

KEOUGH + SWEENEY, LTD.

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

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

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

SEAN P. KEOUGH*

JEROME V. SWEENEY II
OF COUNSEL

*ADMITTED TO PRACTICE IN
RHODE ISLAND & MASSACHUSETTS

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

April 17, 2024

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

**Re: *Docket No. 23-30-WW- Pawtucket Water Supply Board
General Rate Filing***

Dear Ms. Massaro:

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

1. The Pawtucket Water Supply Board's Response to the Rhode Island Division of Public Utilities and Carriers' Data Requests 11-8, 14, 17 and 18.

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.

cc: Service List (via electronic mail)

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET NO. 23-30-WW
Response Of The Pawtucket Water Supply Board
To The Rhode Island Division of
Public Utilities and Carriers'
Data Requests
Set 11

Div. 11-8: Please provide a copy of the February 20, 2024 PWSB Board resolution.

Response: Please see attached PWSB Board meeting minutes.

Prepared by: James DeCelles

PAWTUCKET WATER SUPPLY BOARD

The 419th meeting of the Pawtucket Water Supply Board met on February 20th, 2024 at 5:00 PM

William Masuck called the meeting to order at 5:00 PM.

PWSB Members Present

William Masuck, Chairperson – present

James Bradford, Vice Chairperson – present

Thomas Hodge – present

Mike Araujo – present

Mark Theroux – present

Mark Stankiewicz - present

PWSB Staff Present

James DeCelles - Chief Engineer

Russel Houde – Assistant Chief Engineer

Chris Collins – Source Water Manager

Katie Peters – Executive Project Manager

Public Attendees

None

4. Consent Agenda

Brief discussion regarding the status of the ongoing lead regulations. PWSB will have the required public lead service line map up on the website and available to the public in October 2024, per EPA regulations. Additionally, the Rawson Pond dam failure was discussed. It was confirmed that the dam failure did not affect water quality in the PWSB system. Jim DeCelles has been in contact with the head of the DPW in Cumberland to ensure that any construction of a new or temporary dam would not affect the flow of the Abbot Run Reservoir.

A motion to approve Consent Agenda was made by Tom Hodge and seconded by James Bradford.

Roll Call Taken:

William Masuck - Yes

James Bradford – Yes

Thomas Hodge - Yes

Mike Araujo – Yes

Mark Theroux – Yes

Mark Stankiewicz - Yes

APPROVED

5A. Executive Session - Veolia Contract Extension - Investment of Public Funds pursuant to RIGL s. 42-46-5 (a)(7).

The board decided not to enter into Executive Session for their discussion of agenda item 6B.

New Business:

6B. Veolia Contract Extension

The current 20-year service agreement with Veolia for contract operations of the PWSB water treatment facility is set to expire on February 15, 2024. CDM has begun the process of drafting a new RFP for contract operations, but PWSB estimates that the entire procurement process will take us into August 2024. Based on this timeline, PWSB has requested and received a proposal from Veolia to operate the plant until the procurement process is complete and a new contract is in place.

The proposal from Veolia is for an initial term of 6 months with provisions for another 60-day extension if required. Terms of the contract extension will include:

- monthly operating cost of \$277,193.78
- cap on Veolia responsibility for significant repair and replacement costs of \$20,000 per event
- any costs associated with required carbon replacement will be a direct pass through to the PWSB.

A motion that the PWSB recommend the Pawtucket Purchasing Board authorize the PWSB to sign a 6-month extension with Veolia for water treatment facility contract operations was made by James Bradford and seconded by Tom Hodge.

Roll Call Taken:

William Masuck - Yes

James Bradford -- Yes

Thomas Hodge - Yes

Mike Araujo – Yes

Mark Theroux – Yes

Mark Stankiewicz - Yes

APPROVED

6A. Solitude Lake Management Agreement

PWSB and Veolia believe that enhanced monitoring and surface chemical treatment of the Happy Hollow and Robin Hollow reservoirs will improve the finished water quality with respect to taste and odor compounds experienced between the months of April and September. PWSB believes that the chemical treatment would be beneficial to the life of the carbon in the filters at the treatment plant.

The cost for the monitoring will not exceed \$2,170/month for monitoring and \$3,366.00 per application of treatment chemical. In total, PWSB would expect to utilize the monitoring services for six months, between April and September and apply bi-monthly treatments, between April and September at a total cost, including permitting of \$53,842.00.

A motion that the PWSB recommend the Pawtucket Purchasing Board approve a contract with Veolia for Reservoir Monitoring and Treatment services was made by Tom Hodge and seconded by James Bradford.

Roll Call Taken:

William Masuck - Yes

James Bradford – Yes

Thomas Hodge - Yes

Mike Araujo – Yes

Mark Theroux – Yes

Mark Stankiewicz - Yes

APPROVED

6C. Homeowner Safety Valve Contract Extension

In January 2014, the PWSB executed a five-year contract with the Homeowner Safety Valve Company to provide the necessary service associated with a "Residential Customer Water Line Protection Program". Section 6 of that agreement provided the opportunity for one additional five-year term upon agreement of both parties, which was requested and approved in March 2019. The PWSB has begun the process of drafting a new RFP for a "Residential Customer Water Line Protection Program" but we estimate that the entire procurement process will take us into Summer 2024.

The proposal from Homeowner Safety Valve is for an initial term of 6 months with provisions for another six-month extension if required.

Terms of the contract extension will include:

- PWSB agrees to provide Homeowner Safety Valve with an updated customer list
- Two levels of protection plans offered to customers:
 - o Annual cost of \$68.00 per customer which provides a \$10,000 annual and \$6,000 per incident repair cap
 - o Annual cost of \$74.88 per customer which provides a \$15,000 annual and \$6,000 per incident repair cap
- Customer enrollment shall be for a term of one year, renewable annually for further one-year terms.
- Homeowner Safety Valve will contract with and receive payment directly from each customer enrolled in the planner Safety Valve Contract Extension

Motion to authorize a six-month extension of the "Residential Customer Water Line Protection Program Services" contract with Homeowner Safety Valve Company was made by Mike Araujo and seconded by James Bradford.

Roll Call Taken:

William Masuck - Yes

James Bradford – Yes

Thomas Hodge - Yes

Mike Araujo – Yes

Mark Theroux – Yes

Mark Stankiewicz - Yes

APPROVED

6D.a Bill Adjustment Request - 170 Power Road, Pawtucket

The customer, Ms. Robin Paola, is requesting to be removed from the tax lien sale. She and her husband have cancer. The account was placed on tax lien sale in January, 2024. The property changed ownership on or about January 11, 2024 from her parents who have passed away. She wants to be given a payment plan. There was a discussion among board members as to who actually owned the property and who actually resided there. It was noted that the PWSB has offered interested free payments plans in the past to customers, one a case-by-case basis. Jim DeCelles confirmed that the customer, Robin Paola, is willing and ready to pay down the water lien on a payment plan.

A motion to authorize a 1-year, interest free payment plan and removal from the upcoming May 2024 tax sale was made by Mark Stankiewicz and seconded by James Bradford.

Roll Call Taken:

William Masuck - Yes

James Bradford – Yes

Thomas Hodge – Abstained (Lack of Sufficient Information)

Mike Araujo – Yes

Mark Theroux – Yes

Mark Stankiewicz - Yes

APPROVED

Meeting adjourned at 5:58 pm.

Certified by PAWTUCKET WATER SUPPLY BOARD, recorded by kp

A handwritten signature in cursive script, appearing to read "William Masuck".

William Masuck, Chairperson

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET NO. 23-30-WW

Response Of The Pawtucket Water Supply Board

To The Rhode Island Division of

Public Utilities and Carriers'

Data Requests

Set 11

Div. 11-14: Regarding the Consultant Expenses, please explain whether the individual associated with the vacant Water Engineering Project Manager position is the same individual that was injured as mentioned in the response to Div. 2-24.

Response: The individual associated with the vacant Water Engineering Project Manager position is not the same individual that was injured as mentioned in response to DIV 2-24.

Prepared by: James DeCelles

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- Div. 11-17:** Refer to the Excel file attached to the supplemental response to Div. 10-1.
- a. Please confirm that the Excess Funds in the Debt Service Account, as presented on Excel line 125, can be used to retire existing outstanding debt issuances.
 - b. Please identify the restrictions and possible uses for funds classified as Excess Funds in the Debt Service Account.
 - c. Please explain the cause of the accumulated Excess Funds in the Debt Service Account.

- Response:**
- a. Confirmed.
 - b. Please see Section 508 of the PWSB's Trust Indenture attached hereto.
 - c. The projection of accumulated excess funds in the debt service account is predominantly due to the retirement of the PWSB's RICWFA Series 2004A loan in FY 2025, reducing the PWSB's required debt service ending balance, although the PWSB's total debt service requirements increase again in FY 2026.

Prepared by: David Fox

(8) The City also may, from time to time, deposit general funds of the City to the Debt Service Assistance Account in the Debt Service Fund in anticipation of Debt Service Assistance to be received to be applied by the Trustee in accordance with a certificate of an Authorized Officer, as amended from time to time; provided that such certificate also shall state that the amount of such deposit, together with other amounts deposited therein in anticipation of Debt Service Assistance not yet received, does not exceed the amount reasonably expected to be received as Debt Service Assistance. Once the anticipated Debt Service Assistance is received, an amount equal to such Debt Service Assistance received, but not in excess of the amount which has been transferred to the Debt Service Assistance Account pursuant to this Section 506(8), shall be transferred back to the City.

Section 507. Redemption Fund.

(1) The City may deposit in the Redemption Fund any moneys, including Revenues, not otherwise required by the Indenture to be deposited or applied elsewhere.

(2) If at any time the amount on deposit and available therefor in the Debt Service Fund, including the Debt Service Assistance Account, is insufficient to pay the Principal Installments and Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Redemption Fund and deposit in the Debt Service Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall have already been given by the Trustee). Subject to the foregoing, if at any time the amount on deposit and available therefor in the Operating Fund is insufficient to pay Operating Expenses when due, the Trustee shall withdraw from the Redemption Fund and deposit in the Operating Fund the amount necessary to meet the deficiency (other than amounts held therein for the redemption of Bonds for which a notice of redemption shall already have been given by the Trustee). Subject to the foregoing, amounts in the Redemption Fund may be applied by the City to the redemption of Bonds in accordance with Section 402 and the applicable Supplemental Indenture or, in lieu thereof, to the purchase of Bonds at prices not exceeding the applicable Redemption Prices (plus accrued interest) had such Bonds been redeemed (or, if not then subject to redemption, at the applicable Redemption Prices when next subject to redemption), such purchases to be made by the Trustee at such times and in such manner as directed in writing by the City.

Section 508. Debt Service Reserve Fund.

(1) Except as provided in any Supplemental Indenture amounts in each Account in the Debt Service Reserve Fund shall be used to pay debt service on the related Series of Bonds on the date such debt service is due when insufficient moneys for that purpose are available in the Debt Service Fund; provided, however that all amounts in an Account in the Debt Service Reserve Fund shall be used, together with other amounts available for such purpose hereunder, to provide for payment of the related Series of Bonds when the aggregate of such amounts is sufficient for such purpose. Amounts in each Account of the Debt Service Reserve Fund shall be

pledged only to Holders of Bonds of the related Series; provided, however, if so provided in a Supplemental Indenture, upon the issuance of a Series of Refunding Bonds to advance refund a portion of a Series of Outstanding Bonds, amounts in the related Account of the Debt Service Reserve Fund securing the Outstanding Bonds may be pledged to the unrefunded Series of Outstanding Bonds and the Holders of the Series of Refunding Bonds on a pro rata basis. If at any time the amounts on deposit and available therefor in the Debt Service Fund, including the Debt Service Assistance Account, after application of any funds on deposit in the Stabilization Account pursuant to Section 506(6), and after transfers from the Redemption Fund are insufficient to pay the Principal Installments and Redemption Price of and interest on the Bonds then due, the Trustee shall withdraw from the Debt Service Reserve Fund and deposit in the Debt Service Account of the Debt Service Fund the amount necessary to meet any such deficiency. Amounts so withdrawn shall be derived, first, from cash or Permitted Investments on deposit therein and, second, from draws or demands on Reserve Deposits held as a part thereof upon the terms and conditions set forth in the agreements applicable to any such Reserve Deposits or as otherwise set forth in the Supplemental Indenture providing for such Reserve Deposits.

(2) The City may from time to time provide Reserve Deposits to satisfy the Debt Service Reserve Fund requirement; provided that (A) in the case of a Reserve Deposit described in clause (i) of the definition of Reserve Deposits, the City shall provide evidence reasonably satisfactory to the Agency that such provision will not affect any ratings then in effect on any bonds of the Agency secured by Agency Bonds (without regard to the effect of any credit enhancement of such bonds), and (B) in the case of a Reserve Deposit described in clause (ii) of the definition of Reserve Deposits, the Agency shall approve such Reserve Deposit. If on the last business day of any month or on any day when a new Reserve Deposit is deposited in the Debt Service Reserve Fund, the amount on deposit in the Debt Service Reserve Fund is in excess of the Debt Service Reserve Fund Requirement (calculated as of the first day of the next succeeding month) the Trustee, shall promptly notify the City and, acting in accordance with a certificate of an Authorized Officer, to the extent of such excess, either (i) transfer cash and Permitted Investments to any Fund or Account established hereunder or (ii) consent to the reduction of the stated amount of any Reserve Deposit or (iii) do any combination of the foregoing.

(3) The Trustee shall determine the amount of cash and Permitted Investments on deposit in the Debt Service Reserve Fund on each interest payment date for the Bonds after any withdrawals have been made on such date. Whenever the Trustee shall determine that the cash and Permitted Investments on deposit in the Debt Service Reserve Fund together with all other funds available for the purpose is equal to or in excess of the Redemption Price of all Bonds Outstanding, the Trustee, at the written direction of the City, shall transfer the balance of such cash and Permitted Investments from the Debt Service Reserve Fund to the Redemption Fund in connection with the redemption of all Bonds Outstanding.

(4) Notwithstanding anything to the contrary in this Indenture or any Supplemental Indenture, if a cash withdrawal is made from the Debt Service Reserve Fund pursuant to Section 508(1) or in the event that the City shall not be in compliance with the Debt Service Reserve

Requirement, monthly deposits shall be made to the Debt Service Reserve Fund pursuant to Section 504(2)(iv) on the last Business Day of the calendar month in which the withdrawal is made and on the last Business Day of each of the five succeeding calendar months in an amount equal to one-sixth (1/6) of the amount of such withdrawal. In the event that the Debt Service Reserve Fund Requirement is satisfied in whole or in part by a Reserve Deposit and there shall have been a draw on such Reserve Deposit, the City shall (i) restore the Reserve Deposit within six months of such draw in six equal monthly restorations or (ii) deposit cash in the Debt Service Reserve Fund to replenish the Debt Service Reserve Requirement in accordance with the schedule set forth in the prior sentence. Unless and until the requirements of the preceding two sentences are not met, the difference between the amount of such withdrawals or draws and the amount redeposited or restored to the Debt Service Reserve Fund on account of such withdrawal or draws pursuant to the preceding sentences shall be deemed to be on deposit in the Debt Service Reserve Fund for purposes of calculating compliance with the Debt Service Reserve Fund Requirement.

Section 509. Rebate Fund. If any Series of Bonds or Subordinated Bonds is issued, or becomes, subject to the rebate requirement of Section 148(f) of the Internal Revenue Code of 1986, as amended, the City may, by Supplemental Indenture, activate the Rebate Fund established hereunder, and the Trustee shall then establish a separate Rebate Account within the Rebate Fund for such Series of Bonds or Subordinated Bonds. Funds on deposit in any Rebate Account shall be applied as set forth in the applicable Supplemental Indenture.

Section 510. Operation and Maintenance Reserve Fund.

(a) If any time the amount on deposit and available therefor in the Debt Service Fund, Redemption Fund, Stabilization Fund, Debt Service Reserve Fund, and one or more Infrastructure Replacement Accounts is insufficient to pay the Principal Installments and Redemption Price of and interest on the Bonds then due, the Trustee shall transfer from the Operation and Maintenance Reserve Fund to the Debt Service Fund the amount necessary to meet the deficiency.

(b) Subject to subsection (a) of this Section, if at any time the amount on deposit in the Operating Fund is insufficient to pay all Operation and Maintenance Expenses then payable, the Trustee, upon receipt of a certificate of an Authorized Officer to that effect, shall withdraw from the Operation and Maintenance Reserve Fund and pay to the City for deposit in the Operating Fund the amount specified in such certificate.

Section 511. Unrestricted Fund. The City may make transfers to the Unrestricted Fund in accordance with Section 504(3)(ii), provided that (1) all funds and accounts established under this Indenture are funded in the amounts required as of the transfer date pursuant to the applicable provision of this Indenture, (2) the City is in compliance with the terms of Section 603 herein for the Fiscal Year then ended and (3) upon certification of an Authorized Officer of the City, such deposit will not adversely affect the ability of the City to comply with the terms of

Div. 11-18: Please explain the reason for making a \$522,739 adjustment to the O&M Reserve (DF Sch. 1.0 – Rebuttal, Pg 7 of 7).

- a. Why is the adjustment being made in the rebuttal cost of service when it was not made in PWSB's direct case.
- b. Please provide the basis for the 25% required level.

Response: a. In the schedules attached to my direct testimony, the PWSB's required O&M reserve was fully funded based on the O&M amount in the PWSB's original filing. However, based on the rebuttal O&M amounts, a deposit to the PWSB's O&M reserve was required to meet the 25% level, which is a requirement of the PWSB's Trust Indenture. In reviewing this issue, I have received an updated O&M reserve fund balance as of March 31, 2024, from the PWSB. Based on this balance, the required deposit to the O&M reserve, assuming PWSB's rebuttal O&M levels, is \$388,023 instead of \$522,739.

b. The 25% level is a requirement set by the PWSB's Trust Indenture.

Prepared by: David Fox

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CERTIFICATION

I hereby certify that on April 17, 2024, 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.

Parties	Email Distribution	Phone
Pawtucket Water Supply Board Joseph A. Keough, Jr., Esq. Keough & Sweeney 41 Mendon Ave. Pawtucket, RI 02861	ikeoughjr@keoughsweeney.com ;	401-724-3600
James L. DeCelles, P.E. Chief Engineer Pawtucket Water Supply Board 85 Branch St. Pawtucket, RI 02860	decelles@pwsb.org ; mlecours@pwsb.org	401-729-5001
David Fox, Consultant Raftelis Financial Consultants	Dfox@raftelis.com ;	
Division of Public Utilities & Carriers: Gregory Schultz, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	gschultz@riag.ri.gov ;	401-222-2424
	Al.mancini@dpuc.ri.gov ;	
	John.bell@dpuc.ri.gov ;	
	Al.contente@dpuc.ri.gov ;	
	ellen.golde@dpuc.ri.gov ;	
	Steven.Parrillo@dpuc.ri.gov ;	
	Machaela.Seaton@dpuc.ri.gov ;	
	Margaret.L.Hogan@dpuc.ri.gov ;	

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Jerome Mierzwa Lafayette Morgan Exeter Associates, Inc. 10480 Little Patuxent Pkwy, Suite 300 Columbia, MD 21044	jmierzwa@exeterassociates.com ;	410-992-7500
	lmorgan@exeterassociates.com ;	
File original and nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888	Luly.massaro@puc.ri.gov ;	401-780-2107
	Patricia.lucarelli@puc.ri.gov ;	
	Christopher.caramello@puc.ri.gov ;	
	Alan.nault@puc.ri.gov ;	



Joseph A. Keough, Jr., Esquire # 4925
KEOUGH & SWEENEY, LTD.
41 Mendon Avenue
Pawtucket, RI 02861
(401) 724-3600 (phone)
(401) 724-9909 (fax)
jkeoughjr@keoughsweeney.com