

BEFORE THE STATE OF RHODE ISLAND

PUBLIC UTILITIES COMMISSION

In the Matter of ) Docket No. 4611  
The Kent County Water Authority )  
For an Increase in Rates )  
For Water Service )

**DIRECT TESTIMONY OF**

**ALBERICO MANCINI**

**ON BEHALF OF**

**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**September 1, 2016**

**Kent County Water Authority**  
**Docket No. 4611**  
**Direct Testimony of Alberico Mancini**

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2

3 A. My name is Alberico Mancini and my business address is the Division of Public  
4 Utilities and Carriers (“Division”), 89 Jefferson Blvd. Warwick, RI 02888.

5

6 Q. WHAT IS YOUR POSITION AT THE DIVISION?

7

8 A. I am a Rate Analyst for the Division. I have been employed in this position since  
9 May of 2014. Prior to being promoted to a Rate Analyst, I was a Public Utilities  
10 Engineering Specialist for the Division since February of 1999.

11

12 Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.

13

14 A. I graduated from the University of Rhode Island in 1994 with a Bachelor of  
15 Science degree in Civil Engineering.

16

17 Q. PLEASE INDICATE YOUR CERTIFICATIONS AND PROFESSIONAL  
18 MEMBERSHIPS.

19

20 A. I am a member of the American Water Works Association (AWWA), New  
21 England Water Works Association (NEWWA), and the Rhode Island Water  
22 Works Association (RIWWA).

23

24 Q. PLEASE DESCRIBE YOUR EMPLOYMENT BACKGROUND.

25

26 A. Prior to my employment at the Division, I was employed with Pare Engineering  
27 Corporation from 1997 to 1999 as an environmental engineer assisting in the  
28 evaluation and design of water distribution systems and storage facilities  
29 throughout Rhode Island. I also inspected several capital improvement projects

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1           that involved the installation of 12” and 16” water transmission mains, and its  
2           interconnections.

3

4           Prior to my employment at Pare Engineering Corporation, I was employed with R.  
5           Zoppo Corporation from 1995 to 1997 as a field engineer inspecting and  
6           supervising water, sewer, and drainage projects throughout Rhode Island and  
7           Massachusetts. I also estimated utility contracts involving water and sewer main  
8           installation.

9

10    Q.    HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE RHODE ISLAND  
11           PUBLIC UTILITIES COMMISSION (PUC)?

12

13    A.    Yes. I have provided direct testimony in Docket No. 2904 concerning the request  
14           of the Woonsocket Water Department (“WWD”) request for IFR funding, Docket  
15           No. 2961 concerning Providence Water Supply Board’s request for IFR funding,  
16           Docket No. 2969 related to Prudence Island Utilities Corporation’s moratorium on  
17           new service connections, Docket No. 2985 concerning Newport Water Division’s  
18           request for IFR/CIP funding, Docket No. 3164 relating to Pawtucket Water  
19           Supply Board’s request for IFR funding, Docket No. 3311 concerning KCWA’s  
20           IFR and CIP programs, Docket No. 3660 concerning KCWA’s IFR and CIP  
21           projects, and most recently Docket No. 4571 regarding Providence Water’s  
22           request for CIP funding.

23

24    Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?

25

26    A.    The purpose of my testimony is to present the findings of my review of Kent  
27           County Water Authority’s (KCWA) Capital Improvement Plan (CIP) and also to  
28           provide my conclusions and recommendations concerning their request in this  
29           docket to continue its recently approved “pay as you go” CIP funding.

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1

2 Q. ARE YOU FAMILIAR WITH KCWA'S WATER SYSTEM?

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4 A. Yes. I have traveled throughout KCWA's system and have visited all of their  
5 main components including pumping stations, storage facilities, well fields and  
6 main office. I am familiar with their transmission and distribution system and  
7 have also reviewed various KCWA reports filed with the Commission in  
8 compliance with previous rate decisions.

9

10 Q. ARE YOU FAMILIAR WITH KCWA'S CIP PROGRAM?

11

12 A. Yes. KCWA began its CIP program in 1994 and has completed many CIP projects  
13 with funds made available through the issuance of revenue bonds. To date,  
14 KCWA has expended approximately \$50 million on various CIP projects.

15

16 Q. HAS KCWA UPDATED THEIR CIP PROGRAM?

17

18 A. Yes. KCWA has completed a 5-year CIP Program update, which is included in  
19 this filing.

20

21 Q. HAVE YOU REVIEWED KCWA'S UPDATED 5-YEAR CIP PROGRAM?

22

23 A. Yes. I have also reviewed the testimony of Thomas Nicholson. Mr. Nicholson  
24 prepared the 5-year CIP program update submitted in this docket. The CIP  
25 program includes a list of 12 projects designed to improve KCWA's water  
26 system's function, operation and maintenance.

27

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1 Q. KCWA IS REQUESTING FUNDING FOR PROJECT'S #1-4 AS OUTLINED  
2 IN THE CIP PROGRAM. DO YOU BELIEVE THAT THESE PROJECTS ARE  
3 NECESSARY?

4

5 A. Yes. Project's #1-4, when completed, will correct several deficiencies throughout  
6 KCWA's system, improve water quality and reduce overall maintenance costs by  
7 operating more efficiently. The projects include the Mishnock WTP High Service  
8 Mains (#1), the North/South High Service Connection (#2), the Bald Hill Road  
9 Loop (#3), and the Hope Furnace Road High Service Loop (#4). The Division  
10 believes that these projects are prudent and should be completed as part of the CIP  
11 program.

12

13 Q. KCWA IS ALSO REQUESTING FUNDING FOR A FEASIBILITY STUDY  
14 AS PART OF PROJECT #5. DOES THE DIVISION AGREE THAT KCWA IS  
15 IN NEED OF A NEW FACILITY TO REPLACE THEIR CURRENT  
16 FACILITY?

17

18 A. Previously, during Docket No. 3311, the Division did not agree that a new  
19 building be considered at that time due to several transmission and distribution  
20 deficiencies throughout KCWA's system that need to be addressed in order to  
21 meet increasing demand. Since then, several projects have been completed,  
22 system demand has decreased, and KCWA's system is operating much more  
23 efficiently. At this time, the Division believes that a new facility should be  
24 considered.

25

26 Q. DOES KCWA'S FUNDING PLAN PROVIDE SUFFICIENT FUNDS TO  
27 CONTINUE WITH THE UPDATED CIP PLAN?

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1 A. Yes. As of December 2015, KCWA had approximately \$1 million of bond  
2 proceeds remaining for capital projects from their previous bond issue. In  
3 addition, in February 2016, the Commission approved a KCWA petition seeking  
4 authorization to use certain excess restricted account balances amounting to  
5 approximately \$4.6 million to start a “pay as you go” CIP fund. The Commission  
6 also authorized the ongoing savings (approximately \$1.75 million/annually) from  
7 the pay-off of a bond issue and the refinancing of another issue to be added to the  
8 “pay as you go” CIP fund. KCWA is requesting that the Commission allow them  
9 to continue “pay as you go” funding level of approximately \$1.75 million per year  
10 as was approved by the release of restricted funds for capital use. Allowing  
11 KCWA to continue collecting these funds would provide KCWA with  
12 approximately \$15.3 million available through 2021 for their updated CIP  
13 program. This funding level would cover CIP projects #1-4, which have been  
14 estimated at \$14.3 million and would leave approximately \$1 million for a  
15 feasibility study for a new facility. The Division recommends that KCWA  
16 continue “pay as you go” funding level of approximately \$1.75 million per year.

17  
18 Q. WHAT DOES THE DIVISION RECOMMEND ONCE THE FEASIBILITY  
19 STUDY IS COMPLETED?

20  
21 A. The Division recommends that KCWA notify the Division and Commission prior  
22 to any purchase of an existing facility or land purchase in which a new facility can  
23 be constructed.

24  
25 Q. DOES THE DIVISION HAVE ANY OTHER RECOMMENDATIONS?

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27 A. Yes. The Division recommends that KCWA reevaluate the CIP program after a  
28 5-year period and submit the results of the reevaluation to the Commission prior  
29 to proceeding with any projects other than those mentioned above.

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1

2 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

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4 A. Yes, it does.