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April 16, 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 Request 11-1 to 7 and 11-9 to 12.

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. 11-1: Please provide a copy of PWSB's negotiated 6-month contract extension with Veolia for the continued operation of the Treatment Plant.

Response: Please see attached.

Prepared by: James DeCelles

**AMENDMENT TO THE PAWTUCKET REGIONAL WATER TREATMENT FACILITY
CAPITAL IMPROVEMENTS, OPERATIONS, MAINTENANCE AND MANAGEMENT
AGREEMENT**

This AMENDMENT ("Amendment") TO THE PAWTUCKET REGIONAL WATER TREATMENT FACILITY CAPITAL IMPROVEMENTS, OPERATIONS, MAINTENANCE AND MANAGEMENT AGREEMENT dated September 10, 2003, as amended ("Agreement") by and among THE CITY OF PAWTUCKET, RHODE ISLAND ("City") AND THE PAWTUCKET WATER SUPPLY BOARD ("PWSB") and VEOLIA WATER CONTRACT OPERATIONS USA, INC., F/K/A SUEZ WATER ENVIRONMENTAL SERVICES INC., F/K/A EARTHTECH, INC. ("Company") and together with the City and PWSB, the "Parties") is effective as of the __16th__ day of February, 2024 (the "Effective Date"). Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Agreement.

WITNESSETH

WHEREAS, the City owns, and the PWSB operates, the ("Facility");

WHEREAS, the Parties entered into the Agreement, pursuant to which Veolia is responsible for capital improvements to the Facility, and for the long-term operation, maintenance and management of the Facility;

WHEREAS, the Term of the Agreement is set to expire on February 15, 2024;

WHEREAS, upon the expiration of the Term of the Agreement, the PWSB has determined to issue a Request for Proposals (RFP) to enter into a new contract for the operations, maintenance and management of the Facility (the "New Contract"); and

WHEREAS, the PWSB has asked the Company to enter into this Amendment in order to temporarily extend the Agreement from the current expiration date of the Term until the date the New Contract takes effect.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties hereto, intending to be legally bound, agree as follows:

(1) The foregoing recitals are incorporated into and made a part of this Amendment.

(2) Notwithstanding anything contained in Section 10.1.1 of the Agreement to the contrary, the term of the Agreement is hereby extended by six (6) months beginning February 16, 2024 and ending on August 15, 2024 (“Extended Term”). The extended term of the Agreement may be further extended for one (1) period of sixty (60) days upon the same terms and conditions of this Amendment upon notice from the PWSB to the Company not later than July 15, 2024, in which event the Extended Term will expire on October 15, 2024. Any further extension shall be mutually-agreed upon by the Parties.

(3) The Parties agree that the following schedule of fees shall replace the current Schedule 11 (Service Fee) in the Agreement for the Extended Term:

Monthly Service Fee:	\$277,193.78
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(4) The Parties agree that the Company shall only be responsible for repair and replacement costs up to a maximum of twenty thousand dollars (\$20,000.00) per event. Any Repair and Maintenance expenses over this amount shall be billed directly to the PWSB. Notwithstanding anything contained in Section 3.7 to the contrary, the Company will seek approval from the PWSB in advance of any such Repair and Maintenance that exceeds this amount.

(5) The Parties agree that any Granular Activated Carbon (GAC) replacement shall be performed by the Company as directed by the PWSB and any associated expenses shall be the responsibility of the PWSB and shall be paid directly by the PWSB.

(6) This Amendment is incorporated into the Agreement by reference and all terms and conditions of the Agreement (except as may be modified herein) are incorporated into this Amendment by reference.

(7) Except as expressly modified herein, all other terms and conditions of the Agreement shall continue in full force and effect, and this Amendment shall not be deemed to be or construed as a waiver of any term, covenant, condition, representation, warranty or breach thereof. Without limiting the foregoing, the Company’s obligations to maintain the Operations Bond, the Guaranty and the Insurance shall continue to be applicable during the Extended Term.

(8) This Amendment may be executed in counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same agreement. A signature transmitted by facsimile or other electronic means shall be sufficient and binding for all purposes.

(9) This Amendment shall become effective on and only on its execution and delivery by each party hereto.

IN WITNESS WHEREOF, the parties have executed this Amendment, intending to be legally bound hereby, as of the date and year set forth above.

CITY OF PAWTUCKET




Signature
Mark Stankiewicz

Name
Finance Director

Title

PAWTUCKET WATER SUPPLY BOARD




Signature
William Masuck

Name
Chairman PWSB

Title

VEOLIA WATER CONTRACT

OPERATIONS USA, INC.



Signature
President, MWCO Northeast Region

Name
Veolia North America

Title

Kendra Morris

By executing below, the undersigned Guarantor hereby ratifies, reaffirms and restates the Guaranty dated Sept. 3, 2010 on favor of the PWSB and the City of Pawtucket, and confirms that the

Guaranty is hereby extended in accordance with the foregoing terms:
VEOLIA WATER USA, INC.

[GUARANTOR]



Signature

Michael Algranati

Name

Vice President & Treasurer

Title

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'

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Set 11

Div. 11-2: Please provide the contract documentation supporting the \$277,193.78 monthly WTP fee. To the extent this amount is broken down into separate components, please provide the separate cost components.

Response: Please see response to Div. 11-1.

Prepared by: James DeCelles

Div. 11-3: Regarding PWSB's Carbon Filters, please provide the following:

- a. How many carbon filters exist within the treatment process?
- b. How long is each filter in service before it needs to be replaced?
- c. How many filters have been replaced in the last 5 years?
- d. Were carbon filter replacement costs included in the previous contract?
- e. Will carbon filters be included in the new contract?

Response:

- a. Eight
- b. The useful life of the carbon varies depending on the quantity and quality of raw water being treated, but recently we have seen carbon needing replacement in approximately two years.
- c. All 8 filters have had carbon replacement twice since 2019.
- d. Yes.
- e. The cost of carbon filter replacement will be a pass-through cost in the new contract.

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Div. 11-4: Please provide support for the \$500,000 carbon filter replacement.

Response: The \$500,000 annual cost for carbon replacement is based on replacing carbon in four filters per year which is based on our current estimates for carbon life and replacement. This cost could increase in the future based on stricter federal regulations for PFAS.

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Div. 11-5: Please provide support for the \$300,000 for facility repairs and replacement.

Response: The PWSB's water treatment plant is now twenty years old. As such, the facility requires repairs and replacement of equipment. For instance, the PWSB anticipates having to make clarifier repairs this year that will cost approximately \$200,000. This cost does not include any other repairs and equipment replacement that may be needed.

Prepared by: James DeCelles

Div. 11-6: Please identify the activities that will occur for the \$300,000 facility repairs and replacement expense. Additionally, please provide evidence that this type of repair occurs annually.

Response: Upon further review of this expense, the PWSB's original estimate of \$300,000 for annual facilities repair and replacement funds can be reduced from \$300,000 to \$200,000 in the rate year. The new contract will provide a provision that the winning bidder will be responsible for the first \$20,000 in repairs and replacement similar to the contract extension with Veolia. In addition, the new contract will include a provision whereby the PWSB will pay an amount that may be closer to \$200,000 each year toward a fund for repair and replacement. The vendor will have to seek permission from the PWSB to use this fund for any repairs and replacement projects, and the costs will have to be agreed upon. If there are unused funds, they will carry over to the following year and any unused funds at the end of the contract will revert to the PWSB. This fund will allow for repairs and replacement on an annual basis. If the amount of this fund changes when the contract is awarded, it can be addressed in the step increases.

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Div. 11-7: Please explain who covers the first \$20,000 of facility repairs and replacement expense.

Response: The treatment plant operator, Veolia, covers the first \$20,000 of repairs and replacement.

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Div. 11-9: Is the \$200,000 clarifier repair taken into consideration in the \$300,000 facility repairs and replacement expense, or is it in addition to the \$300,000? Please explain.

Response: Yes, the \$200,000 clarifier repair taken into consideration in the \$300,000 facility repairs and replacement expense, but see PWSB's response to Div. 11-6.

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Div. 11-10: Is the \$200,000 clarifier expense an annual occurrence? Please provide evidence of the frequency of clarifier repairs of this magnitude.

Response: No, the \$200,000 clarifier expense is not an annual occurrence. This is the first time this clarifier has been repaired. The necessary repair is a result of the age of the facility and is typical of the types of repairs that PWSB will now be experiencing. Veolia had to make the same repairs on a different clarifier two years ago. There are two clarifiers remaining that we anticipate will need these same repairs at some point soon.

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Div. 11-11: Please provide the supporting basis for the 2% increase for the Local 1012 wages.

Response: The anticipated 2% increase for FY25 is based on discussions with Pawtucket's City Solicitor who is negotiating the new contract.

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Div. 11-12: Please indicate when the contract negotiations with the Local 1012 is expected to be finalized.

Response: The PWSB does not have a firm date by which negotiations will be finalized.

Prepared by: James DeCelles

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CERTIFICATION

I hereby certify that on April 16, 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
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