BUDGET

OPERATING REVENUE



User Fee Revenue:

- 11.1% higher than prior year

Across-the-board user fee rate increase of:

- 10.35% effective July 1, 2025

Budgeted Billable Consumption (HCF)

	Residential	Commercial	Industrial	Total
FY 2025 Budget	7,994,772	4,397,380	563,659	12,955,811
FY 2026 Budget	7,951,466	4,499,691	567,430	13,018,587
Variance	(43,306)	102,311	3,771	62,776

Budgeted Consumption Fees

Customer Class	FY 2025 Budget	FY 2026 Budget	Budgeted Difference	Percent Change
Residential	\$ 33,466,400	\$ 36,728,847	\$ 3,262,447	9.7%
Commercial	27,647,500	31,216,703	3,569,203	12.9%
Industrial	2,322,000	2,579,080	257,080	11.1%
SubTotal	\$ 63,435,900	\$ 70,524,630	\$ 7,088,730	11.2%

Budgeted Flat Fees

Customer Class	FY 2025 Budget	FY 2026 Budget	Budgeted Difference	Percent Change
Residential	\$ 32,195,000	\$ 35,683,790	\$ 3,488,790	10.8%
Commercial	16,138,200	18,000,576	1,862,376	11.5%
Industrial	790,200	859,710	69,510	8.8%
SubTotal	\$ 49,123,400	\$ 54,544,076	\$ 5,420,676	11.0%

Total User Fee Revenue	\$ 112,559,300	\$ 125,068,706	\$ 12,509,406	11.1%
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FY 2026 BUDGET

NON-OPERATING REVENUE



Non-Operating Revenue	FY 2025 Budget	FY 2026 Budget	Budgeted Difference	Percent Change
Investment Income	\$ 1,075,000	\$ 820,000	\$ (255,000)	(23.7%)
Miscellaneous Income	204,600	134,389	(70,211)	(34.3%)
Revenue Fund Balance	-	2,000,000	2,000,000	100.0%
OMR Fund	458,200	198,234	(259,966)	(56.7%)
Total Non-Operating Revenue	\$ 1,737,800	\$ 3,152,623	\$ 1,414,823	81.4%

- Budgeted Revenue Fund balance of \$2.0M
- Operation and Maintenance Reserve Fund
 - OMR Fund established in last PUC rate case
 - Transfers allowed to Operations and Maintenance Fund for electricity and renewable energy expense
 - Budgeted transfer is based on amounts budgeted in the OMR accounts vs. the levels requested in pending filing

FY 2026 BUDGET

EXPENSE



Expense \$9.4M higher than FY 2025

- Personnel - \$2.1M higher
- OSE - \$1.8M higher
- Professional Services - \$0.3M lower
- Debt Service - \$5.4M higher

Transfers - \$4.5M higher than FY 2025

Expense	FY 2025 Budget	FY 2026 Budget	Difference	Percent Change
Operations and Maintenance				
Personnel	\$ 31,304,710	\$ 33,436,859	\$ 2,132,149	6.8%
Operating Supplies/Expense	25,548,456	27,387,611	1,839,155	7.2%
Professional Services	2,814,150	2,522,580	(291,570)	(10.4%)
Lease/Subscriptions	339,232	625,707	286,475	84.4%
<i>Total Operating Expense</i>	<i>\$ 60,006,548</i>	<i>\$ 63,972,757</i>	<i>\$ 3,966,209</i>	<i>88.1%</i>
Debt Service	\$ 44,645,826	\$ 50,061,284	\$ 5,415,458	12.1%
Total Expense	\$ 104,652,374	\$ 114,034,041	\$ 9,381,667	9.0%
Transfers				
Transfer to Debt Service Fund	\$ 4,200,937	\$ 2,509,520	\$ (1,691,417)	(40.3%)
Transfer to Project Fund	7,686,639	13,841,668	6,155,029	80.1%
Total Expense and Transfers	\$ 116,539,950	\$ 130,385,229	\$ 13,845,279	11.9%

FY 2026 BUDGET

DEBT SERVICE

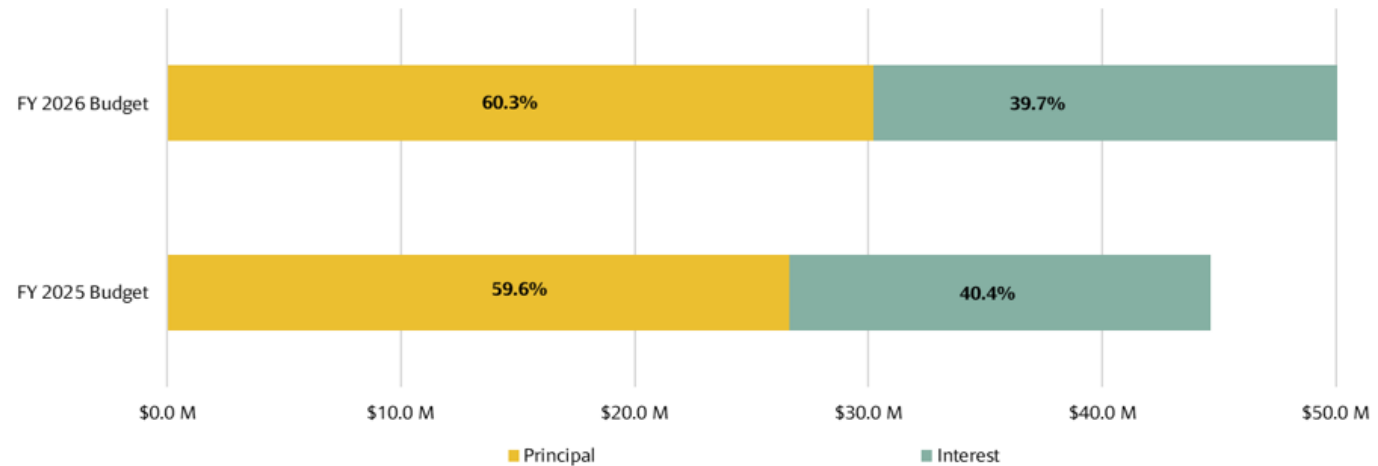


Budgeted Bond Issuances

- 2025 Series A/B \$100M RIIB Loan
- 2026 Series A RIIB Loan \$26M

	FY 2025 Budget	FY 2026 Budget	Budgeted Difference	Percent Change
Principal	\$ 26,628,162	\$ 30,201,787	\$ 3,573,625	13.4%
Interest	18,017,664	19,859,497	1,841,833	10.2%
Total	\$ 44,645,826	\$ 50,061,284	\$ 5,415,458	12.1%

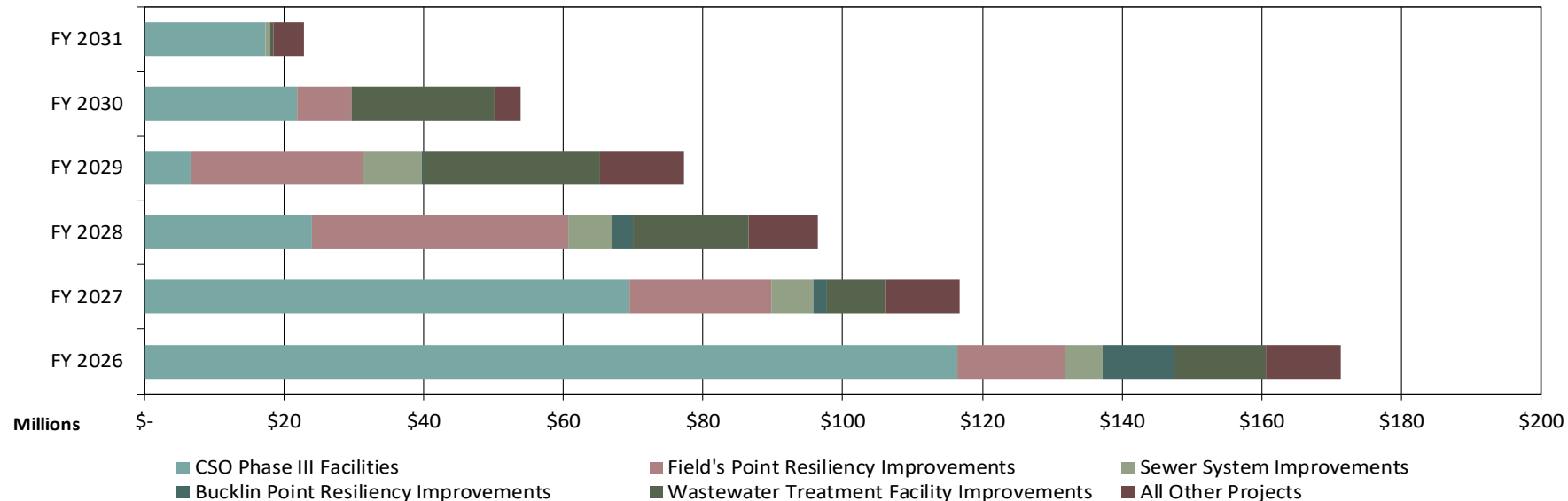
Budgeted Debt Service (In Millions)



FY 2026- FY 2031 CIP



Largest Capital Projects (In Thousands)		
Project	Estimated Cost FY 2026 - 2031	Percent of Total
CSO Phase III Facilities	\$ 255,791	50%
Field's Point Resiliency Improvements	104,971	21%
Wastewater Treatment Facility Improvements	84,493	17%
Sewer System Improvements	26,724	5%
Bucklin Point Resiliency Improvements	15,240	3%
All Other Projects	24,677	5%
Total	\$ 511,895	100%



NEW CIP PROJECTS



Field's Point Wet Weather Clarifiers

New Projects		
Project Number	Project Name	Total Estimated Cost
20701	Biosolids Management Facility Upgrade	\$ 52,990
72100	Saylesville Pump Station Improvements	9,269
1140700	PFAS Testing and Monitoring	902
92000	Stormwater Education Resource Center	262
Estimated Total		\$ 63,423

NBC is currently refining its plans for a Biosolids management facility at Field's Point

BUCKLIN POINT RESILIENCY IMPROVEMENTS



Bucklin Point UV Disinfection System

- **In Progress** - Construction of Ultraviolet (UV) disinfection building and energy efficient equipment currently at 62% completed
- **In Progress** - Installation of redundant power and other improvements to the treatment facilities currently at 53% completed
- **Completed** - Construction of both a new Operations Building and a new Maintenance Building

Bucklin Point Resiliency Improvements (In Thousands)				
Project Number	Major Project	FY 2026 - 2031 CIP	Total Estimated Cost	Percent Complete
81000	BPWWTF UV Disinfection Improvements	\$ 9,720	\$ 25,695	62%
81600	BPWWTF Improvements	5,521	11,709	53%
81700	BPWWTF Operations and Maintenance Buildings	-	36,666	100%
Total		\$ 15,240	\$ 74,070	

FIELD'S POINT RESILIENCY IMPROVEMENTS

- Miscellaneous improvements to the treatment facilities
- Ernest Street Pumping Station (pumps all flow to the Field's Point) motor replacements for the pumps and other improvements
- Construction of both a new Interceptor Maintenance Storage Building and a new Maintenance Building
- New Solar Carport and cybersecurity improvements
- Standby power capabilities for critical facilities at Field's Point
- Replacement of the septage receiving station



Ernest Street Pumping Station

Field's Point Resiliency Improvements (In Thousands)					
Project Number	Major Project	FY 2026 - 2031 CIP	Total Estimated Cost	Percent Complete	
20300	FPWWTF Improvements	\$ 31,331	\$ 35,813	13%	
20500	FPWWTF Maintenance and Storage Buildings	27,851	29,504	6%	
20400	FPWWTF Ernest Street Pump Station Improvements	25,042	32,062	22%	
40101	FPWWTF Electrical Improvements	11,172	11,200	0%	
71000	Lincoln Septage Receiving Station Replacement	7,102	8,219	14%	
20600	NBC Solar Carport	2,474	2,795	11%	
20800	Cybersecurity Improvements	-	1,575	100%	
Total		\$ 104,971	\$ 121,166		



CSO PROGRAM

CSO PHASE III PROGRAM

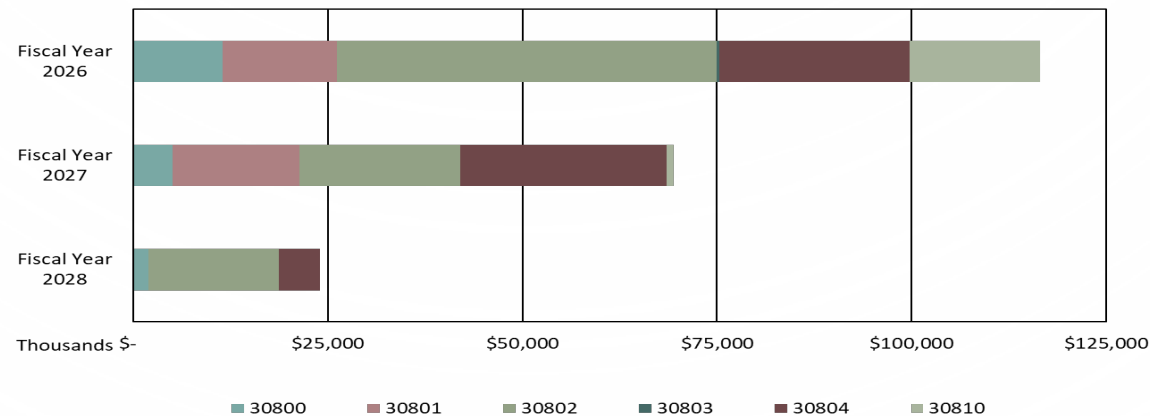
Phase	Scope	Amount *	Start	Completion
Phase III A	Design and construction of a 11,600 foot long deep rock tunnel in Pawtucket, a tunnel pump station to convey flow to the Bucklin Point WWTF, drop shafts and consolidation conduits and improvements to the Bucklin Point WWTF. This project includes modifications to regulators and construction of GSI facilities. Design of the Phase III B facilities is also included in the cost of Phase III A.	\$ 877.4	4/1/2013	4/1/2028
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		\$ 1,374.0		

* Excludes costs incurred prior to FY 2020

CSO PHASE III A FACILITIES

PROJECT UPDATE

Project Number	Project Name	Estimated Cost *	Construction Start Date	Construction End Date	Percent Complete
30800	CSO Phase III A Facilities - Design and Construction Program Management	\$ 97.7	N/A	N/A	
30801	CSO Phase III A Facilities - Pawtucket Tunnel and Pump Station Shaft	485.7	Dec-20	Dec-25	94%
30802	CSO Phase III A Facilities - Tunnel Pump Station Fit-out	131.8	Feb-24	May-27	35%
30803	CSO Phase III A Facilities - OF 205	7.7	Mar-23	Dec-25	97%
30804	CSO Phase III A Facilities - OF 210, 213, 214	62.8	Jan-24	Aug-27	10%
30805	CSO Phase III A Facilities - OF 217	13.1	Dec-21	Oct-23	100%
30807	CSO Phase III A Facilities - Regulator Modifications	5.7	Apr-21	Aug-23	100%
30808	CSO Phase III A Facilities - GSI Demonstration	1.8	Sep-19	Feb-21	100%
30809	CSO Phase III A Facilities - GSI Projects	9.2	Nov-19	Apr-23	100%
30810	CSO Phase III A Facilities - BPWWTF Clarifiers and Flow Splitters	60.7	Jul-22	Dec-26	71%
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		\$ 877.4			



LONG-TERM FINANCIAL PLAN

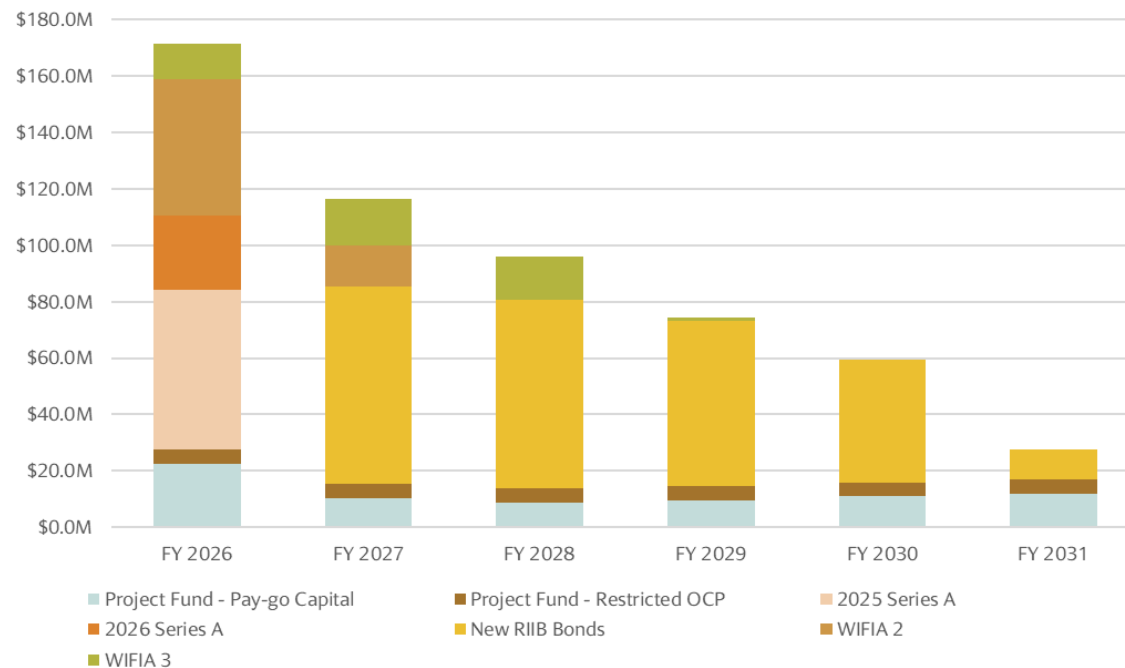
PROGRAMMED FUNDING

- \$100M from RIIB in FY2025-2026
- \$26.4M from RIIB FY 2026
- \$248.3M from RIIB FY 2027 – 2031
- \$75.1M from pay-go for CIP

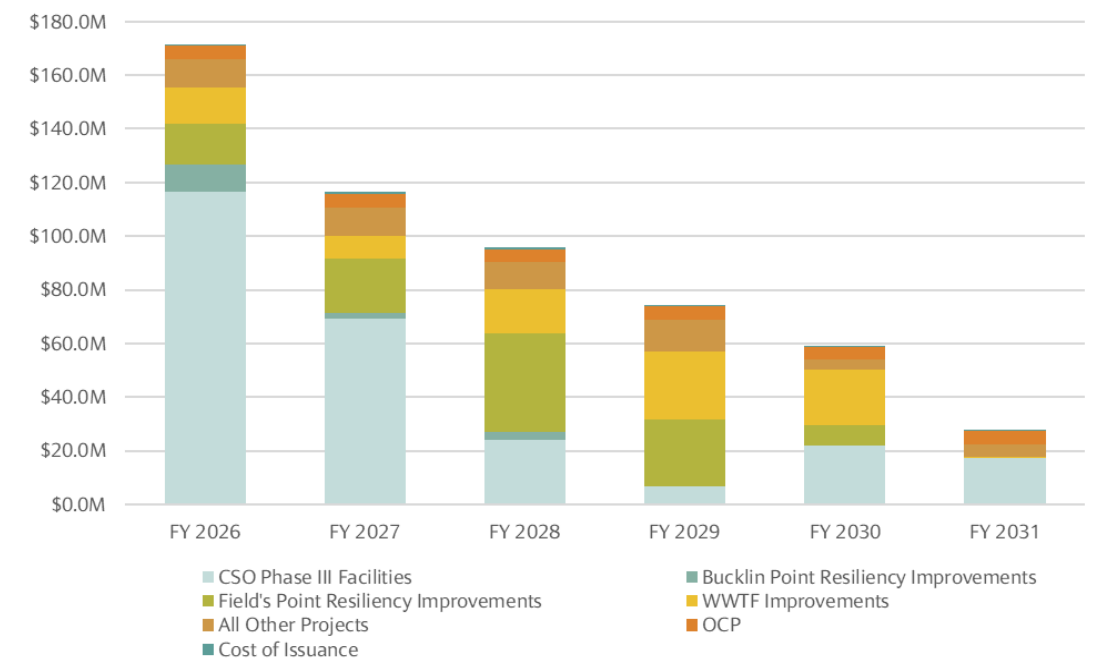
PROGRAMMED CIP

- \$255.8M CSO Phase III Facilities
- \$105.0M Field's Point Resiliency
- \$84.5M WWTF Improvements
- \$66.6M Other Projects

Capital Sources

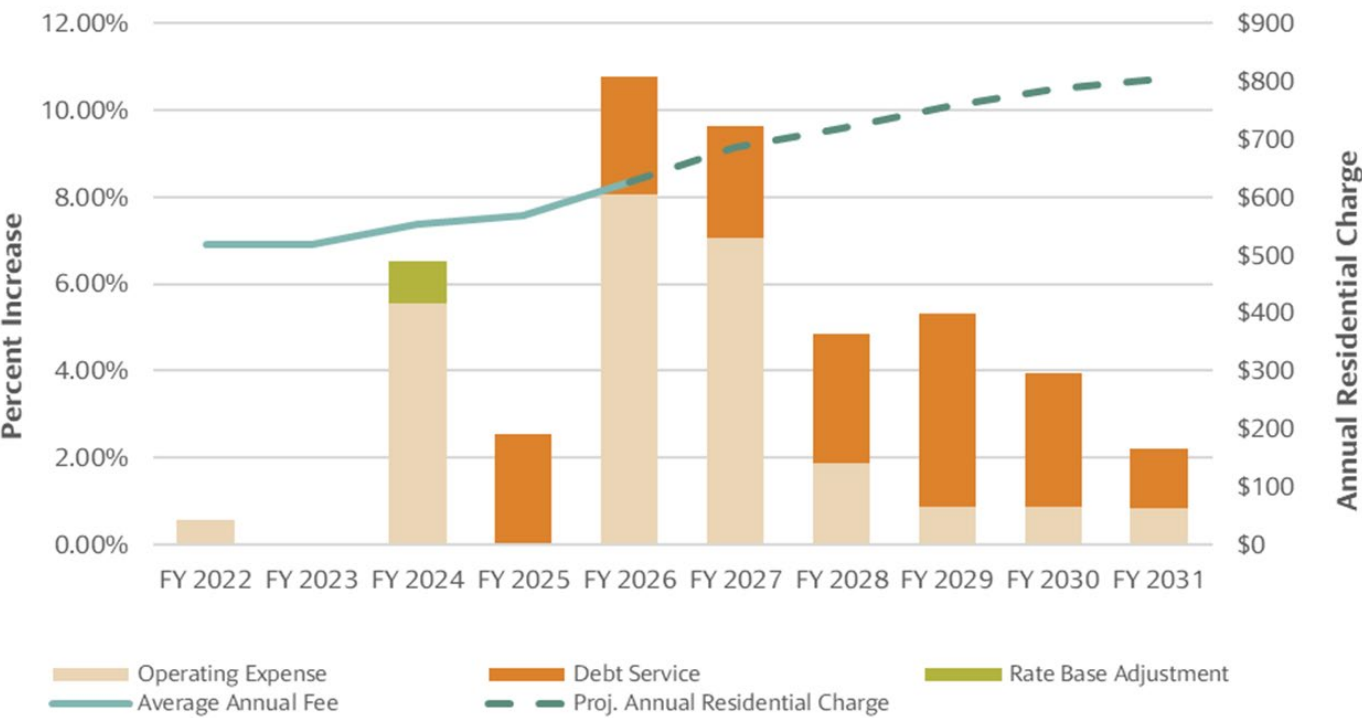


Capital Uses



RATE PROJECTIONS FY2027-2031

- NBC is working to finalize settlement with the RI PUC for rates effective July 1, 2025
- NBC intends to file a general rate case with the RI PUC for new rates in FY 2027



Projected Increase in Sewer User Charges and Annual Fee⁽¹⁾

	2026 ⁽¹⁾	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Percentage Increase User Fees	10.35%	9.67%	4.75%	5.24%	3.81%	2.04%
Average Single-Family Home	\$ 626	\$ 687	\$ 719	\$ 757	\$ 786	\$ 802

⁽¹⁾Preliminary and subject to change

SEWER USE CHARGES



NBC Rate Increase History

Type of Filing	General	General	General	Compliance General ⁽¹⁾
Effective Date	5/1/2022	8/1/2023	7/1/2024	7/1/2025
Purpose	O&M	O&M/ Rate Base	Debt	Debt/O&M/ Rate Base
Revenue Increase	0.55%	5.96%	2.42%	10.07%
User Rate Increase	0.56%	6.54%	2.56%	10.35%
Average Annual Residential Fee (150gpd)	\$519	\$553	\$567	\$626

⁽¹⁾ Includes approved 3.53% User Rate Increase effective 7/1/2025 for Debt Service and projected General Rate Filing increase

Projected NBC User Fees Effective July 1, 2025⁽¹⁾

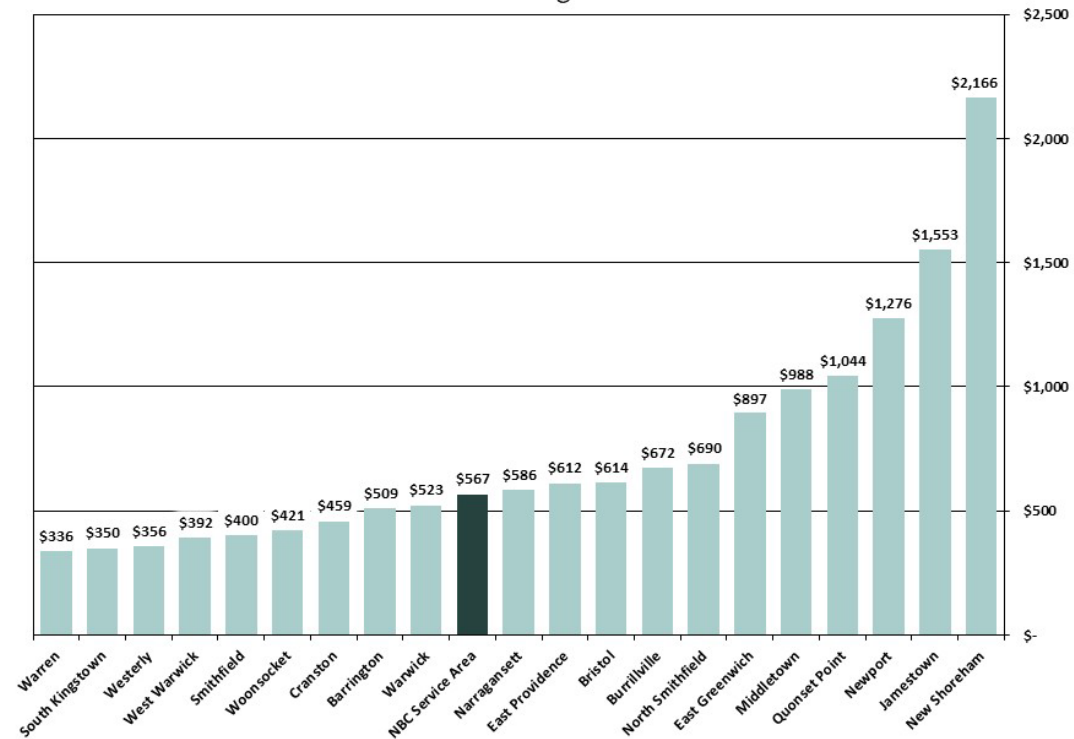
	Billing Unit	Charge ⁽¹⁾
Customer Charge – Fixed Fee		
Customer Class		
Residential	Dwelling Unit	\$287.86
Commercial and Industrial	Meter Size	
	5/8"	\$ 682
	3/4"	1,024
	1"	1,706
	1 1/2"	3,413
	2"	5,461
	3"	10,239
	4"	17,066
	6"	34,131
	8"	54,610
	10"	78,503
Customer Charge – Usage Based Fee		
Customer Class		
Residential	HCF ⁽²⁾	\$ 4.619
Commercial	HCF ⁽²⁾	\$ 6.938
Industrial	HCF ⁽²⁾	\$ 4.545



⁽¹⁾ Projected - Based on Pending Rate Filing

⁽²⁾ HCF = Hundred Cubic Feet

2024 Annual Rhode Island Residential Sewer Charges
Annual Residential charges based on 73.2 hcf



* Newport includes stormwater fees

- Rates remain competitive; approximately 22% lower than the RI state average and lower than New England peers such as Boston and Portland

FUTURE CONSIDERATIONS

OPERATING EXPENSES

- Personnel
 - CBAs expire June 30, 2025
 - Challenges filling positions
- Utilities
 - Challenges managing renewable program
- Biosolids
 - Long-term contract expires May 2026
 - Regional disposal and dewatering challenges

REVENUE

- Rate increases to support debt and operations

CAPITAL BUDGET

- CAPITAL IMPROVEMENT PROGRAM (FY2026-FY2030)
 - \$511.9 million
 - CSO Phase III A Facilities
 - Bucklin Point Resiliency Improvements
 - Field's Point Resiliency Improvements
 - Biosolids Management Facility

CAPITAL FUNDING

- \$375.9 million from RIIB through FY 2031
 - Additional principal forgiveness opportunities
- RIIB capacity constraints
- Exploring opportunities to restructure debt service profile

QUESTIONS?