

October 26, 2016

The Hon. Jorge O. Elorza

**Ricky Caruolo** General Manager

Mrs. Luly Massaro Commission Clerk RI Public Utilities Commission 89 Jefferson Boulevard Warwick, RI 02888

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William E. O'Gara, Esq. Legal Advisor RE: Dk 4618: Bristol County Water Authority; Set 1

Dear Mrs. Massaro:

Enclosed please find an original and nine copies of Providence Water's responses to the first set of data requests from Bristol County.

Due to the voluminous size of BCWA 1-18(d), Providence Water has filed only one hard copy with the Commission and has provided a CD of BCWA 1-18(d) to be uploaded on the Commission's website.

eignen-WD

If you have any questions I can be reached extension 7217.

Sincerely,

Mary L. Deighan-White

Senior Manager of Regulatory

cc: service list(via email)

#### **MEMBER**

Rhode Island Water Works Assn. New England Water Works Assn. American Water Works Assn. Water Research Foundation

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### Providence Water Docket 4618

### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-1:** On page 10 of the Direct Testimony of Nancy E. Parrillo, she indicates that the Providence Water Supply Board included an amount for the property that Providence Water is acquiring from the East Smithfield Water District ("ESWD").

- a. What property is Providence Water acquiring from the ESWD?
- b. Why is Providence required to pay taxes as part of the acquisition?
- c. Why did Providence agree to purchase the ESWD?
- d. Provide all cost/benefit analysis conducted by Providence for this acquisition.

### **RESPONSE:**

- a. PWSB will be absorbing 3 pump stations and the current administrative office building.
- b. PWSB is required to pay taxes on these properties as they are located outside of the City of Providence. This is consistent with other properties located outside of the City of Providence.
- c. PWSB is not purchasing ESWD. This transaction is a merger/annexation.
- d. See attached BCWA 1-1A. Also see response to PUC 1-9.

Prepared by: Nancy E. Parrillo

# PROPOSAL TO DISSOLVE THE EAST SMITHFIELD WATER DISTRICT

Presented to the Providence Water Supply Board

By the

East Smithfield Water District Executive Board

September 2015

### East Smithfield Water District

### Proposal to Dissolve the East Smithfield Water District

### Presented to the Providence Water Supply Board

### Introduction

The East Smithfield Water District has been in existence since 1934. As recently as 1980, the District sold 300 million gallons of water annually, 47 percent of which was sold to numerous commercial and industrial establishments in Greystone, Esmond, Georgiaville and the Stillwater Road area (Exhibit 1). The ESWD staff in 1980 consisted of a General Manager, administrative assistant and two water operators. Today, the District supplies only 175-180 million gallons of water annually to mostly residential customers within the same District boundaries, yet still requires a General Manager, administrative assistant (now office manager) and two water operators. Thirty seven percent of the District's current water sales are in the Town of North Providence (Exhibit 2). Supporting basically the same operating costs (adjusted for inflation) with half the annual water sales has required constantly increasing rates to the point where the typical bill of an ESWD residential customer today is from 43 to 67 percent higher than that of neighboring Smithfield Water Supply Board customers, depending on the volume of water used (Exhibit 3). While it has higher water rates, the Esmond – Georgiaville section of Town has a lower average household income than does the Town as a whole.

Of the three water districts in Smithfield, the East Smithfield district was established first. We have made major upgrades to the ESWD infrastructure during the past ten years (Exhibit 4). PARE Corp., our engineering firm rates our system as "average" in terms of its condition, although, as is the case with most other water districts both in Rhode Island and nationally, much work remains to be done. We are committed to continue our program of upgrading the District's infrastructure. Given the disparity in rates among the three Smithfield systems, Esmond and Georgiaville residential customers will continue to have the highest cost for water in Town if the current structure of three Smithfield water districts is preserved. ESWD has few undeveloped areas to attract the next Bryant University or Fidelity Investments.

We believe that by dissolving the East Smithfield Water District in accordance with Title 46, Chapter 46-30-1 of Rhode Island General Laws (Public Water Supply Systems Act of 1995) (Exhibit 5), necessary upgrades to the East Smithfield water service area can continue to be made, while avoiding continual rate increases. Dissolution of the ESWD and adding its customers to the Providence Water Supply Board customer base will make available to former ESWD customers the redundancy, backup capability and additional resources not currently available. By significantly reducing the higher costs associated with maintaining a small separate water system, we believe that better service can be provided at a lower cost than that currently being borne by ESWD customers.

The East Smithfield Water District Executive Board respectfully requests that the Providence Water Supply Board consider the following proposal.

### Proposal to Dissolve East Smithfield Water District

Under this proposal, the East Smithfield Water District would be dissolved. All ESWD customers, except for 203 customers in the Whipple Road area who would be better served by the Smithfield Water Supply Board (approximately 10 million gallons annually), would become customers of the Providence Water Supply Board. Whipple Road service area customers would become customers of the Smithfield Water Supply Board.

### Added Revenue / Assets Accruing to Providence

Providence Water currently receives a wholesale price of \$1.73116 per 1,000 gallons for water sold to ESWD. If the ESWD is dissolved and becomes part of the PWSB, Providence Water would receive the retail price on all water sold as well as other various fees such as service charges, hydrant fees, etc. After assuming associated costs related to the added customer base and service area, Providence Water would benefit by approximately \$458,000 annually as a result of the added retail sales volume, \$488,000 if the current retail rate increase is approved by the P.U.C. (See Exhibit 6). All assets of the ESWD would also become assets of the PWSB.

### Investment in ESWD Service Area Infrastructure

In return for transferring its customers to the PWSB, the former East Smithfield Water District would expect an investment of \$400,000 annually to be made by the PWSB in infrastructure improvements to the former ESWD service area during a ten year period commencing with the date marking the dissolution of the ESWD. We expect that a priority would be the removal of the North Elmore pumping station, with the area currently served by that station to be served instead by the installation of a new transmission main connecting the existing PWSB service in Smithfield Road to the current ESWD system in the vicinity of Bicentennial Way.

### Outstanding Debt

ESWD has three R. I. Clean Water Finance Agency loans that would become the responsibility of the PWSB (See below). Combined interest and principal payments amount to \$80,000 annually. Under this proposal, the debt service obligation would be considered an "annexation fee" as described in Title 46, Chapter 46-30-4 and added to the PWSB existing rate structure to be applied to former ESWD accounts. The ESWD Board would request that if its current office / garage, and the Farnum Pike pump station building are not needed under this proposal, proceeds from the sale of the property be used to retire a portion of the ESWD debt, and any resulting decrease in required debt service cause a corresponding decrease to the annexation fee".

# Clean Water Finance Agency Loans Balances as of June 2015

<u> Year</u>	Loan Amount	Debt Forgiveness	Net Amount Payable	<u>Term</u>	Balance as of <u>June 2015</u>
2008	\$200,000.00	\$0.00	\$200,000.00	20 Years	\$150,000.00
2008	\$400,000.00	\$92,782.03	\$307,217.97	15 Years	\$224,269.12
2013	\$600,000.00	\$34,040.63	\$565,959.37	20 Years	\$543,320.99
					\$917,590.11
Principal Pay	ments Due by Septe	ember 1, 2015:			
2008			\$10,000.00		
2009			\$18,433.08		
2013		_	\$21,695.11		\$50,128,19
Total Balance	Remaining at end	of 2015			\$867,461.92

### Infrastructure Rehabilitation

ESWD currently has an infrastructure rehabilitation fee of \$1.25 per 1,000 gallons to provide for continued rehabilitation of the existing ESWD service area. This fee provides approximately \$200,000 annually. If the terms of this proposal are accepted as presented, the amount of money available for rehabilitating the ESWD service area would essentially double, at no added cost to PWSB customers.

### East Smithfield Water District Employees

The East Smithfield Water District currently has three full time employees. Paul Lawless, the District's Senior Operator, has a Class 3 Distribution license. Dean Iacovone has a Class 2 Distribution license, and Mary Ferreira, our office manager, has an accounting degree from Bryant University and is responsible for all office functions – accounts receivable, accounts payable, bookkeeping, customer service, etc. Mel DeCarvalho, General Manager, is an employee of Northeast Water Solutions, Inc., under contract with ESWD.

ESWD employees are non-union employees. As you know, legislation was submitted to the RI General Assembly during two consecutive sessions in an attempt to consolidate the ESWD and the SWSB. In both instances, the proposed bill was "returned for further study" by the House Committee on Municipal Government. We believe that the primary reason the legislation was not acted upon was because no consideration was given to the fate of our three employees. We believe that the security of our employees may need to be considered in this agreement.

### Radio Read Meters

The Executive Board of the ESWD is aware of the fact that PWSB metering system is not compatible with ESWD's Master Meter system. It suggests that the cost of replacing 2,191 meters be included in the \$4 million infrastructure improvement commitment. We must consider, however, that the Master Meters, purchased with a \$400,000 Clean Water Finance Agency loan, were installed in 2009-2010, and, assuming a 15 year useful life, have a remaining useful life of 10 years. Since the meters were purchased as part of the ARRA program, \$93,000 in principal forgiveness is associated with the purchase / loan. Simply scrapping the meters may have ramifications under these circumstances

### Benefits to Former East Smithfield Water District Customers

Benefits to the current East Smithfield Water District customers following dissolution would include the following:

- Redundancy in both office and field operations that is currently lacking.
- Significantly more money invested in system rehabilitation.
- Lower or comparable water rates.

# Comparison of PWSB Residential Rates to Current ESWD Rates Based on 74,800 gallons (100 HCF) per year

### Cost for 74,800 Gallons as PWSB Customer

74,800 Gallons @ \$3.85 per 1,000 gallons	\$287.98
Service Charge (5/8" meter)	94.68
Special Assessment @ \$0.50 *	37.40
State Surcharges @ \$0.292 per 1,000 Gals.	21.84
D.O.H. Fee	<u>1.50</u>
Total	<b>\$443.40</b>
Cost as ESWD Customer with Current ESWD Rates (See Exhibit 7)	\$489.07

Resulting Savings to ESWD Smithfield Customers

\$ 45.67

### Summary

The East Smithfield Water District Executive Board believes that this proposal is fair to both ESWD and PWSB. Most importantly, we believe it is in the best interest of the ESWD ratepayers and the most efficient way to upgrade the ESWD service area infrastructure in the shortest possible time. We understand that there are many details to be negotiated, possibly including the assumptions included in the proposal. If the Providence Water Supply Board is interested in exploring this proposal in greater detail, all records, required regulatory reports, five year plans, audited financial statements, etc., are available for your examination.

<sup>\*</sup>Special assessment for debt service from former ESWD customers.

# A list of all Commercial and Manufacturing water takers

# During the calender year 1980.

NAME OF COMPANY	GALLONS USED.
WORCESTER TEXTILE	42,850,810
SMITHFIELD SEWER	35,816,180
EVANS PLATING	24079340
CHILDS MANUFACTURING	3365780
NARRAGANSET IRON FOUNDRY	
INDUSTRIAL MACHINE CORP	
BARMAL REALTY	3153300
GREYSTONE LAUNDRY	2658000
BROWN AND SHARFE	2195600
INDUPLATE	1974000
MINE SAFETY	1884000
ESMOND VILLAGE	1824550
RIVER WEAVING	1659600
ELM BROOK NURSING HOME	1196300
WHITE HALL BUILDING	1128300
WATERMAN APARTMENTS	1120900
POND VIEW APARTMENTS	297000
GREYSTONE BOARDING HOUSE	270930
GREYSTONE SOCIAL CLUB	271120
BUTTER FIELD APARTMENTS	262890
OLD COUNTY ROAD SCHOOL.	318600
DWARD PARKINSON MANUFACTURING	
INGENT GATRIELÉ	247080
PASEY APARTMENTS	233080
smond eenter realty	229770
AN GEOVAHNI BLDG. SMANUS APARTMENTS ©	219890
THANUS APARTMENTS (2) SMOND SHOP.	
INALDI AFARTMENTS	195026
AME SCHOOL	/8000 178000
kanum Hover	162280
asis Pub	
RTUGUESE RMERICAN	
1	40

Crane Blokg 141250 St Michaels Church 133600 Tri Town 122320 De Salvia Bldg 101710 way side Inn 101320 S-mithfield Lumber 96960 Centre dale Workingmens Club Capabianes Jurany Cumbuland Farm Sloly 95600 84240 82180 Grandone Fish + Chips 72440 Smithfield Town Hall. 70020 Primato Realty Gentest Church. 67090 46840 Fire Dept 40540 Octean Dil Co 39270 School Dept 36000 Tondre Supply 26800 25760 Grayelowe Church 24230 artwell Sever Machine 22090 Omit offeeld Service 21830 + M. torsion spring 21210 Emin motors 18550 Texaco- Time care 11020 Georges Garage 19850 138,093,260 gals

Total Residential - 161, 211, 410. approximate 53% 47%

### East Smithfield Water District

### Water Sales - April 2014 through March 2015 (Gallons)

	<u>Smithfield</u>	No. Prov.	<u>Total</u>
April 2014	182,560	631,000	813,560
May 2014	<b>1</b> 17 <b>,7</b> 90	730,000	847,790
June 2014	24,721,450	12,860,000	37,581,450
July 2014	328,170	745,000	1,073,170
August 2014	242,310	649,000	891,310
September 2014	32,960,230	21,666,000	54,626,230
October 2014	377,660	866,000	1,243,660
November 2014	324,300	737,000	1,061,300
December 2014	22,737,140	12,323,000	35,060,140
January 2015	1,932,910	721,000	2,653,910
February 2015	553,116	536,000	1,089,116
March 2015	25,098,200	12,518,004	37,616,204
Totais	109,575,836	64,982,004	<b>17</b> 4,557,840
	62.77%	37.23%	100.00%

Exhibit 3
Comparative Rates Effective April 2015

Retail Rate	<u>s:</u>	ESWD	SWSB_	ESWD_Cost_	SWSB_Cost	
		<u>Rate</u>	<u>Rate</u>	for 24,000 Ga	for 24,000 Gal	Difference
0	24000	\$3.70	\$3.20	88.80	\$76,80	
24001	84000	\$4.60	\$3.20	0.00	\$0.00	
84001	+	\$5.00	\$3.20	0.00	\$0.00	
Rehab Fee		\$1.25	\$0,00	30.00	0	
Service Chg		\$52.00	\$40.00	52.00	\$40.00	
<ul> <li>Surcharges</li> </ul>		\$0.29	\$0.29	7.01	\$7.01	
DOH Fee		\$1.50	\$1.50	1.50	\$1.50	
				179.31	\$125.31	\$54.00
	ater Distict (24,	000 gallons)				43.09%
Flat Rate						•
Water Usage		\$3.35		80.40		
RI Surcharge		\$0.29		7.01		
Basic Service	Charge	\$81.60		81.60		
DOH Fee	•	\$1.50		1.50		
Prov Water Ad						
Infraștructure	Improv. Fee	\$0.50		12.00		
				182.51		
Data H. Bakan						
Retail Rates:		ESWD	SWSB	ESWD Cost	SWSB Cost	
		Rate	<u>Rate</u>	for 60,000 Gai	for 60,000 <b>G</b> ai	
0	24000	63.70	63.00	***	*	
24001	84000	\$3.70	\$3.20	88.80	\$76.80	
84001	64000 †	\$4.60	\$3.20	165,60	\$115.20	
04001	т	\$5,00	\$3.20	0.00	\$0.00	
Rehab Fee		\$1.25	\$0.00	75,00	0	
Service Chg		\$52.00	\$40.00	73,00 52,00	\$40.00	
Surcharges		\$0.29	\$0.29	17.52	\$40.00 \$17.52	
DOH Fee		\$1.50	\$1.50	1.50	\$1.50	
		¥2.55	42.50	400.42	\$251.02	\$149.40
Greenville Wat	er Distict (60.00	00 gallons)		400.42	\$2J1.U2	
Flat Rate		<u> </u>				59.52%
Water Usage		\$3.35		201.00		
RI Surcharges		\$0.29		17.52		
Basic Service C	harge	\$81.60		81.60		
DOH Fee	<del>-</del>	\$1.50		1.50		
Prov Water Adje	ıstment	,		2.00		
Infrastructure In		\$0.50		30.00		
	-	T 4.44		331.62		
	•					

<u>Retail R</u>	ates:	ESWD <u>Rate</u>	SWSB <u>Rate</u>	ESWD Cost for 73,000 Gal	SWSB Cost for 73,000 Gal	
for many a 15 chair Maley a billed framer trainer man	0 24000	\$3.70	\$3.20	88.80	\$76.80	
2400		\$4.60	\$3.20	225.40	\$156.80	
8400		\$5.00	\$3,20	0.00	\$0.00	
		φ5,55	72,20	0.00	70.00	
Rehab Fee	<b>e</b>	\$1.25	\$0.00	91.25	0	
Service Ct	ng	\$52,00	\$40.00	52.00	\$40.00	
Surcharge	5	\$0.29	\$0.29	21.32	\$21.32	
DOH Fee	•	\$1.50	\$1.50	1.50	\$1.50	
				480.27	\$296.42	\$183.85
		•				62.02%
	Water Distict (73,	000 gallons)				
Flat Rate						
Water Us	=	\$3.35		244.55		
RI Surcha		\$0.29		21.32		
	rice Charge	\$81.60		81.60		
DOH Fee		\$1.50		1.50		
	r Adjustment					
Infrastructi	ure Improv. Fee	\$0.50		36.50		•
				385.47		
Retail Rate	ve.	ESWD ·	CLA/CD	E0144% #		
No tall flate			SWSB	ESWD Cost	SWSB Cost	
		Rate	<u>Rate</u>	100,000 Gal	100,000 Gal	
0	24000	\$3.70	\$3.20	88.80	\$76.80	
24001	84000	\$4.60	\$3.20	276.00	\$192.00	
84001	+	\$5.00	\$3.20	80.00	\$51.20	
					, .	
Rehab Fee		\$1.25	\$0.00	125.00	0	
Service Chg		\$52.00	\$40.00	52.00	\$40.00	
Surcharges		\$0.29	\$0.29	29.20	\$29,20	
DOH Fee		\$1.50	\$1.50	1.50	\$1.50	
				652.50	\$390.70	\$261.80
						67.01%
	later Distict (100,0	100 gallons)				
Flat Rate						
Water Usag		\$3.35		335.00 <sup>-</sup>		
RI Surcharge		\$0.29		29.20		
Basic Servic	e Charge	\$81.60		81.60		
DOH Fee		\$1.50		1.50		
Prov Water A	-					
Infrastructure	e Improv. Fee	\$0.50		50.00		
				497.30		

### East Smithfield Water District

### System Improvements

### 2005 through 2015

### 2005:

- Installed new meter pit and 8" wholesale meter on Dean Avenue at the District . Boundary.
- Installed new motor, rebuilt hydroconstant, cooling systems and pump at the Farnum Pike pump station.
- Installed new motor, rebuilt hydroconstant, cooling systems and pump at the North Elmore Pump station.
- Replaced outdated computer and printers
- Installed new accounting and billing software.

### 2006;

- Replaced 415 feet of aging six inch A/C pipe with 8 inch ductile iron pipe (Second St).
- Completed update of system hydraulic model (PARE Corp)
- Instituted semi-annual billing cycle for all residential customers.
- Established "Qualified Assistance Fund" for eligible customers. Funded with donations.
- Instituted accelerated residential meter replacement program.

- Replaced 450 feet of aging 6 inch cast iron pipe with 8 inch ductile iron pipe (Berwick).
- Began installation of radio-read water meters, installed related software.
- Signed Mutual Aid Agreement with several neighboring water districts.
- Instituted monthly or quarterly billing cycles for all major customers.

### 2008:

- Adopted three tier rate structure, to promote conservation in accordance with RI Water Resource Board requirements, and to provide "affordable" rates to low use customers.
- Replaced 1,750 feet of aging A/C pipe with 8 inch ductile iron pipe (Higgins St).
- Abandoned 600 feet of aging A/C pipe on Whipple Road, turning over 9 customers to SWSB.
- Installed new meter pit, meter and pressure reducing valve at Ridge Road connection with the SWSB, at the same time, increasing the capacity of the connection, thereby increasing fire protection in the entire service area.
- Installed pressure reducing valve at the intersection of Waterman Ave. and Summerfield Drive, significantly increasing fire protection all along the Waterman Ave. service area.
- Replaced 5 old fire hydrants and added 5 additional hydrants, further increasing fire protection in the District.
- Became a member of RI WARN.

### 2009:

- Obtained \$400,000 RI Clean Water Finance Agency loan for purchase and installation of 2,100 radio-read water meters, \$93,000 of which was funded by ARRA.
- By year-end, 750 of the new meters were installed.

- Completed installation of 2,100 radio-read meters funded through SRF loan and ARRA.
  - Continued meter replacement program for remaining meters in ESWD system.
- Replaced 450 feet of aging 6 inch A/C pipe with 8 inch ductile iron pipe on Maple Street.
- Lined 492 feet of aging cast iron pipe on Arnold Avenue.
- Revised and updated Personnel Handbook and Position Descriptions for all employees.
- Converted to Quarterly billing cycle for all customers Fourth quarter 2010.

- Installed new heating system at office/garage complex.
- Started program of continuous system-wide leak detection program.

#### 2012:

- Purchased new Ford F350 utility vehicle to replace 1984 model.
- Cleaned and lined 2,000 feet of cast-iron water main Fenwood Avenue.
- Upgraded office computer system to server based network.

#### 2013:

- Installed blow-off valves at the end of Chamberlain Street and Homestead Street.
- H2 Systems, Inc. completed system-wide leak detection survey. Six significant leaks were repaired.
- Began work on Waltham Pump Station Project. Contract #1 85% completed. Estimated Contract I project cost - \$307,600 + approximately \$19,000 in additional costs.
- Atlantic States Rural Water mapped system (hydrants and valves).

- Outsourced all customer bill processing to Cathedral Corporation estimated annual savings of \$4,000.
- Completed installation of 2,000 feet of new 12 inch ductile iron water main from Esmond Street across easement on property owned by Estate of Gilda Poirier, entire length of Hillside Street (replacing old main) and entire length of Fairmount Street (replacing old main).
- System-wide leak detection survey completed by New England Water Distribution Services, LLC. Five significant leaks reported on June 5, 2014.
   Contracted with Armando Ricci (Ricci Drain) for repair week of June 16, 2014.
- Almonte Bros. installed two new fire hydrants in Woodhaven area at the request of the North Providence Fire Department.
- Installed new fire hydrant on Brook Street, Smithfield (Armando Ricci).
- District was divided into three discrete public water systems by D.O.H. (ESWD, ESWD-Whipple, ESWD-Summerfield)

- Replaced hydrant at Waterman & Sawin, added second feed to No. Elmore pump station.
- Exposed curb stop at Farnum Pike fire station.
- Installed new sample station at Esmond Post Office.
- Received \$5,000 grant from Rhode Island Foundation to assist customers with past due water bills who are qualified under Tri-Town's Heating Assistance Program or suffering extreme financial hardship.
- Installed new fire hydrant at Farnum Pike and Cottage Street on December 15.

- Contracted with Northeast Water Solutions, Inc. to provide management services effective January 1. Mr. Mel DeCarvalho assigned to District as General Manager.
- Approved 14 percent rate increase at April 11 Annual Meeting to provide funding for continued rehabilitation of system infrastructure.
- Installed 360 feet of new ductile iron 8 inch water main on Dean Avenue to replace leaking old cast iron main that ran 14 feet below street level under Hawkins Brooke culvert.
- Replaced hydrant at Diana Avenue and Bertha Street in Smithfield.
- Repaired non-working curb stops at 8 Cora Street and 21 Wendi Drive in North Providence – May 22.
- June 3 Activated new Waltham Street pump station. \$1,000,000, three year project is completed, partially funded with a \$300,000 capital contribution from Timberlane. Long standing problem with pressure and fire flow issues at Timberlane Condominium Association resolved.

# CHAPTER 46-30 Public Water Supply Systems

**SECTION 46-30-1** 

§ 46-30-1 Short title. – This chapter shall be referred to as the "Public Water Supply Systems Act of 1995".

# CHAPTER 46-30 Public Water Supply Systems

### **SECTION 46-30-2**

§ 46-30-2 Legislative findings, intent, and objectives. - (a) It is hereby found and declared that:

- (1) Water is vital to life and comprises an invaluable natural resource which is not to be abused by any segment of the state's population or its economy. It is the policy of the state to restore, enhance, and maintain the chemical, physical, and biological integrity of its waters to protect health;
- (2) It is further found and declared that the waters of this state are a critical renewable resource which must be protected to insure the availability of safe and potable drinking water for present and future needs:
- (3) It is further found and declared that public water supply systems have the responsibility to provide safety and potable drinking water to the state's population;
- (4) It is further found and declared that financial and regulatory pressures may force some small public water supply systems into economically losing propositions;
- (5) It is further found and declared that economy and efficiency dictate the desirability to combine small public water supply systems with other public water supply systems;
  - (b) The objectives of this chapter are:
- (1) To establish a mechanism to combine small public water supply systems and/or annex small systems to adjacent water supplies in order to provide viable water supplies capable of meeting federal and state drinking water regulations current at all times.
- (2) To enable each local jurisdiction, city, town, water authority, water district, small supplier, or small public water supply system to petition the adjacent supplier for the purpose of merging or annexing with the supplier in an economically fair method.
- (3) No merger nor annexation shall proceed without the consent of the governing board of each respective entity or, in the case of a municipally owned system, a vote of the majority of the entire town or city council or, in the case of a private supplier, the consent of the owner of the facilities in question and the governing board of the petitioned governing agency.

History	of	Section	
1110101	· ν		٠

(P.L. 1995, ch. 267, § 1; P.L. 2007, ch. 340, §-63.)

### **CHAPTER 46-30 Public Water Supply Systems**

### **SECTION 46-30-3**

- § 46-30-3 Definitions. As used in this chapter, the following words and terms shall have the following meanings unless the context shall indicate another or different meaning:
- (1) "Annexation fee" means a fee levied on the individual water system connections, or accounts, in addition to their normal water consumption and service charges. The annexation fee shall remain in effect until the financial responsibility of annexation is discharged.
- (2) "Governing agency" means the public water supply system into which the small public water supply system is being merged or annexed.
- (3) "Owner of the facilities" means the holder of title to the water supply system facilities supplying water.
  - (4) "Public water supply system" means the same as defined in § 46-13-2.

### **CHAPTER 46-30 Public Water Supply Systems**

### **SECTION 46-30-4**

§ 46-30-4 Financial responsibility. - (a) The financial obligation for the upgrading of the public water supply system to be annexed and the continued management and operational responsibility to bring that system into compliance with the applicable regulations and on parity with the existing facilities of the governing agency must be fairly and equitably allocated to the new customers by identifying:

- (1) Capital costs;
- (2) Operational expenses:
- (3) Management support;

and adding the annexation fee to the governing agency's existing rate structure currently in effect to be applied to the customer's accounts, to be annexed.

- (b)(1) Each year the annexation fee to be paid by the new customers shall be added to the rate apportioned to the existing customers of the governing agency and shall represent the amortized cost of the capital expenditures and the appropriate ongoing operational costs adjusted for inflation. The annexation fee shall in no event be less than ten percent (10%) the rate levied on the pre-annexation customer base, nor shall it be more than one hundred percent (100%) of the pre-annexation rate. This legislation is not intended to limit the governing agency from recovering all costs of service from its basic customer base. The annexation fee shall constitute a part of the cost of annexation and shall also be an allocated portion of the cost of annexation and become a debt of each customer from the small public water supply system to the governing agency and be collectible in the same manner and have the benefit of any lien provided for the amounts due for water charges from the small public water supply system to the governing agency. Subject to the provisions of § 39-1.1-1 for those small public water supply systems which are public utilities, all governing agencies may terminate service for failure of the customer of a small public water supply system to pay the annexation fee.
- (2) It shall not be necessary for any small public water supply system or governing agency whose rates may be regulated by the public utilities commission, pursuant to chapter 1 of title 39, to obtain approval from the commission for billing of the annexation fee. The public utilities commission shall

not be required, in determining rates for any governing agency or small public water supply system hereunder, to consider the annexation fees billed hereunder when determining revenue requirements for the governing agency or public water supply system.

(c) The annexation fee shall terminate when the contractual obligation for amortizing the upgrading of the system petitioning annexation has been discharged or no later than thirty (30) years from the date of financing said improvements, whichever comes first.

# CHAPTER 46-30 Public Water Supply Systems

### **SECTION 46-30-5**

- § 46-30-5 Merger Effective date Transfer of assets and assumption of liabilities. (a) After petition by the small water supply system to the governing agency and subject to the approval of the governing board of the public water supply system and the governing board of the governing agency, or, in the case of a municipally owned system, the approval of the majority of the entire town or city council, the public water supply system shall be merged with and into the governing agency. Upon the merger, the governing board of the governing agency or, in the case of a municipally owned system, the approval of the majority of the entire town or city council, agrees to accept and the governing board of the public water supply system agrees to transfer to the governing agency all rights and benefits accrued to the public water supply system arising out of federal assistance or federal funding available to public water supply systems.
- (b)(1) It shall be the obligation of the governing board of the public water supply system to disclose to the governing agency all obligations, liabilities, and lawsuits pending against the entity. The governing agency shall have the right to include the obligations into the construction of the annexation fee to fairly apportion the costs to the customer base of the public water supply system.
- (2) It is not the intent of this legislation to assume the principal business of the small public water supply system other than the serving of potable water. The governing agency shall have the right to refuse to accept any obligations, liabilities, and lawsuits pending against the entity relating to other parts of the small public water system's activities.
- (3) The customers annexed to the governing agency shall be subject to the same rules, regulations, municipal, state, and federal laws to which all other customers of the governing agency are subject.
- (c) The governing board of the public drinking water system is hereby authorized to and shall pass such resolutions, enter into such agreements, and do all things deemed useful and necessary by it to effectuate the merger; and the governing board of the governing agency is hereby authorized and may pass such resolutions, enter into such agreements, and do all things useful and necessary by it to effectuate the merger. Nothing in this subsection shall permit the governing agency of any municipally owned system to enter into any agreements or to adopt any resolutions which require city or town council approval.

- (d) Upon completion, the merger shall be certified to the secretary of state by the chief executive officer of the governing agency.
- —(c) Upon the annexation of the public water supply-system and the governing agency, the governing agency shall assume responsibility for the planning, construction, operation, and maintenance of the appropriate facilities, water mains and appurtenances of the public water supply system.
- (f) If the governing agency accepts any obligations, liabilities, and/or lawsuits as referenced under subsection (b), the governing agency shall also be responsible and liable for all liabilities, obligations, and/or lawsuits of the public water supply system pertaining to water supply; and any claim existing or action or proceeding pending by or against the public water supply system may be prosecuted as if the annexation had not taken place, or the governing agency may be substituted in its place. Neither the rights of creditors nor any liens upon the property of the public water supply system shall be impaired by the merger. The annexation as provided for herein shall not impair the obligation of any contract or agreement or alter existing bargaining units nor abate any suit, action, or other proceeding lawfully commenced by or against the public water supply system, or any member of its governing board in relation to the discharge of his or her official duties, but a court of competent jurisdiction may, on motion filed within twelve (12) months after the effective date of the annexation, allow such a suit, action, or proceeding to be maintained by or against the annexed public water supply system or any member of its governing board in relation to the discharge of his or her official duties. Upon completion of the merger, all user charges, fees or rates assessed by the governing agency as a result of the merger shall be subject to the approval of the public utilities commission.

# CHAPTER 46-30 Public Water Supply Systems

**SECTION 46-30-6** 

§ 46-30-6 Liberal construction. – The provisions of this chapter shall be construed liberally in order to accomplish the purposes hereof, and where any specific power is given to any agency by the provisions hereof, the statement thereof shall not be deemed to exclude or impair any power otherwise in this chapter conferred upon that agency.

### CHAPTER 46-30 Public Water Supply Systems

**SECTION 46-30-7** 

§ 46-30-7 Severability. – If any provisions of this chapter or of any rule, regulation, or order made thereunder, or the application thereof to any person or circumstances, is held invalid by a court of competent jurisdiction, the remainder of this chapter, rule, regulation, or order, and the application of such provision to other persons or circumstances, shall not be affected thereby. The invalidity of any section or sections or parts of any section or sections of this chapter shall not affect the validity of the remainder of this chapter and is hereby declared to be the legislative intent that this chapter would have been enacted if the invalid parts had not been included therein.

Exhibit 6

Calculation of Additional Cost/Revenue to PWSB with ESWD Customers Included

(Annual Basis Using April 2014 - MARCH 2015 Sales Volume)

Additional inc	ome:			harri was a sana a
			Rate per	Additional
Total Sales Vo	<u>lume</u>		1,000 Gal	
Residential:			<u> 1,000 Gai</u>	<u>Income</u>
N. Prov.	43,137,000	Gal	\$3.85000	¢166 077 45
Smithfld	95,963,210		\$3.85000	\$166,077.45
Commercial:	, ,	04.	71.000	\$369,458.36
N. Prov.	11,474,000	Gal	\$3.66840	642 004 20
Smithfld	601,000	Gal	\$3.66840	\$42,091.22
Industrial:	•	- 40.4	04000.00	\$2,204.71
N:Prov.	5,389,000	Gal	\$3.60294	¢10.41c.24
Smithfld	3,435,790	Gal	\$3.60294	\$19,416.24
	,		75.00234	\$12,378.95
Total	160,000,000	Gal		\$541 CDC 00
	,,	- WI		\$611,626.93
Less Current Wi	nolesale Charges	s:	•	
(Sales + 10%)	176,000,000	Gal	(\$1.73116)	16204 CO4 4C
Increase in Wate			(74.75110)	(\$304,684.16) \$306,942.77
Other Income:				\$306,942.77
Customer Servi	ice Charges;			
	2,123	@5/8"	\$94.68	\$201,005.64
	2	@3/4"	\$99 <b>.</b> 84	\$201,005.64 \$199.68
	61	@1"	\$114.96	\$7,012.56
	13	@1 1/2"	\$135.24	\$1,758.12
	11	@2"	\$190.92	\$1,738.12
	1	@3"	\$601.20	\$601.20
	5	@4"	\$753.24	\$3,766.20
	1	@6"	\$1,107.72	\$1,107.72
Hydrant Fees:	140	<u>.</u>	\$394.80	\$55,272.00
Transfer Fees	80	(ESWD Rates)	\$50.00	\$4,000.00
Sprinkler Fees	14	(Various)	400,00	\$20,024.40
		, ,		720,024.40
Total Additional A	Innual Income		<del> </del>	\$603,790.41
Additional Expens	ses:			7000,700.41
Additional Opera		enefits (Est)		¢00.000.00
Waltham St. Pun	np Station Annu	al Power Cost		\$80,000.00
Leak Repairs, Mis	sc. Expenses	on i with wear		\$16,000.00
Total Additional E			l <del>a gaga</del>	\$50,000.00
	•		<u></u>	\$146,000.00
Net Added Income	e to PWSB with	FSWD Customare*		Adda son so
		rostolificity		\$457,790.41

<sup>\*</sup>Add \$30,581 if current 5% rate request is approved by P.UC.

### Providence Water Docket 4618

### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-2:** On page 11 of her testimony, Ms. Parrillo states "If Providence tax payers should lose the existing tax revenue that otherwise would have been received from another property owner, this would be equivalent to the Providence taxpayers subsidizing the rate payers of Providence Water." Please explain:

- a. How Providence taxpayers would be subsidizing Providence Water's ratepayers.
- b. The amount of this subsidy.
- c. How this subsidy was calculated.

**RESPONSE:** See response to BCWA Set 1, question 19.

Prepared by: Thomas Massaro

### Providence Water Docket 4618

### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-3:** On page 11 of her testimony, Ms. Parrillo refers to a PILOT the Commission approved for Kent County Water. Please explain the terms of this PILOT and identify the Docket in which the Commission approved the PILOT.

**RESPONSE:** The basis for the KCWA PILOT is outlined in the testimony of Division witness Ralph Smith at page 33. It represents the amount of property tax levied on the property by a city, town, or district, in the year next preceding the acquisition of the property by KCWA.

In KCWA's current filing before the PUC, Docket 4611, KCWA has included \$23,123 as the amount of their PILOT. Their witness on revenue requirement states:

The Authority is required to make payments to the towns and districts based on the amount of tax that was being paid at the time KCWA acquired the property. [Page 14 of the testimony of Christopher Woodcock]

We do not know when the PILOT payments were approved by the Commission. As the KCWA is a party to this Docket, they should be able to supply that information.

### PROVIDENCE WATER SUPPLY BOARD Docket No. 4618

Data Requests for BCWA- Set 1
-October 5, 2016

**BCWA 1-4:** With regards to the proposed PILOT, Does Providence believe that this proposed PILOT should only apply to Providence Water, or that is should apply to other regulated water utilities in the State of Rhode Island?

RESPONSE: The decision on whether and how a PILOT should be applied to a regulated water utility is the responsibility of the Commission. Providence Water feels that the City of Providence should not be penalized by losing property tax revenue because Providence Water purchased an asset with rate payer money. The prior owner (Bank of America) of 125 Dupont Drive paid approximately \$326,000 in property taxes to the City of Providence. The property was purchased by Providence Water with rate payer money in December 2015. If the property was to be sold in the future then Providence Water or the rate payers would receive the proceeds from the sale not the City of Providence. Therefore, it is our opinion that the City of Providence should at least be made whole for the property taxes they had been receiving from the prior owner. In addition, if the property was located a short distance away in the City of Cranston then Providence Water would be required to pay property taxes to Cranston.

The Providence City Solicitor's Office has expressed the legal opinion that Providence Water is subject to taxation by the City (see attached opinion – BCWA 1-4A). The Tax Assessor has issued a tax bill to Providence Water (see attached – BCWA 1-4B).

See also BCWA 1-19.

Jorge O. Elorza, Mayor

### MEMORANDUM

**To:** Adrienne Southgate, Deputy City Solicitor **From:** Etie Schaub, Assistant City Solicitor

Re: Property Tax – Providence Water Supply Board

Date: September 26, 2016

#### Issue:

May the City of Providence collect property taxes from the Providence Water Supply Board?

#### Conclusion:

Yes. The City of Providence (the "City") is empowered by state statute to raise funds by taxing real property located within the City. State statute and City Ordinances provide specific exceptions for those properties that are not to be taxed by the City. Property owned by the Providence Water Supply Board (the "PWSB") is not identified as property that cannot be taxed. Further, state statute provides a means by which property owned by another quasi-municipal agency (the Providence Redevelopment Agency) may be exempt from property taxes, but does not provide any such means for property owned by the PWSB. The Providence Redevelopment Agency and the PWSB are comparable agencies as they are both created by the same Article of the City Ordinances. Finally, any argument claiming that permitting the City to collect taxes from the PWSB is inappropriate because a city "cannot tax itself" is weak since the PWSB is distinguishable from other City agencies and it receives payments from ratepayers from non-City residents.

### Background:

The PWSB employs about 240 employees and provides water treatment services to approximately 600,000 people throughout Rhode Island (including areas outside of the City) both directly and indirectly. For decades, many of the PWSB employees worked out of a facility owned by the City. On August 28, 2015, the Public Utilities Commission approved funding for the PWSB to purchase a facility located at 125 Dupont Drive, Providence, Rhode Island.

### CITY SOLICITOR'S OFFICE

444 Westminster Street, Suite 220, Providence, Rhode Island 02903 401 680 5333 ph | 401 680 5520 fax www.providenceri.com Adrienne Southgate, Deputy City Solicitor September 26, 2016 Page 2 of 3

### Research:

### The City has the Power to Levy Property Taxes:

R.I. Gen. Laws § 45-2-2 provides that "[t]owns and cities may raise by a tax on real or personal estate, or on both, any money necessary to pay town or city debts..."

### The PWSB Is Not Exempt from Taxation under State Statute or City Ordinance:

Immunity from taxation must be determined by construing the Constitution or statute of a particular state where the question of taxation arises. *City of Providence v. Hall*, 142 A. 156, 158 (R.I. 1928). Rhode Island General Laws provides explicit exemptions for those properties that cannot be taxed. (For example: R.I. Gen. Laws § 44-3-3.)

Additionally, Rhode Island General Laws recognizes that certain properties owned by the Providence Redevelopment Agency (the "PRA"), an agency created by City Ordinance, should be exempt from taxation and provides a means by which the City can explicitly exempt those properties from taxation:

All real property acquired by an agency for redevelopment purposes is subject to taxation in the same manner and at the same rate as other real property in the community unless the real property is located in the city of Providence and is exempted by an ordinance enacted by the city council.

### R.I. Gen. Laws § 45-32-40.

The Providence Code of Ordinances explicitly provides an exception from taxation from certain properties owned by the PRA. See Providence Code of Ordinances 21-211. The PRA and the PWSB are established under the same Article of the Providence Home Rule Charter. See Providence Home Rule Charter, Article XI, § 1101, 1108. Neither state statute nor City Ordinance provides an exception from taxation for the PWSB. Furthermore, no state statute provides guidance for the City to exempt the PWSB in a manner similar to the PRA.

### Axiom Against Municipality Taxing Itself is Inapplicable Here

If the PWSB paid the City a property tax, it would not be the same as if the City taxed itself. Although some courts have noted that a government entity cannot levy a tax that would be a "mere transfer from one pocket to another of the same taxpayers," this is not the case with the PWSB because the PWSB services ratepayers from within and without the City. Ostensibly, those ratepayers did not pay City property taxes or other City taxes and would be contributing new funds not otherwise controlled by the City.

### CITY SOLICITOR'S OFFICE

444 Westminster Street, Suite 220, Providence, Rhode Island 02903 401 680 5333 ph | 401 680 5520 fax www.providenceri.com Adrienne Southgate, Deputy City Solicitor September 26, 2016 Page 3 of 3

Finally, the Supreme Court of Rhode Island has not decided whether a municipality can "tax-itself." However, other jurisdictions have explicitly recognized that even if a tax-took "money out of one pocket and put it into another," that circumstance although perhaps inefficient, did not exempt an entity from taxation. See McCarroll v. Mitchell, 129 S.W.2d 611, 614 (Ark. 1939) ("[T]he argument made that a tax upon the Highway Department is taking of money from one pocket and putting it in another is not conclusive."), see also U.S. v. Brown, 835 F.2d 176, 180 (8th Cir. 1987) ("In the absence of constitutional or statutory prohibition, we think the United States has plenary power to transfer funds to which it is entitled from one pocket to another, or to decide which of several debts due from one individual will be satisfied with particular funds of the debtor."), see generally Hertzog v. City of Detroit, 142 N.W.2d 672, 676 (Mich. 1966).

### CITY SOLICITOR'S OFFICE

444 Westminster Street, Suite 220, Providence, Rhode Island 02903 401 680 5333 ph | 401 680 5520 fax www.providenceri.com PROVIDENCE WATER BOARD

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Plat# 050 Lot# 0724

AND SHAPE ON THE STATE OF THE S MUST BE PAID ON OR BEFORE 10/24/2016

353,421.00

88,355.25

0.00

### ITY OF PROVIDENCE, RI 2016 REAL ESTATE BILL

PROVIDENCE WATER BOARD

85255E7100000094325259

THE PARTY OF THE P

PROVIDENCE WATER BOARD

NAME

353,421.00

PECEIVED

JUN 27 2016

MAIL PAYMENTS TO: CITY OF PROVIDENCE PO BOX 9100 PROVIDENCE, RI 02940-9100

PROVIDENCE WATER BOARD 552 ACADEMY AVE **PROVIDENCE, RI 02908-2792** 

FINANCE

TO PAY BY CREDIT CARD 1-885-288-0302 OR VISIT www.providencerl.ggv/collector There is a nominal fee for this service.

Plat# 050 Lot# 9724		2016	Comment	Ere Property Lessoid at: 225 Suppose He, Providence Land Ballang/Impropanants State Value	Assessed Values as of Decoulter List, 1015 Proof and Lock trip!
0724		CITY OF PF	,		1, 1015
353,421.00	MUST BE PAID ON	CITY OF PROVIDENCE REQUARTERLY APPROVIDENCE RE	TOTAL	ermentory's ermen-sory erms 61.1°C	
88,355.25	MUST BE PAID ON OR BEFORE 4242017	Collector's Stub	353,421.00	. 357,475,00	
Plat# 050 Lot# 9724		2016 CITY OF PR	tion: -421.5900 -332,5252 eeral service re	TAX (PER \$1000)  Real Estate-Owner Occupied  Real Estate-Non-Owner Occupied  Real Estate-Commercial  Morro Vehicle	
353,421.00	MUST BE PAID ON	CITY OF PROVIDENCE RI	41.25  Crea  (uests www.pro  or E-mail notification:	Municipal 13.90 23.63 27.13	Account Number:
	MUST BE PAID ON OR BEFORE 1/24/2017	Collector's Stub	d Pr 288 288 visit cen.	School Total 4.90 18.80 8.33 31.96 9.57 36.70 15.64 60.00	nber:

CITY OF PROVIDENCE RI Collector's Stub

QUARTERLY Z PAYMENT

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CITY OF PROVIDENCE RI QUARTERLY I PAYMENT

MUST BE PAID ON OR BEFORE 7/24/2016

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Collector's Stub

Plat# 050 Lot# 0724

PROVIDENCE WATER BOARD

NAME

952525890000008525258

#### Data Requests of the Bristol County Water Authority Set 1

BCWA 1-5: On page 12 of her testimony, Ms. Parrillo refers to an increase on the property and casualty policy and the need to add coverage for the new Central Operations Facility ("COF"). Please indicate the increase in the property and casualty policy related to the COF and how much of a premium increase is caused by adding the COF to the PWSB's property and casualty policy.

#### **RESPONSE:**

We have added two policies for the new Central Operations Facility.

Policy #013136443 07/01/2016-07/01/2017	
Lexington Insurance Company	
Umbrella - ADD LIAB FOR CONSTRUCTION	00.000,8
Surplus Lines Tax - ADD LIAB FOR CONSTRUCTION	200.00
UMBRELLA COVERAGE - ADD CLASS CODE FOR 125	
DUPONT DRIVE - COMMERCIAL BUILDING	
UNDERGOING RENOVATIONS	
1	
Pallcy #PENDING 07/25/2016-07/25/2017	
Travelers Insurance Company	
Commercial Property - New business	46,205.00

The increase in the property and casualty policy related to the COF is \$51,405.00 for fy2017.

See Attached - BCWA 1-5A.

G	æ	1	Insurance	Aggaria	tae

963 Charles Street

North Providence, RI 02904

Customer Providence-Water-Supply-Board
4102

Deté 07/25/2016

Customer Employee DEFEXC
Pameta Mowry

Fége 1 of 1

Payment Information
Invoice Summary 5,200.00
Payment Amount
Payment for: Invoice#6841
013136443

Providence Water Supply Board 552 Academy Avenue Providence, RI 02908

Customer: Providence Water Supply Board

Invoice	Effective	Transaction	Description	Amount
6841	07/25/2016	Policy change	Policy #013136443 07/01/2016-07/01/2017 Lexington insurance Company Umbrelia - ADD LIAB FOR CONSTRUCTION Surplus Lines Tax - ADD LIAB FOR CONSTRUCTION UMBRELLA COVERAGE - ADD CLASS CODE FOR 125 DUPONT DRIVE - COMMERCIAL BUILDING UNDERGOING RENOVATIONS	5,000.00 200.00
				Total
				5,200.00

	-	
G & L Insurance Associates	(401)727-1683	Date
963 Charles Street		- 1 - min rest and i from the best party and the property of the same and a same
North Providence, Rt 02904	pammowry@glins.necoxmail.com	07/25/2016
Commence of the first of the fi		

#### G & L Insurance Associates

963 Charles Street North Providence, RI 02904

Customer	Providence Water Supply Board
	4102
Date	07/25/2016
Customer	Employee DEFEXC
Service	Pamela Mowry
Page	1 of 1

Providence Water Supply Board 562 Academy Avenue Providence, RI 02908 Rayment Information
Invoice Summary 46,205.00

Payment Amount
Payment for: Invoice#6757

PENDING

Customer; Providence Water Supply Board

	Effective		Description	Amount
6757	07/25/2016	New business	Policy #PENDING 07/25/2016-07/25/2017 Travelers Insurance Company Commercial Property - New business	46,205.0
				6 75 15 <b>-</b> 6 1 150
				Total 46,205,0

G & L. Insurance Associates	(401)727-1683 Date	
963 Charles Street	07/25/2016	
North Providence, RI 02904	pammowry@glins.necoximall.com	

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-6:** On page 14 of her testimony, Ms. Parrillo indicates that the PWSB could not apply the cost savings achieved through the Direct Energy contract as the COF is not covered by that contract. Please explain:

- a. Why the COF is not covered by that contract.
- b. The amount of savings that would have been achieved if the COF was covered by the Direct Energy contract.

#### **RESPONSE:**

- a. The contract was executed on June 22, 2015, prior to the closing on the COF which was December 28, 2015. We did have discussions with Direct Energy regarding adding the facility, however, we would need to provide them with monthly expected usage for a 12 month period. We currently are not in a position to estimate our usage as we are reconfiguring the facility from its original form making prior usage history a bad baseline to judge future use. Also, incorporating green initiatives into the facility will also change the expected usage volumes. Therefore, adding the COF to the current contract is not an option given that we have no history.
- b. None.

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-7:** On page 15 of her testimony, Ms. Parrillo indicates that the cost of bringing phone and internet service to the COF is estimated at approximately \$270,600.

- a. Please provide an itemized breakdown of this expense.
- b. Please provide any documentation that substantiates this expense.
- c. Please state how much this cost was estimated to be in Docket 4571.

#### Response:

a. The \$270,600 is a combination of the cost to install the necessary connections at Dupont Drive as well as anticipated phone and cell/data plan charges for cell phones, tablets, cable, and internet.

When calculating he rate year expenses, we also adjusted the \$238,469.56 that were associated with Academy Avenue and Cranston by -\$108,106.55.

The cell/data plan charges will move from Academy Avenue and Cranston to Dupont Drive.

In FY2017, there is a spike in these costs due to the cost of having Cox bring the appropriate cable to the building to service our system and then drops back to what we have experienced in the past.

b. See BCWA 1-7A and BCWA 1-7B.

c. None of these costs were included in Docket 4571 as we are not paying for these through the bond proceeds. These are operating expenses.

#### SS NEP-8A



Tap Water Delivers

Providence Water Information Technology Department Telecommunication Provider Analysis - Fiscal Year 2017

The Hon, Jorge O. Elorza Mayor

> Ricky Caruolo General Manager

With the acquisition of Providence Water's Central Operations Facility located at 125 Dupont Drive in Providence, RI the Information Technology Department of Providence Water was required to perform an analysis of the current leased network environment and calculate the telecommunication infrastructure improvements required to transfer extremely large volumes of data from two locations; located at 552 Academy Avenue, Providence, RI and 430 Scituate Avenue in Cranston, RI.

#### **BOARD OF DIRECTORS**

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Lawrence J. Mancini Ex-Officio

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William E. O'Gara, Esq. Legal Advisor

#### MEMBER

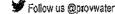
Rhode Island Water Works Assn. New England Water Works Assn. American Water Works Assn. Water Research Foundation

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#### www.provwater.com



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Providence Water's Information Technology Department has calculated the total volume of all data housed currently at the two aforementioned facilities. This figure was then used to predict how long data transfer would take at a given throughout. In order to ensure a timely transfer of data while maintaining adequate network bandwidth to conduct normal operations it was determined that the current interfacility connections throughput would need to be increased from 30Mbps to 500Mbps. It is noteworthy that these proposed 500Mbps circuits will be terminated/canceled when the respective facilities are decommissioned. In addition, a new Metro-E circuit is required to be introduced from Providence Water's facility located at 61 North Road, Hope, RI to 125 Dupont Drive in order to complete the transfer of data. The total speed required on the connection between 61 North Road, Hope, RI and 125 Dupont Drive is required to be a throughput of 1000Mbps. This 1000Mbps will be permanent and is anticipated to be part of the final network configuration. At the conclusion of the project the total inter-facility connections will be reduced from three to one.

Additionally, given the criticality of the service that Providence Water provides a redundant optical internet connection of 50Mbps will be installed at the 61 North Road, Hope, RI location. The optical internet connection currently servicing 552 Academy Avenue will be transferred to 125 Dupont Drive, in turn, there is no cost increase to mention.

Lastly, with the removal of 430 Scituate Avenue from Providence Water's Wide Area Network a new 256k HFC circuit will need to be introduced to an out building on the property in order to receive SCADA telemetry.

The State of Rhode Island MPA prices for the above mentioned circuits are as follows:

#### Proposed Cox Communication Metro-E Connections

500Mbps	х	6 Interfaces	@	1,637.50	222	9,825.00	x 12 Mon	=	\$117,900.00	
1000Mbps	х	2 Interfaces	@	1,925.00	=	3,850.00	x 12 Mon	=	\$46,200.00	
256kbps	X	1 Interface	Ø	56,74	z	56.74	x 12 Mon	<b>=</b>	\$680,88	
	To	tal Metro-E/Y	ear			13,731.74	x 12 Mon	2	\$164,780.88	
Proposed Co	эх С	ommunication	Opti	ical Interne	t Co	nnections				
50Mbps	x	1 Interface	@	1,250.00	=	1,250.00	x 12 Mon	==	\$15,000.00	
	То	tal Optical Inte	ernet	/Year		x 12 Mon	22	\$15,000.00		
	Or	ne Time Setup	Fees						\$1,100.00	
	Co	ntingency							\$5,000.00	
	Le	ss current year	iy 30	Mbps Meti	'о-Е	fees			(\$45,000.00)	

TOTAL PROPOSED TELECOMMUNICATIONS BUDGET INCREASE F/Y 2017

\$140,880.88

The number stated above is anticipated to be reduced by \$124,000.00 in fiscal year 2018. This decrease would yield a delta of \$16,880.00 above Providence Water's 2016 telecommunications budget.

Respectfully Submitted, PROVIDENCE WATER SUPPLY BOARD

Richard Pimental, Network Administrator

CC: S. Colman

N. Parrillo

E. Paquin

P. Matheson

File

	 TEST YEAR			PRO-FORMA
	 2015	Α	DJUSTMENTS	2017
Telephone/Internet				
Academy Ave	\$ 208,169.63_		(106,509.99)	\$ 101,659.64
Scituate Ave - Cranston	\$ 3,120.42		(1,596.56)	\$ 1,523.86
Other	\$ 27,179.51		-	\$ 27,179.51
Dupont Dr	\$ -	\$	270,600.00	\$ 270,600.00
East Smithfield	\$ -	\$	-	\$ <del>-</del>
TOTAL Telephone	\$ 238,469.56	\$	162,493.45	\$ 400,963.01
		ĺ		

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-8:** On page 15 of her testimony, Ms. Parrillo indicates that the increase in maintenance expenses is due to bringing the COF online and maintaining it as well as the existing facilities:

- a. Please provide an itemized breakdown of all maintenance expenses needed to bring the COF online.
- b. Please provide an itemized breakdown of all maintenance expenses needed to maintain the COF.
- c. Please provide an itemized breakdown of all maintenance expenses needed to maintain the existing facilities.

#### **RESPONSE:**

- a. See attached BCWA 1-8A.
- b. See attached BCWA 1-8B. This is a budget/estimate of the anticipated costs for the maintenance of the COF from the previous occupants. This is all that we can use to estimate what it will cost as we have no history. These numbers are a guide. Given that the configuration of the facility is changing and some of the functionality is changing as well, we cannot judge if these estimates are useful.
- c. See attached BCWA 1-8C.

## Maint & Utility Expenses Dupont Location July 1, 2015 through June 30, 2016

Other Services	52125	
Postage	52170	
Printing	52210	
Telephone	52415	444
Heat Light Power	52430	119,824
Maintenance & Servicing	52911	
Auto Repairs & Maint	52912	
Autobody repairs	52922	
Repairs to Buildings	52940	
Rentals	53011	718
Professional Engineering	53305	
Private Contractors	53401	48,148
Garbage Pick-up	53402	
Contractual Services Other	53499	1,855
Miscellaneous	53500	
Office Supplies	54000	
Small Tools	54042	
Fabricated Metal	54720	1,605
Housekeeping Supplies	54740	
Lumber & Hardware	54755	
Motor Fuel	54770	
Plumbing & Heating Supplies	54779	
Safety Gear	54791	
Supplies	54791	
Miscellaneous Materials	54830	1,271
Other Agric Hortic Supplies	57014	
Auto repair supplies		<del></del>
Total Maint & Utility		\$ 173,865

DuPont Drive

	Comments / Status	snance and repair	roof replient System	urced repairs									bon																														
	Total Соп	5,000.00 General Mainlenance and repair	1,200.00 Electronic Bird	8.500.00 General Out so	3,000.00	1,200,00 Annual Testing	16,000.00	14,000.00	0.000	3,000.00		8,100,00	1,500,00 Annual Inspection	8,500.00	8,000.00	8,000.00	1,200.00	800.00	7,000.00	6,000,00	14,000.00	1,500.00	,	3,800.00	4 500 00	9.500.00	2,500.00	11,900.00	2,250.00 Ballasts Bulbs	7,500.00	7,500.00	2,400.00	1,200.00	3,000,00	1		1,000.00	40,000.00			1		188,550.00
Dec			250.00	500.00									1,500,00	2,000,00														800.00			1,500.00			250.00									7,100,00
Nov			300.00	500.00	750.00	1,200.00						1,200,00																600.00			1,500.00			250,00						٠			7,050.00
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Sep		1,250.00	00 032	500.00			8,000.00		2,500.00					2,000.00						3 000 00	200012							600.00						250,00									18,850.00
Aug			300.00	3.000.00	750.00		000	00.000,6				1,200,00																1.000.00						250.00									12,250.00
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Мау		1,250.00	300.00	500.00	750.00		9	00.006,1				4,500.00														3 500 00	no manorio	900.00					300.00	250.00									
Apr			250.00	500.00			900	00,000,1									600.00	400.00			3,500.00			3,800.00			2,500.00	600.00				1.200.00	300.00	250.00			250.00						16,150.00 14,200.00
Mar			200 00	500.00			8,000.00		2,500.00					3,500.00					7 000 00	3,000,00								600.00			1,500,00			250.00									27,600.00
Feb			300.00	500.00	750.00					1,000.00		1,200.00										500 00			50000	4,500,00		4.100.00	750.00		200.00			250.00									17,100.00 2
Jan		1,250.00	00 032	500.00			00000	00.006,1							8,000.00	8,000.00					3,500.00					•		600.00		7 500 00	1,500.00			250.00			250.00						33,500.00 1
	Estimated Cost (\$)		\$1,200		\$3,000	\$1,200			\$5,000	33,000	20	\$8,100	\$1,500	\$9,500	\$8,000	\$8,000	\$1,200	\$800	87,000	\$6,000	\$14,000 3,	0	S	\$3,800	S 50	59 500	\$2,500	\$11,900	\$2,250	27,500	\$7,500	\$2,400	\$1,200	\$3,000	\$1,000	QS S	\$1,000				8	:	33
Reg T	Ēŝi																		Capital		in																						
	em Maintenance Task / Activity	f Maintenance & Repairs							nical Pneumatics	nical Kitchen Hood Cleaning		C CRAC OEM Annual PM 4 Units	Fire Extinguisher Annual	Quarterly Fire Device Testing	S FACP Repairs	Sprinkler Repairs	FM200 Inspection	S Kitchen Ansul System	80 Batteries for Replacement 2017 + 4 Spare	Annual PM and Startup	S Annual Contract				Atlantic Power Contract			ical Maintenance & Repairs	exterior building lighting	er Lio & Permits	er Overhead door Maintenance & Repair	er Lawn frigation	Landscaping Supplies	er Look & Key	er UHW Disposal	in .	Paints and Supplies	UST and AST Maint and Inspection			,	מ מ	
	System	Roof	Roof	Plumbing	Plumbing	Plumbing	Mechanical	Mechanical	Mechanical	Mechanica		CRAC	FLS	FLS	S.F.	P.S.	FLS.	FLS.	OPS	NPS	SAN	S	SEP	SEP	₽ S	ų ų	Mechanical	Electrical	Electrical	Other	Other	Other	Other	Other	Offher	Other	Finishes				ŧ	offic Office	

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## Maint & Utility Expenses Cranston & Providence Locations July 1, 2015 through June 30, 2016

Other Services	52125	205
Postage	52170	23,058
Printing	52210	10,888
Telephone	52415	230,490
Heat Light Power	52430	1,103,984
Maintenance & Servicing	52911	1,103,984
Auto Repairs & Maint	52912	39,875
Autobody repairs	52922	14,402
Repairs to Buildings	52940	4,402
Rentals	53011	1,366
Professional Engineering	53305	19,823
Private Contractors	53401	19,823 569
Garbage Pick-up	53402	6,826
Contractual Services Other	53499	22,767
Miscellaneous	53500	14,733
Office Supplies	54000	2,423
Small Tools	54042	2,423 2,874
Fabricated Metal	54720	150
Housekeeping Supplies	54740	16,733
Lumber & Hardware	54755	7,663
Motor Fuel	54770	7,805 157,886
Plumbing & Heating Supplies	54779	1,428
Safety Gear	54779 54791	18,709
Supplies	54791 54791	8,867
Miscellaneous Materials	54830	8,266
Other Agric Hortic Supplies	57014	8,266 426
Auto repair supplies	37014	
Auto repair supplies		105,361
Total Maint & Utility		\$ 2,018,965

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-9**: On page 15 through 16 of her testimony, Ms. Parrillo indicates that "Materials and supplies increased because these supplies need to be available in the COF while renovations are going on even though the staff will not be in the building for the beginning of the calendar year 2017." Please provide:

- a. An itemized listing of the supplies that need to be available in the COF while renovations are going on.
- b. Why these supplies are needed even though staff will not be in the building.

#### **RESPONSE:**

- a. See BCWA 1-8A and BCWA 1-8B.
- b. These supplies are needed because the building is not empty. There are members of the PWSB staff that are working in the COF during the construction period as well as the contractors. The building is open. The dollar amount necessary for the supplies for the COF is not a specific amount as these are bought in bulk amounts and distributed to the different facilities based on need.

Prepared by: Nancy E. Parrillo

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-10 :** On page 16 of her testimony, Ms. Parrillo states that the contractual services are increasing as the COF has equipment that requires constant maintenance and expenses. Please provide an itemized breakdown of the contractual services needed for the COF equipment.

#### **RESPONSE:**

Please see the attached schedule: BCWA 1-10A.

Prepared by: Nancy E. Parrillo

Providence Water Supply Board Schedule of Contractual Services

				Maintenance Frequency	Freditency				
Equipment Type	Annually (ANN)	Semi- Annually (SAN)	Tri-Annually (TAN)	Quarterly (QTR)	Monthly (MON)	Every Two Months (ETM)	Weekly (WKL)	Per local code	Notes
Air Compressor	×	×							
Air Dryer	×	×							
Air Handling Unit	×	×					1		
Backflow Prevention Devices Domestic	×								
Batteries - Station	×	×							
BMS									Dofice to Auticle (140 f. 111)
Boiler	×						   *		Mookly Blow Dome and add character
Compressed Air - Tank	×								Site Defined / Annual Minimum if used / Use for tracking pressure vessel
CRAC - Air Cooled	×	×		×		,		×	ıf needed.
Domestic Water - Cooler				:					
Door - All									
Drain - Floor Traps					×				
Drain - Grease Trap				×				,	
Drinking Water Fountain	j							<	
DX Unit - Packaged	×	×							
DX Unit - Split	×	×				-			
Electric Duct Heater		i							
Electric trace heating system	İ								
	×							×	
Exhaust Fan ESSENTIAL	×			×					
Exhaust Hood									
Expansion lank	×		`						
Fan Coll Unit	×			×					
Fire Alarm Control Panel	,								
Fire Extinguishers	<   >			×				×	
Fire Sprinklers-Wet	×			*	-		× ,	× ;	30 11 251
Fire Suppression - Gaseous	×	×					<	<del> </del>	weekly uneck kisers
FLS Backflow Preventer	×		ļ					<b> </b>	
Fuel System - Polisher	×			×				<u> </u>	Inspect during polishing and PM as required. Bofor to Article 30.03
Fuel Tank - Day	×		-		×				ביים ביים אינים ואינים ואינים ואינים ביים ביים ביים ביים ביים ביים ביים
Fuel Tank - Storage	×	×			   ×				11-27
Gates and Security Barriers	×				:				OVETTOW/OVET TILL
Generator - Diesel	×			×	×				
Generator - FLS	×		-	×	×			-	
Heat Pump	×			×	×				
Heater - Electrical	×			,					
Hot Water - Recirculating Pump	×								
Irripation system					×				
Kitchen Faminmont		×							
wichieft Equipment					_				DO NOT inlcude equipment maintained by the food service vendor

# Providence Water Supply Board Schedule of Contractual Services

				Maintenance Frequency	Frequency				
Equipment Type:	Annually (ANN)	Semi- Annually (SAN)	Tri-Annually Quarterly (TAN) (QTR)	Quarterly {QTR}	Monthly (MON)	Every Two Months (ETM)	Weekly (WKL)	Per local code	Notes
Lighting - Emergency - Battery	×				×			×	
Lighting - Exit	×				×			×	1,000
Lighting - Exterior					×				Run to fail Monthly night time visual inspection for failed Jamps only
Lighting - Interior									run to fail (no scheduled PM) should occur unless special circumstances
Make up Air Unit	×	×							
PDU	×								
Pump - (Other)	×	×							
Raised Floor - Cleaning	×								
Substation	×								
Sump Pump - Submersible	×	×		×					
Switchgear	×	:			×				, 11, 12, 13, 14, 14, 14, 14, 14, 14, 14, 14, 14, 14
Tank Monitoring/Management System-	×				×				· made
Transfer Switch - Automatic	×								
Transformer < 600V	×								
Transformer > 600V	×								
TVSS	×								Refer to Article 6.10
UPS - AC Caps	×								
									Estimated Life Span for UPS DC Caps - 20 Years/ Eaton Powerware
UPS - DC Caps	×					•			model (9355, 9390, 9395) and APC 3¢ Symmetra PX are 20 and 10
									years, respectively.
UPS Battery - VLRA (Refer Notes for	×			×	×				VRLA Batteries Monthly/Quarterly/Annual Maintenance Requirements
UPS System	×								
Water Treatment - Closed Loop							×		Consult water treatment vendor for appropriate frequencies

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-11:** On page 16 of her testimony, Ms. Parrillo indicates that the Providence Water Supply Board seeks regulatory and rate cases expenses related to Docket 4571. Please state the amount of expenses PWSB will incur in the rate year related to Docket 4571.

Response: Providence Water will not incur any expenses in the rate year for Docket 4571.

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-12**: In response to KCWA 2-3, Providence Water indicates that costs related to Docket 4571 occurred in the test year, and are "most likely to occur in the rate year, especially if Providence makes another filing."

- a. Please state the exact amount of expenses PWSB will incur in the rate year related to Docket 4571.
- b. What other "filing" is Providence Water referring to in response to KCWA 2-3. Does Providence Water plan on reopening Docket 4571 in the rate year?

Response:

a. See BCWA 1-11.

b. The "another filing" referenced in response KCWA 2-3 simply means Providence Water may need to file another rate case for debt service for our IFR Plan or for other expenses that will arise over the next year.

Providence Water does not plan on reopening Dk 4571 in the rate year.

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-13 :** On page 18 of her testimony, Ms. Parrillo indicates that monies in the Capital Fund are planned for cash-funded or pay-as-you go projects. Please provide the following:

- a. A complete listing of each project to be funded from the Capital Fund.
- b. The amount for each project.
- c. The estimated start date and completion date for each project.

#### **RESPONSE:**

See PWSB response for **COMM 1-14** filed with the PUC on September 23, 2016.

Prepared by: Nancy E. Parrillo

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-14**: On page 22 through 24 of her testimony, Ms. Parrillo refers to the Revenue Reserve Fund. Please state:

- a. The current balance of the Revenue Reserve Fund.
- b. Why the amounts set forth on page 23, lines 13-19 are "still due to the restricted accounts".
- c. Under what authority the PWSB has been "carrying these amounts in our operating fund as balances due to the restricted funds since fiscal year 2010" as referenced on lines 1 through 2 on page 24 of Ms. Parrillo's testimony.

#### **RESPONSE:**

- a. The current balance in the Revenue Reserve Fund is \$5,553,051.
- b. The amounts on page 23, lines 13 -19 are still due to the restricted fund as PWSB did not request additional rates in subsequent rate filings to repay these restricted funds the amounts that were not funded in 2009 in order to cover operating costs.
- c. These balances were the result of the necessary accounting entries made at the time to reflect the underfunding of these funds because of revenue shortfalls at the time. This is required by the Generally Accepted Accounting Principals (GAAP) and has been standard practice for many years. The Commission and Division are aware of this practice and have never objected to it.

Prepared by: Nancy E. Parrillo

## Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-15**:

On page 6 of his testimony, Mr. Caruolo indicates that the construction contract for the COF was awarded to Dimeo Construction on March 7, 2016.

- a. Please confirm that Dimeo Construction provided the cost estimates for the COF set forth in the "Order of Magnitude" attached to Greg Giasson's testimony in Docket 4571.
- b. Why Dimeo Construction was allowed to bid on the construction contract for the COF.
- c. If Providence does not believe there is a conflict stemming from Dimeo's dual roles, please explain why there is no conflict.

#### Response:

- a. Dimeo did provide the "Order of Magnitude" estimate.
- b. Dimeo Construction is a company that does Construction Management and therefore qualifies as one of the bidders that would bid on a Construction Manager at Risk (CMAR) contract. The CMAR holds all the contracts with all the subcontractors who are doing the construction work at the COF.
- c. Dimeo did not have dual roles. Dimeo did the "Order of Magnitude" estimate in March of 2015 under a separate Construction Management contract. This contract was publicly bid and was awarded to Dimeo for the term 11/19/2012 through 12/31/2017.

As testified in Docket 4571, Providence Water decided that the best procurement method for the renovations at 125 Dupont Drive was CMAR. As such, during the bidding process for the CMAR contract, Providence Water ensured that all bidders for this contract were on a level playing field. Ultimately, Providence Water felt that the award of the CMAR contract to Dimeo was in the best interest of Providence Water and its rate payers.

## Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-16**:

On page 6 of his testimony, Mr. Caruolo indicates that "The new COF will be environmentally friendly incorporating solar power, low energy high efficient lighting throughout the building and rain gardens to mitigate storm water runoff in the Mashapaug Pond."

- a. Please identify where these expenses appear in the "Order of Magnitude" attached to Greg Giasson's testimony in Docket 4571.
- b. The source of funding for these expenses.

#### Response:

- a. The Solar Project was not included in the "Order of Magnitude".
  All lighting was estimated in the "Order of Magnitude" under electrical. All site work, including the rain gardens was estimated in the "Order of Magnitude" under both sitework and landscaping.
- b. The Solar Project is being funded from the Capital Budget. The high efficiency lighting is funded from the bond. The mitigation of storm water runoff in Mashapaug Pond is being funded through the bond with some costs being offset by grants through "Groundworks Providence" from RI Department of Environmental Management.

## Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-17**:

In response to Comm. 1-9, Messrs. Caruolo and Giasson state that it is Providence Water's "intention" that funds held by EWSB through the effective merger and annexation date be used "at least in part" towards upgrades of eh EWSB system.

- a. Please state how much money Providence Water estimates will be held by EWSB through the merger and annexation date.
- b. For what purpose, other than upgrades, would Providence Water use these funds?

#### Response:

- a. At this time, the ESWD is estimated to have cash balances of between \$125,000 to \$150,000 at December 31, 2016.

  Additionally, the ESWD estimates to have accounts receivable of \$225,000 for the quarterly billing period ending December 31, 2016 (which is currently estimated to be the effective date of the merger). The amount of these funds will depend on the amount of receivables and obligations the ESWD may have at the time of the merger.
- b. These funds would be used to pay any obligations that would arise from operations in the month of December.

## Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-18**:

On page 9 through 10 of his testimony, Mr. Giasson testifies "Preliminary results of the evaluation indicate that the best option is the outright purchase of solar panels and utilize them at the COF at 125 Dupont Drive. The estimate for purchase and installation of the solar panels is approximately \$2,500,000."

- a. Identify any and all cost benefit analysis conducted by the PWSB regarding this purchase.
- b. Please identify the payback period for this investment.
- c. Please identify where this expense appears in the "Order of Magnitude" attached to Mr. Giasson's testimony in Docket 4571.
- d. Please provide the "preliminary results of the evaluation."

#### Response:

- a. A cost benefit analysis is provided in the attached Financial Analysis document dated October 7, 2016. Please note that a bid was awarded on October 3, 2016 for \$2,070,772.13 to install solar panels on the roof of 125 Dupont Drive.
- b. The payback period is approximately 9 years as shown in the Financial Analysis.
- c. The Solar Project is not included in the "Order of Magnitude" attached to Mr. Giasson's testimony in Docket 4571. The Solar Project is being funded from the Capital Budget.
- d. Attached is the "final evaluation" dated June 2016 titled "Preliminary Solar Feasibility Study" performed by CDM Smith.

Data Requests for BCWA- Set 1

October 5, 2016—

**BCWA 1-19:** In Docket 2048, when Providence requested rates for a payment in lieu of taxes (PILOT), the Commission found that:

"This docket does not represent the Commission's first exposure to a proposal by a municipal water utility for a PILOT expense in its cost of service. This very same issue came up in a Pawtucket Water Supply Board rate case in 1991 (Docket No. 1989) and in a Newport Water Department rate case earlier this year (Docket No. 2029). The Commission rejected a PILOT expense in both of these cases. In the Newport case we held that we could "not philosophically or regulatorily accept the notion of the City of Newport taxing its own water department" and that a "payment in lieu of taxes...is an element of expense which this Commission has not previously allowed in rates." (Order No. 13947). We see no justification to deviate from this prior holding in this docket." (See PUC Order No. 14096)

Please identify all changes in fact, law or circumstance since this Order that justifies the PILOT Providence Water seeks in this Docket.

**RESPONSE:** Providence Water paid approximately \$6.5 million (NEP-4) in property taxes to other communities in fy2015. The funds paid provide tax relief for the citizens of the communities receiving the property tax payment. However, there is an adverse effect on the City of Providence because they once received a property tax payment from the prior owners of 125 Dupont Drive. If Providence Water is not allowed to make the City of Providence whole for the loss in property taxes at the new COF, then the tax payers from Providence will essentially be subsidizing the loss of property tax revenue because the COF is located in Providence.

The \$326,000 PILOT is a fixed amount and not an incremental amount that will rise annually. The amount is based on what the City received from the previous owner and it is not calculated by the actual value of the property. If the COF was located in a different community then the assessed value would also include any and all improvements drastically increasing the amount owed in property taxes by the rate payers. Therefore, it is Providence Water's opinion that locating the COF in Providence and making a PILOT payment is a significant savings to all rate payers. The tax payers from Providence should not be required to subsidize the \$326,000 loss in tax revenue to the City.

As noted on page 11 of Nancy Parrillo's testimony it appears that the Commission has allowed a PILOT for KCWA's cost of service in the amount of \$23,123. In addition, the Bristol County Water Authority (unregulated) pays a PILOT in the amount of \$463,600 to the towns of Bristol County.

See also BCWA 1-4.

#### Data Requests of the Bristol County Water Authority Set 1

BCWA 1-20: In Docket 2048 (RI PUC Order no. 14096, p. 59, issued 12/30/92), the Commission stated "Before this Commission could consider this expense (either a rent payment or PILOT) an appropriate one, the PWSB must produce evidence of title and lease agreements based on fair market values. We would additionally expect the PWSB to demonstrate that PWSB ratepayers have not previously paid for these properties through rates." Please identify all evidence Providence Water has produced since the date of this Order that Providence Water ratepayers have not previously paid for the Academy Avenue property through rates.

#### **RESPONSE:**

In Docket 4571 (Providence Water Exhibit 10), Providence Water provided a copy of the deed to the Academy Avenue property that shows it is owned by the City of Providence. This information was previously filed with the PUC in Docket 3163 attached to the testimony of Alexander Prignano, City Finance Director. A copy of the deed is attached. Providence Water has not paid for the acquisition of the property, nor has Providence Water paid any rental or lease payments to the City. In the past, the PUC has rejected Providence Water's request for an allowance to pay rent to the City on the Academy Avenue property.

Prepared by: Thomas Massaro

October 25, 2016

STUDIES LAND COMPARY, a corporation catablished under the laws of the State of Rhode Island, for consideration paid grants to CITY OF PROVIDENCE, a municipal corporation created by the General Assembly of the State of Rhode Island and located in the County of Providence in said State, with WARRANTY COVENANTS, subject to taxes assessed in 1949.

That parcel of land, with all buildings and improvements thereon, situated in the City of Providence and State of Rhode Island, and bounded and described as follows:- Beginning at a point in the westerly line of Academy Avenue located ninety and 40/100 (90.40) feet northerly from the point of intersection of said line of Academy Avenue with the northerly line of Elmcroft Avenue, said point being at the southtasterly corner of said parcel and at the northeasterly corner of land now or lately of The Dexter Co. Inc.; thence westerly bounding southerly on said last named land in part, in part on land now or lately of Angelo A.Caldarone, in part on land now or lately of William F.Callahan and wife, in part on land now or lately of Henrietta M. Higgs et al., in part on land now or lately of Mary M. McCarthy, in part on land now or lately of United States Finance Corp. and in part on land now or lately of Washington Finance Corp. and in part on land now or lately of Washington Finance Corp., four hundred (400) feet to land now or lately of LaSails Academy, thence turning an interior angle of 64° 35' and running easterly on said last named land three hundred (300) feet to a corner; thence turning an interior angle of 64° 35' and running easterly bounding northerly on said last named land four hundred (400) feet to Academy Avenue; thence turning an interior angle of 64° 35' and running easterly bounding easterly on Academy Avenue, three hundred (300) feet to the point of beginning at which point the last described line forms an interior angle of 81° 35' with the first described line forms an interior angle of 81° 35' with the first described line. Said parcel contains by estimation 119,463.5 square feet of land.



In Cultures a Milerrof, said Corporation has caused these presents to be signed and its Corporate Seal to be hereunto affixed by its proper officer, duly authorized, this third day of Cubober, is he

YNAGHOO CHAI VELORITE, VEL

Pringurar

State of Rhobe Island, } County or Providence

In Providence in said County on the before me personally oppeared the above named Joseph Marwell, Prosident, and Daniel A. Marwell, Treasurer, of Studiey Land Josephy

to me known and known by me to be the person executing the foregoing instrument for and in behalf of said granter corporation, and they acknowledged said instrument, by them executed in their soid capacities to be their free act and deed and the free act and deed of said granter corporation.

Japhael Kranic

#### Data Requests of the Bristol County Water Authority Set 1

- **BCWA 1-21**: In response to KCWA 1-4, Mr. Caruolo indicates that it is his understanding that if the Academy Avenue facility were sold, "the proceeds would go to the City of Providence."
  - a. Please state all facts upon which Mr. Caruolo's understanding is based.
  - b. If the proceeds do go to the City of Providence, how much of the proceeds will be refunded to reimburse Providence Water ratepayers for all funds they have provided for investment in the property.
  - c. If none of the proceeds will be reimbursed to Providence Water, please state why no reimbursement will be made?

#### Response:

- a. The City of Providence has title to the property at 552 Academy Avenue which Providence Water uses for offices, for the public to make payments, a repair facility, and a garage facility. In 1949, the City of Providence paid approximately \$115,000 to acquire the Academy Avenue property. The ratepayers of Providence Water did not pay for the acquisition of the property at 552 Academy Avenue.
- b. It is expected that the City would retain all proceeds from the sale of 552 Academy Avenue. See above response to 'a'.
- c. Providence Water has not paid for the acquisition of the Academy Avenue property. And Providence Water has not paid rental or lease payments to the City for use of the property. Providence Water has made necessary improvements to the facility to make it suitable and safe for our employees and the general public. The building improvements have become incorporated into the real estate and therefore, become the property of the City. As the facility at Academy Avenue is in need of various improvements and repairs, it is uncertain if the improvements made by Providence Water would provide any true added value if the property is sold by the City. The improvements made were specific to the needs of Providence Water at that time. Their value, if any may depend on a buyer's intended use of the property. For example:

Would the current lay-out and condition of the parking lot have any value to a buyer? Would a buyer have need for the security gate? Would a buyer have need for a customer counter for a payment / service area? Would the garage area be utilized?

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-22:** Please provide all final debt service schedules that show actual interest rate, amount borrowed and payment schedule for the COF loan referenced in Docket 4571.

#### **RESPONSE:**

Please see attached – BCWA 1-22A.

#### **Calculation of Borrower Rate**

Providence WSB-\$30.0M DWSRF Multiple Sources (AA-Rated, Revenue Pledge)

Borrower:	Providence WSB	Highest Rating:	AA
Rate Lock Date:	12/02/15	MMD Scale:	Revenue-AA
Closing Date:	12/17/15	Zero% Subsidy:	-
Pledge:	Revenue	DSR Required:	

	Market	Less 25%	Subsidized	Loan	Plus Admin.	Total Borrower
Maturity	Rate	Subsidy	Rate	Rate	Fee	Billing Rate
2016	0.320%	-0.080%	0.240%	0.240%	0.500%	0.740%
2017	0.850%	-0.210%	0.640%	0.640%	0.500%	1.140%
2018	1.100%	-0.280%	0.820%	0.820%	0.500%	1.320%
2019	1.340%	-0.340%	1.000%	1.000%	0.500%	1.500%
2020	1.560%	-0.390%	1.170%	1.170%	0.500%	1.670%
2021	1.770%	-0.440%	1.330%	1.330%	0.500%	1.830%
2022	1.990%	-0.500%	1.490%	1.490%	0.500%	1.990%
2023	2.210%	-0.550%	1.660%	1.660%	0.500%	2.160%
2024	2.350%	-0.590%	1.760%	1.760%	0.500%	2.260%
2025	2.490%	-0.620%	1.870%	1.870%	0.500%	2.370%
2026	2.810%	-0.700%	2.110%	2.110%	0.500%	2.610%
2027	3.050%	-0.760%	2.290%	2.290%	0.500%	2.790%
2028	3.230%	-0.810%	2.420%	2.420%	0.500%	2.920%
2029	3.390%	-0.850%	2.540%	2.540%	0.500%	3.040%
2030	3.290%	-0.820%	2.470%	2.470%	0.500%	2.970%
2031	3.310%	-0.830%	2.480%	2.480%	0.500%	2.980%
2032	3.330%	-0.830%	2.500%	2.500%	0.500%	3.000%
2033	3.370%	-0.840%	2.530%	2.530%	0.500%	3.030%
2034	3.610%	-0.900%	2.710%	2.710%	0.500%	3.210%
2035	3.660%	-0.920%	2.740%	2.740%	0.500%	3,240%

#### Sources & Uses

Providence WSB- \$30.0M DWSRF Multiple Sources (AA Rated, Revenue Pledge)

#### Sources:

Agency - Bond Proceeds	20,588,163.43
Direct Loan - State Match	1,757,400.00
Direct Loan - State Match Repayments Funds	•
Fed Direct - Cap Grant	5,483,720.00
Fed Direct - Revenue Release Fund	<del>-</del>
Fed Direct - De-Allocated LIST Funds	723,623.50
Agency - Bond Proceeds (Principal Forgiveness)	1,447,093.07
Total Sources	30,000,000.00

#### Uses:

Multiple Sources - Deposit to Construction Fund	26,231,621.14
Principal Forgiveness Funds	1,447,093.07
Deposit to DSRF	1,947,785.79
Capitalized Interest	-
Loan Origination Fee (1.0%)	300,000.00
Costs of Issuance - Local Level	73,500.00
Total Uses	30,000,000.00

Providence WSB - Multiple Sources Statistics (Exclus	sive of Fees):
Weighted Average Maturity (Years)	11.4322
Market Yield on the Loan:	3.163%
Effective Yield* on Total Multiple Sources	1.775%
Subsidized Yield on Non-PF Portions:	2.294%
Net Effective Subsidy:	43.892%

#### \*Effective Yield incorporates:

<sup>\* 25%</sup> DWSRF Interest Rate Subsidy

<sup>\* \$1,447,093.07</sup> of Principal Forgiveness.

#### **Construction Fund Cash Flow**

Providence WSB- \$30.0M DWSRF Multiple Sources (AA Rated, Revenue Pledge)

	Dantooloo	Leen Dannade	Cont of	Principal	Multiple Sources	DSRF &	Total	Ending Fund	6-Month	%
Date	Beginning Balance	Loan Proceeds Deposit	Cost of Issuance	Draws	Draws	Cap-I	Draws	Balance	Const. Draws	Spen
12/17/15		30,000,000.00	373,500.00	1,447,093.07	11,718,976.50	1,947,785.79	15,487,355.36	14,512,644.64		
01/01/16	14,512,644.64	-	-	-	· ,		-	14,512,644.64		
02/01/16	14,512,644.64	_	_	_	-		-	14,512,644.64		
03/01/16	14,512,644.64	-	_	_	-	-	-	14,512,644.64		
04/01/16	14,512,644.64	-	_	-	1,000,000.00	-	1,000,000.00	13,512,644.64		
05/01/16	13,512,644.64	-	-	-	1,000,000.00	-	1,000,000.00	12,512,644.64		
06/01/16	12,512,644.64	_	-	_	1,100,000.00	-	1,100,000.00	11,412,644.64	16,266,069.57	59%
07/01/16	11,412,644.64	_	_	_	1,100,000.00		1,100,000.00	10,312,644.64		
08/01/16	10,312,644.64	_	_	_	1,200,000.00	_	1,200,000.00	9,112,644.64		
09/01/16	9,112,644.64	_	-	_	1,200,000.00	-	1,200,000.00	7,912,644.64		
10/01/16	7,912,644.64		_	-	1,200,000.00	_	1,200,000.00	6,712,644.64		
11/01/16	6,712,644.64	_	_		1,000,000.00	_	1,000,000.00	5,712,644.64		
12/01/16	5,712,644.64	<u>-</u>	_	_	1,000,000.00	-	1,000,000.00	4,712,644.64	6,700,000.00	83%
01/01/17	4,712,644.64	_	_	_	1,000,000.00	_	1,000,000.00	3,712,644.64	, .	
02/01/17	3,712,644.64	-	-	_	1,000,000.00	_	1,000,000.00	2,712,644.64		
03/01/17	2,712,644.64	_	_	_	1,000,000.00	_	1,000,000.00	1,712,644.64		
04/01/17	1,712,644.64	_	_	_	1,000,000.00	_	1,000,000.00	712,644.64		
05/01/17	712,644.64	<u>-</u>	_	_	712,644.64	_	712,644.64	, -		
06/01/17	7 12,0-1-1.0-1		_	-	-	_	-	_	4,712,644.64	100%
07/01/17	_	_	_		_	~	_		, ,	
08/01/17	_		_		_	-	_	-		
09/01/17	_	_	_	_	-	_	-	_		
10/01/17	_	_	_	_	н	_	_	_		
11/01/17	_	_	_	_	_	_	_	-		
12/01/17	_		_		_	-	_	-	_	100%
01/01/18	_		_	_	_		_	w		
02/01/18	_	_	_	_	_	_	_	_		
03/01/18		_	_	_	_	_	_	_		
04/01/18		_		_	-	_	-	_		
05/01/18	_	_	_	_		_	_	_		
06/01/18	_	_	_	_	_	_	_	_	_	100%
07/01/18	_		_		_		_			
08/01/18	- -	- -	_	_	- -		_	_		
09/01/18	-	-	_	_	_	_	_	_		
10/01/18	-	<u>-</u>	_	_	_ _	_	_	<u>-</u>		
11/01/18	<b>-</b>	- -		_	-	_		_		
12/01/18	-	-	-	<u>-</u>		_		_	_	100%
01/01/19	-	-	-	<u>-</u>	_	_	_	_		1007
	-	-	-	<u>-</u>	<u>.</u>	_	_	_		
02/01/19	-	N	-		<del>-</del>		_	_		
03/01/19	-	-	-	-	<del>-</del>	<del>-</del>	-	<u>-</u>		
04/01/19	H	-	-	-	۲	-	-	-		_
		30,000,000.00	373,500.00	1,447,093.07	26,231,621.14	1,947,785.79	30,000,000.00		27,678,714.21	-

Loan Balance

-Providence-WSB-\$30:0M-DWSRF-Multiple-Sources-(AA-Rated, Revenue-Pledge)

	Principal	Multiple Courses	Multiple Churchs	Baultinia Courses	Interest (1) Accrued @	Semiannual Interest	Loan Fees @	Semiannual Loan Fees
Date	Forgiveness Draws	Multiple Sources Draws	Principal Paid	Balance	2.000%	Requirements	0.500%	Payable
12/17/15	1,447,093.07	14,040,262.29	_	14,040,262.29	-	~	-	~
01/01/16		-	-	14,040,262.29	10,920.20	-	2,730.05	-
02/01/16	-	-	-	14,040,262.29	23,400.43	-	5,850.11	_
03/01/16	-	-	-	14,040,262.29	23,400.43	57,721.06	5,850.11	14,430.2
04/01/16	-	1,000,000.00	-	15,040,262.29	23,400.43	-	5,850.11	-
05/01/16	-	1,000,000.00	-	16,040,262.29	25,067.10	-	6,266.78	-
06/01/16	-	1,100,000.00	-	17,140,262.29	26,733.76	-	6,683.44	-
07/01/16	<u>.</u>	1,100,000.00	-	18,240,262.29	28,567.10	-	7,141.78	-
08/01/16	-	1,200,000.00	=	19,440,262.29	30,400.43	-	7,600.11	-
09/01/16	-	1,200,000.00	(934.33)	20,639,327.96	32,400.43	166,569.25	8,100.11	41,642.3
10/01/16	-	1,200,000.00	-	21,839,327.96	34,398.87	-	8,599.72	-
11/01/16	-	1,000,000.00	-	22,839,327.96	36,398.87	-	9,099.72	-
12/01/16	-	1,000,000.00	-	23,839,327.96	38,065.55	_	9,516.39	-
01/01/17	-	1,000,000.00	=	24,839,327.96	39,732.21	-	9,933.05	-
02/01/17	=	1,000,000.00	-	25,839,327.96	41,398.88	-	10,349.72	-
03/01/17	-	1,000,000.00	-	26,839,327.96	43,065.55	233,059.93	10,766.39	58,264.9
04/01/17	-	1,000,000.00	~	27,839,327.96	44,812.28	м	11,183.05	-
05/01/17	-	712,644.64	-	28,551,972.60	46,478.95	_	11,599.72	-
06/01/17	-	-	-	28,551,972.60	47,666.69	-	11,896.65	-
07/01/17	-	-	-	28,551,972.60	47,666.69	-	11,896.65	-
08/01/17	-	-	-	28,551,972.60	47,666.69	=	11,896.65	-
09/01/17	-	-	(1,243,020.83)	27,308,951.77	47,666.69	281,957.98	11,896.65	70,369.3
10/01/17	-	-	-	-	-	**	-	-
11/01/17	-	-		-	-	-	-	-
12/01/17	-	-	-	-	-	-	ii ii	-
01/01/18	~	-	-		-	-	-	-
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01/01/19	-	-	_	-	-	-	-	-
02/01/19	-	-	-	-	-	-	-	-
03/01/19	-	1	-	-	-		-	-
04/01/19	-	-	-	-	-	-	м	-
-	1,447,093.07	28,552,906.93	(1,243,955.16)		739,308.22	739,308.22	184,706.97	184,706.9

<sup>(1)</sup> Interest rate represents the weighted average loan rate for the entire loan amortization.

Loan Debt Service

Providence WSB- \$30.0M DWSRF Multiple Sources (AA Rated, Revenue Pledge)

Date	Principal	Loan Rate	(1) Principal Forgiveness	Net Principal	(2) Interest	Net Fees @ 0.500%	Total Fees & Interest	Total Net Debt Service	Annual Net Debt Service & Fees
12/17/15					67 704 06	14,430,27	72.151.33	72.151.33	-
03/01/16		-	- (05.07)	-	57,721.06	•	208,211.57	209,145.90	281,297.23
09/01/16	1,000.00	0.240%	(65.67)	934.33	166,569.25 233,059.93	41,642.32 58,264.99	291,324.92	291,324.92	201,201.20
03/01/17	4 000 000 00	- 0.400/	(00.070.47)	4 049 000 99	281,957.98	70,369.39	352,327.37	1,595,348.20	1,886,673.12
09/01/17	1,306,000.00	0.640%	(62,979.17)	1,243,020.83	282,159.50	68,272.38	350,431.88	350,431.88	1,000,010.12
03/01/18	- 4 000 000 00	0.000/	- (60 704 E6)	1 256 200 44	282,159.50	68,272.38	350,431.88	1,606,730.32	1,957,162.20
09/01/18	1,320,000.00	0.820%	(63,701.56)	1,256,298.44	277,008.68	65,131.63	342,140.31	342,140.31	1,001,102.20
03/01/19	4 000 000 00	4.0000/	(0.4 EEE 20)	- 1,273,444.70	277,008.68	65,131.63	342,140.31	1,615,585.01	1,957,725.32
09/01/19	1,338,000.00	1.000%	(64,555.30)	1,273,444.70	270,641.46	61,948.02	332,589.48	332,589.48	-
03/01/20	4 050 000 00	1.170%	(65,540.37)	1,293,459.63	270,641.46	61,948.02	332,589.48	1,626,049.11	1,958,638.59
09/01/20	1,359,000.00	1.17076	(65,540.57)	1,293,439.03	263,074.72	58,714.37	321,789.09	321,789.09	-,020,000.00
03/01/21 09/01/21	1,381,000.00	1.330%	(66,591.12)	1,314,408.88	263,074.72	58,714.37	321,789.09	1,636,197.97	1,957,987.06
03/01/21	1,361,000.00	1,33076	(00,391.12)	1,014,400.00	254,333.90	55,428.35	309,762.25	309,762.25	-
09/01/22	1,406,000.00	1.490%	(67,838.88)	1,338,161.12	254,333.90	55,428.35	309,762.25	1,647,923.37	1,957,685.62
03/01/23	1,400,000.00	1.49070	(07,000.00)	-	244,364.60	52,082.95	296,447.55	296,447.55	· · ·
09/01/23	1,435,000.00	1.660%	(69,217.99)	1,365,782.01	244,364.60	52,082.95	296,447.55	1,662,229.56	1,958,677.11
03/01/23	1,433,000.00	1.00070	(55,211.55)	-	233,028.61	48,668.49	281,697.10	281,697.10	_
09/01/24	1,465,000.00	1.760%	(70,662.76)	1,394,337.24	233,028,61	48,668,49	281,697.10	1,676,034.34	1,957,731.44
03/01/25	1,400,000.00	1.70070	(70,002.70)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	220,758.44	45,182.65	265,941.09	265,941.09	-
09/01/25	1,499,000.00	1.870%	(72,304.56)	1,426,695.44	220,758.44	45,182.65	265,941.09	1,692,636.53	1,958,577.62
03/01/26	-	<b></b>			207,418.84	41,615.91	249,034.75	249,034.75	-
09/01/26	1,534,000.00	2.110%	(74,012.02)	1,459,987.98	207,418.84	41,615.91	249,034.75	1,709,022.73	1,958,057.48
03/01/27	-	_	-	, · · -	192,015.97	37,965.94	229,981.91	229,981.91	-
09/01/27	1,574,000.00	2.290%	(75,916.50)	1,498,083.50	192,015.97	37,965.94	229,981.91	1,728,065.41	1,958,047.32
03/01/28	-	-	-	-	174,862.91	34,220.73	209,083.64	209,083.64	-
09/01/28	1,618,000.00	2.420%	(78,018.00)	1,539,982.00	174,862.91	34,220.73	209,083.64	1,749,065.64	1,958,149.28
03/01/29	· · ·		₩	_	156,229.13	30,370.78	186,599.91	186,599.91	-
09/01/29	1,666,000.00	2.540%	(80,316.51)	1,585,683.49	156,229.13	30,370.78	186,599.91	1,772,283.40	1,958,883.31
03/01/30	_	-	-	-	136,090.95	26,406.57	162,497.52	162,497 <i>.</i> 52	~
09/01/30	1,716,000.00	2.470%	(82,746.36)	1,633,253.64	136,090.95	26,406.57	162,497.52	1,795,751.16	1,958,248.68
03/01/31	-	-	-	-	115,920.27	22,323.44	138,243.71	138,243.71	-
09/01/31	1,767,000.00	2.480%	(85,241.89)	1,681,758.11	115,920.27	22,323.44	138,243.71	1,820,001.82	1,958,245.53
03/01/32	-	-	н	~	95,066.47	18,119.04	113,185.51	113,185.51	-
09/01/32	1,819,000.00	2.500%	(87,737.41)	1,731,262.59	95,066.47	18,119.0 <del>4</del>	113,185.51	1,844,448.10	1,957,633.61
03/01/33	-	-	-	-	73,425.69	13,790.88	87,216.57	87,216.57	
09/01/33	1,874,000.00	2.530%	(90,364.28)	1,783,635.72	73,425.69	13,790.88	87,216.57	1,870,852.29	1,958,068.86
03/01/34	-	-	-	-	50,862.70	9,331.79	60,194.49	60,194.49	-
09/01/34	1,930,000.00	2.710%	(93,122.49)	1,836,877.51	50,862.70	9,331.79	60,194.49	1,897,072.00	1,957,266.49
03/01/35	-	<b></b>	=	=	25,973.01	4,739.60	30,712.61	30,712.61	
09/01/35	1,992,000.00	2.740%	(96,160.23)	1,895,839.77	25,973.01	4,739.60	30,712.61	1,926,552.38	1,957,264.99
	30,000,000.00		(1,447,093.07)	28,552,906.93	7,285,779.92	1,573,334.01	8,859,113.93	37,412,020.86	37,412,020.86

<sup>(1)</sup> Principal Forgiveness funds have been distributed to borrowers with loan proceeds used to fund Green Projects. See financing documents for details.

<sup>(2)</sup> Interest during construction is calculated based on the timing of expected draws and the overall weighted average loan rate of 2.000%.

#### Data Requests of the Bristol County Water Authority Set 1

BCWA 1-23: Please provide a copy of the current deed for 125 Dupont Drive, Providence, RI.

#### **RESPONSE:**

See attached – BCWA 1-23A.

Prepared by: Nancy E. Parrillo

#### Doc No: 00133901 Book:11293 Page:

LOS

#### QUITCLAIM DEED

FIRST STATES INVESTORS 5200, LLC, a Delaware limited liability company, of New York, New York, for consideration paid of TEN MILLION THREE HUNDRED FIFTY THOUSAND AND 00/100 (\$10,350,000.00) DOLLARS, do hereby grant to the PROVIDENCE WATER SUPPLY BOARD, an entity established under Rhode Island law, whose mailing address is 552 Academy Avenue, Providence, Rhode Island 02908.

#### WITH QUITCLAIM COVENANTS

40

That parcel of land with all buildings and improvements thereon, situated in the City of Providence, County of Providence, State of Rhode Island, and further described in the **EXHIBIT A attached hereto and incorporated herein**.

Subject to a restriction in perpetuity that, if the property is used for purposes other than the public water supply, the fair market value at the time of the change in use shall be paid to or applied for the benefit of ratepayers of the water supply system.

Meaning and intending to convey and so conveying the same premises conveyed to this Grantor by Quitclaim Deed of Fleet National Bank dated as of October 1, 2004 and recorded in Book 6868, Page 187.

This conveyance is made subject to real estate taxes assessed as of December 31, 2014.

The Members of said Seller limited liability company are non-residents, and as such, application has been made to the Division of Taxation for the State of Rhode Island for a release of the lien under RIGL 44-30-71.

NEAL ESTATE STAND

#### Doc No: 00133701 Book:11273 Pase: 107

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed as of  $\partial \Phi$ **GRANTOR:** FIRST STATES INVESTORS 5200, LLC, a Delaware limited liability company Name: Stacie Yamane Title: \_\_\_\_CAO A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document. STATE OF CALIFORNIA COUNTY OF ORANGE On December 21, 2015 before me, Teresa Fakalata (here insert name and title of the officer), personally appeared Stack Yamaro, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in -his/her/their authorized capacity(jes), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal. TERESA TANGARUA FAKALATA Commission # 2052405 Notary Public - California **Orange County** My Comm. Expires Jan 15, 2018 Property Address:

> 125 Dupont Drive Providence, Rhode Island 02907

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Providence, RI Plat 50, Lot 724 Acknowledged:				
Providence, RI Plat 50, Lot 724  Acknowledged: Providence Water Sur By:	aunger			

#### **EXHIBIT A**

The real property and all buildings, structures, fixtures, improvements, machinery, equipment, furnishings and other personal property and air rights located on that certain tract or parcel of land situated on the easterly side of Dupont Drive in the City and County of Providence, State of Rhode Island, bounded and described as follows:

Beginning at a point of curvature on the easterly line of Dupont Drive, said point being sixty and 00/100 (60.00") feet radially from a concrete bound at a point of curvature on the westerly line of Dupont Drive;

Thence running S. 24°39′50″ W along said easterly line of Dupont Drive, a distance of three hundred seventy three and 27/100 (373.27′) feet to a point on said street line;

Thence turning an interior angle of ninety degrees, nine minutes, eighteen seconds (90°09' 18") and running S. 65°10' 52" E a distance of six hundred seventeen and 97/100 (617.97') feet to a point on the approximate top of slope line;

Thence turning an interior angle of eighty-nine degrees, forty-nine minutes, one second (89°49'01") and running bounded easterly by Mashapaug Pond, a distance of six hundred twenty-seven and 69/100 (627.69') feet to an angle point in said slope line;

Thence turning an interior angle of two hundred six degrees, eight minutes, fifty-six seconds (206°08′56″) and running N. 50°47′05″ E along said approximate top of slope line and bounded easterly by Mashapaug Pond, a distance of four hundred sixty-five and 89/100 (465.89′) feet to a point in said line, said point also being on the southerly line of that parcel of land now or formerly of the New York, New Haven, and Hartford Railroad Company;

Thence turning an interior angle of seventy degrees, twenty-six minutes, eleven seconds (70° 26′ 11″) and running N. 58°46′ 44″ W along the southerly line of said railroad's land a distance of twenty-six and 46/100 (26.46′) feet to an angle point in said line;

Thence turning an interior angle of one hundred seventy-five degrees twenty-one minutes, thirty-one seconds (175°21'31") and running one N. 63°25'13" W along the southerly line of said railroad's land a distance of ninety-eight and 41/100 (98.41') feet to an angle point in said line;

Thence turning an interior angle of one hundred seventy-seven degrees, thirty-nine minutes, two seconds (177°39'02") and running N. 65° 46' 11" W along the southerly line of said railroad's land a distance of seven hundred forty-four and 14/100 (744.14') feet to a point;

Thence turning an interior angle of ninety degrees twenty-six minutes, forty seconds (90°26′40″) and running S. 24°40′29″ W a distance of five hundred eighty-seven and 52/100 (587.52″) feet to a point on a curve in said easterly line of Dupont Drive;

Thence turning left and curving to the right following a portion of said curve said portion having a radius of one hundred and 00/100 (100.00') feet and subtended by a central angle of fifty-seven degrees twenty-two minutes, thirty-four seconds (57°22' 34") in an arc distance of one hundred and 14/100 (100.14") feet to a point of tangency in the easterly line of Dupont Drive, said point also being the point and place of beginning.

Said premises is further bounded and described as follows:

The real property and all buildings, structures, fixtures, improvements, machinery, equipment furnishings, and other personal property and air rights located on that certain tract or parcel of land situated on the easterly side of Dupont Drive in the City and County of Providence, State of Rhode Island & Providence Plantations, bounded and described as follows:

Beginning at a point of curvature on the easterly line of Dupont Drive, said point being sixty and 00/100 (60.00) feet radially from the point of curvature on the westerly line of Dupont Drive;

Thence running S. 24° 35' 56" W along said easterly line of Dupont Drive, a distance of three hundred seventy three and 27/100 (373.27") feet to a point on said street line;

Thence turning an interior angle of ninety degrees, nine minutes, eighteen seconds (90° 09' 18") and running S. 65° 14' 46" E a distance of six hundred seventeen and 97/100 (617.97') feet to a point on the approximate top of slope line;

Thence turning an interior angle of eighty-nine degrees, forty-nine minutes, one second (89° 49′ 01") and running N. 24° 34′ 15" E bounded easterly by Mashapaug Pond, a distance of six hundred twenty-seven and 69/100 (627.69') feet to an angle point in said slope line;

Thence turning an interior angle of two hundred six degrees, eight minutes, fifty-six seconds (206° 08' 56") and running N. 50° 43' 11" E along said approximate top slope line and bounded easterly by Mashapaug Pond, a distance of four hundred sixty-five and 89/100 (465.89") feet to a point in said line, said point also being on the southerly line of that parcel of land now or formerly of the New York, New Haven, and Hartford Railroad Company;

Thence turning an interior angle of seventy degrees twenty-six minutes, eleven seconds (70° 26' 11") and running N. 58° 50' 38" W along the southerly line of

said railroad's lane a distance of twenty-six and 46/100 (26.46') feet to an angle point in said line;

Thence turning an interior angle of one hundred seventy-five degrees twenty-one minutes, thirty-one seconds (175° 21' 31") and running one N. 63° 29' 05" W along the southerly line of said railroad's land a distance of ninety-eight and 41/100 (98.41") feet to an angle point in said line;

Thence turning an interior angle of one hundred seventy-seven degrees, thirty-nine minutes, two seconds (177° 39' 02") and running N. 65° 50' 05" W along the southerly line of said railroad's land a distance of seven hundred forty-four and 14/100 (744.14') feet to a point;

Thence turning an interior angle of ninety degrees, twenty-six minutes four seconds (90° 26' 04") and running S. 24° 36' 35" W a distance of five hundred eighty-seven and 51/100 (587.51") feet to a point on a curve in said easterly line of Dupont Drive;

Thence turning left and curving to the right following a portion of said curve said portion having a radius of one hundred and 00/100 (100.00) feet and subtended by a central angle of fifty-seven degrees twenty-two minutes, thirty-four seconds (57° 22' 54") in an arc distance of one hundred and 15/100 (100.15") feet to a point of tangency in the easterly line of Dupont Drive, said point also being the point and place of beginning.

#### RECEIVED:

Providence
Received for Record
Dec 28:2015 at 02:24P
Document Num: 00133901
John A Murphs
Recorder of Deeds

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-24:** Please provide a copy of the closing statement for Providence Water's purchase of the property at 125 Dupont Drive, Providence, RI.

#### **RESPONSE:**

Please see attached – BCWA 1-24A.

Prepared by: Nancy E. Parrillo

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The undersigned hereby acknowledge receipt of a completed copy of pages 182 of this stationant 8 any attachments referred to herein.

1 HAVE CAREFULLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE MEST OF MY KNOWLEDGE AND BELLEF, IT IS A TRUE AND ACCURATE STATEMENT OF ALL RECEIPTS AND DISBURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. 1 FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

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The undersigned brefly acknowledge receipt of a completed copy of pages 182 of this abdement & any attachments reterned to herein.

I HAVE CREETELLY REVIEWED THE HUD-1 SETTLEMENT STATEMENT AND TO THE BEST OF MY KNOWLEDGEAND BELZEY, IT IS A TRUEAND ACCURATE STATEMENT OF ALL RECEIPTS AND DISSURSEMENTS MADE ON MY ACCOUNT OR BY ME IN THIS TRANSACTION. I FURTHER CERTIFY THAT I HAVE RECEIVED A COPY OF THE HUD-1 SETTLEMENT STATEMENT.

1400, YOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)

Buyer The Providence Water Supply Board. Seller First States Investors 5200, LLC, a Delaware limited liability company, BY TO THE BEST OF MY KNOWLEDGE, THE HUD I SETTLEMENT STATEMENT WHICH I HAVE PREPARED IS ATTUE AND ACCUPANT OF THE FUNDS WHICH WERE RECEIVED AND HAVE BEEN OR WILL BE DISBURSED BY THE UNDERSIGNED AS PART OF THE SETTLEMENT OF THIS TRANSACTION.

Warring: It is a crime to knowingly make false statements to the united states on this or any signar form. Penalties upon Conniction can include a fine and imprisonment. For details ses: Title 18 U.S. Code section 1001 section 1010.

Ronald C. Markoff, Esquire, Settlement Age/

492,228,00

38,189.00

Padag

HUD-1, Page 3

Buyer(s): The Providence Water Supply Board

562 Academy Avenue Providence, Ri

Seller(s): First States Investors 5200, LLC. c/o Gramercy Proprety Trust 521-Fith Ave, New York, NY-1017

Settlement Agent: Ronald C. Markoff, Esquire

(401)272-9330

Place of Settlement: 144 Medway Street

Providence, RI 02906

Settlement Date: December 28, 2016 Property Location: 125 Dupont Drive Providence, RI 02903

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and bellef, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

The Providence Water Supply Board,

First States investors,5200, LLC, a Dalaware limited liability company,

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is affice and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction,

> Ronald C. Markoff, Escipre Settlement Agent

## PROVIDENCE WATER SUPPLY BOARD Docket No. 4618

# Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

**BCWA 1-25**:

Does Providence Water still plan on installing a laboratory at the Central

Operations Facility. If not, why not?

Response:

Yes

#### Data Requests of the Bristol County Water Authority Set 1

BCWA 1-26: Does Providence Water propose to allocate any portion of the Central Operation Facility to the wholesale customers in this Docket? If so, please explain how the allocation was determined.

Response: Yes. However, the only costs in this Docket directly attributable to the Central Operation Facility (COF) are the debt service on the debt used to fund the purchase and renovation of the COF and the PILOT for the COF. As shown on Schedule HJS-4, the proposed funding for the Capital Fund (where debt service on the COF is funded) is allocated using allocator K-2 which is based on net plant investment The PILOT is also allocated using factor K-2. The K-2 allocator used to allocate these costs allocates 21.4% (as revised) of the Capital Fund and PILOT amounts to the wholesale customers.

## PROVIDENCE WATER SUPPLY BOARD Docket No. 4618

# Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-27**:

In Docket 4571, Providence Water provided a cost of \$16,272,853 for renovations to the 125 Dupont Avenue Facility, and committed to spending no more than that amount. However, in response to Commission 1-14, "Budget Estimates FY16 through 2018", Providence Water now estimates the Construction/Remodel to cost \$17,291,560.

- a. Please provide an itemized breakdown of this new amount in the format of the "Order of Magnitude" attached to Mr. Giasson's testimony in Docket 4571. (Note: Please show two columns for each line item in the Order of Magnitude, one showing the original amount in the Order of Magnitude, and the revised amount.)
- b. Please provide an explanation for each increase from the original Order of Magnitude.
- c. Please identify the source of funding for each increase.

#### Response:

- a. See attached itemized breakdown.
- b. Providence Water maintains that the cost of the purchase, renovation, and cost of bond issuance for 125 Dupont Drive will not exceed \$30 million. The cost of issuance for the \$30 million bond was \$2,326,681.61. The purchase price for 125 Dupont Drive was \$10,387,154.50. Subtracting the cost of issuance and the purchase price from the \$30 million bond leaves \$17,286,163.89 for building renovation. The total cost of purchase and renovation for Dupont Drive is \$27,678,715. The estimate provided during Docket 4571 was preliminary and was based on an initial walkthrough of 125 Dupont Drive and a preliminary programming of the COF. The cost of renovation attached is sufficient to meet Providence Water's needs for the COF and is within the \$30 million allocated for the purchase and renovation of 125 Dupont Drive.
- c. See response to (b).

0.0000   General Conditions	ITEM	Order of Magnitude Budget, based on Program Area Layout, Pre- Design	Central Operations Facility Guaranteed Maximum Price Summary
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05500         Milso Metals         \$16,325         \$0           06200         Temp Requirements         \$617,380         \$28,065         \$20,044           07400         Metal Panel         \$150,050         \$20,414           077500         Roof         \$162,902         \$170,350           077500         Roof         \$162,902         \$170,350           077500         Dorror Frames / Hardware         \$3167,500         \$172,350           08300         OH Colling Door         \$170,400         \$36,665           08410         Glass & Aluminum         \$2291,226         \$365,000           08500         Drywell         \$458,900         \$36,665           08410         Glass & Aluminum         \$2291,226         \$368,000           08500         Drywell         \$458,800         \$36,665           08510         Ceiling Systems         \$179,200         \$36,665           08510         Ceiling Systems         \$179,200         \$39,800           08660         Carpet / Resilient         \$373,183         \$325,500           1907         Specialties         \$374,883         \$324,500           10400         Signage         \$40,000         \$0           10400		**************************************	\$104,000
Section   Temp Requirements   \$817,380   \$23,086   \$20,086   \$22,1860   \$520,444   \$251,650   \$520,444   \$251,650   \$520,444   \$100,000   \$41,00			
08200   Milkwork			hana a a a a a a a a a a a a a a a a a a
Applied Fireproorling			
Applied Fireproofing		\$251,650	
170,000   170,		\$100,000	
07900	Applied Fireproofing	10.50	
08100   D.cors / Frames / Hardware   \$167,500   \$176,250   \$35,665   \$35,6	07500 Roof	\$162,802	
08300         OH Colling Door         \$170,400         \$5,665           08410         Glass & Aluminum         \$291,250         \$380,000           08250         Drywell         \$45,850,00         \$1,102,340           08300         Tile         \$583,000         \$55,800           08510         Celling Systems         \$179,200         \$199,500           09510         Celling Systems         \$274,562         \$421,335           09900         Paint         \$375,483         \$325,560           Div 10 Specialtiles         \$30,000         \$50,000           10440         Signage         \$90,000         \$50,000           10505         Lockers         \$18,800         \$0           10606         Wire Mesh Partitions         \$350,000         \$0           10500         Fire Protection         \$3850,000         \$0           12500         Window Treatments         \$12,800         \$14,000           15500         Fire Protection         \$386,910         \$325,900           15500         HVAC         \$976,344         \$1,763,333           16400         Flumbing         \$356,628         \$151,837           15500         HVAC         \$976,344         \$1,000,000	A COMPANY OF THE PROPERTY OF T		
Subtotal		\$167,500	\$176,250
Subtotal	08300 OH Coiling Door	\$170,400	\$85,665
Subtotal	08410 Glass & Aluminum	\$291/250	\$368,000
Subtotal: Allowance   Haz Mat Abste Allowance   Haz Mat Abste Allowance   Haz Mat Abste Allowance   Haz Mat Abste Allowance   Subtotal: Allowance   Haz Mat Abste Allowance   Subtotal: Allowance   Haz Mat Abste Allowance   Subtotal: Allowanc	09250 Drywall	\$458,030	\$1,102,340
1995   1995	09300 Tile	\$83,600	\$35,800
Subtotal	09510 Ceiling Systems		\$199,500
Subtotal	09680 Carpet / Resilient	\$245,627	\$421,385
Div 10 Specialties	109900 Paint	\$373,183	\$325,560
10440   Signage	Div 10 Specialties	\$0	\$74.686
10505	TO SHOW HE SHOULD BE SHOUL	* \$40,000	
10605   Wire Mesh Partitions		Promise and the second	i y ny na manana arithmatingan di
11160			
12500   Window Treatments	CONTRACTOR OF THE PROPERTY OF		
15300   Fire Protection   \$365;910   \$325,900   \$15400   Plumbing   \$556,825   \$515,837   \$15500   HVAC   \$875;314   \$1,763,333   \$1,6000   Electrical   \$1,471,350   \$2,561,400   \$1,4013,102   \$1,471,350   \$2,561,400   \$1,4013,102   \$1,4013,102   \$1,400,4000   \$1,4013,102   \$1,400,4000   \$1,4013,102   \$1,400,4000   \$1,40	L		general consistent constant constitution
15500   Plumbing   \$\$556,825   \$515,837   15500   HVAC   \$875,314   \$1,763,333   \$1,6000   Electrical   \$1,471,350   \$2,561,400   \$1,471,350   \$2,561,400   \$1,471,350   \$1,4013,102			en la
15500   HVAC   \$875;314   \$1,763,333   \$2,561,400   Electrical   \$1,371;350   \$2,561,400   \$1,471;350   \$2,561,400   \$3,0000   \$3,0000   \$301,846   \$4/0wance   \$420,803   \$0   \$4/0wance   \$420,803   \$0   \$4/0wance   \$420,803   \$0   \$4/0wance   \$3,464,419   \$0   \$6/0wance   \$1,000,000   \$375,000   \$375,000   \$375,000   \$4/0wance   \$1,000,000   \$375,000   \$0   \$0   \$4/0wance   \$1,000,000   \$0   \$0   \$0   \$0   \$0   \$0	AND THE RESIDENCE OF THE PROPERTY OF THE PROPE		
Subtotal   Silartial   Silar			
Subtotal: \$8,901,679   \$14,013,102		30/0,314	\$1,763,333
Subtotal: \$8,901,679   \$14,013,102		\$1,471,450	\$2,561,400
Allowance Granular Storage \$420,803 \$0 Allowance Fixtures & Equipment / Security \$1,000,000 \$375,000 Allowance Fixtures & Equipment / Security \$5,000,000 \$375,000 Allowance Data / Network / Phone \$500,000 \$0 Allowance Escalation Factor Excluded \$100,000 \$0 Allowance Escalation Factor Excluded \$100,000 \$0 Allowance Escalation Factor Excluded \$1,568,901 \$14,689,948 Architectural Fee \$25,512 \$449,443 \$15,539,191  General Liability \$1,000,000 \$14,689,948  Architectural Allowances \$11,568,901 \$14,689,948  Architectural Fixed \$12,494,413 \$15,539,191  General Liability \$1,000,000 \$0  Allowance \$1,000,000 \$0  Allowance Escalation Factor Excluded \$100,000 \$0  Allowance Escalation Factor Excluded \$110,000 \$0  Subtotal + Allowances #1,000,000 \$0  Fixed Pack Pack Pack Pack Pack Pack Pack Pack	Subtotal		
### Allowance   Stanular Storage   \$346,419   \$0   ### Allowance   Fixtures & Equipment / Security   \$51,000,000   ### \$50,000   \$0   ### \$50,000	Late and the second sec		
Allowance	A DESCRIPTION OF THE PROPERTY	\$420,803	
Allowance			
Allowance			
Allowance Escalation Factor Excluded \$0 \$0  Subtotal + Allowances: \$11,568,901 \$14,689,948  Architectural Fee \$925,512 \$949,243  Subtotal + Allowances Architectural \$12,494,413 \$15,539,191  General Liability \$105,203 \$144,038  Subtotal + Allowances + Architectural + Insurance \$12,750,549 \$15,683,229  Prov Bullding Permit \$2,200 + \$19/k \$2,200 \$115,870  Prov Bullding Permit \$3,033 + \$4/k \$33,033 \$29,033  Prov FireDept Permit \$2,000 + \$19/k \$200	The state of the s		Francisco de la constanta de l
Subtotal + Allowances: \$11,568,901			
Architectural Fee \$925,512 \$849,243  Subtotal & Allowances			
Subtotal # Allowances   \$12,494,413   \$15,539,191			, ,
Subjudical + Allowances			
Subguard Insurance   \$149/93\$   \$0			' '
Subtotal + Allowances + Architectural + Insurance   S12,750,549   S15,683,229     Prov Building Permit \$2,200 + \$19/k   \$2,200   \$115,870     Prov Building Permit \$3,033 + \$4/k   \$242,280   \$0     Prov FireDept Permit \$3,033 + \$4/k   \$3,033   \$29,033     Prov FireDept Permit \$3,033 + \$4/k   \$51,002   \$0     State ADA Fees   \$0   \$7,169     Subtotal + Allowances + Architectural + Insurance   Permits     Contingency- Estimate / Design   \$13,049,044   \$15,835,301     Contingency- Construction   \$13,049,044   \$72,200     Contingency- Construction   \$13,049,044   \$912,755     Subtotal + Allowances + Architectural + Insurance   \$15,658,852   \$16,820,256     CM Fee   \$508,913   \$465,903     Subtotal + Allowances + Architectural + Insurance   \$16,167,765   \$17,286,164     Payment & Performance Bond   \$105,090   \$0			\$144,038 \$0
Prov Building Permit \$2,200 + \$19/k	Subtotal + Allowances + Architectural +		\$15,683,229
Prov FireDept Permit \$3,033 + \$4/k	Prov Building Permit \$2,200 + \$19/k	Section and the section of the secti	\$115,870
Prov FireDept Permit \$3,033 + \$4/k		7 mg m m m m m m m m m m m m m m m m m m	\$0
Subtotal + Allowances + Architectural + Insurance Permits         \$13,049,044         \$15,835,301           Contingency- Estimate / Design Contingency- Construction         \$1,304,904         \$72,200           Subtotal - Allowances + Architectural + Insurance + Permits + Contingencies: CM Fee         \$15,658,852         \$16,820,256           Subtotal + Allowances + Architectural + Insurance + Permits + Contingencies: CM Fee         \$508,913         \$465,908           Subtotal + Allowances + Architectural + Insurance + Permits + Contingencies: Fee         \$16,167,765         \$17,286,164           Subtotal + Allowances + Performance Bond         \$105,090         \$0	THE RESIDENCE OF THE PROPERTY		\$29,033 \$0
Permits   \$13,049,044   \$15,835,301	State ADA Fees Subtotal + Allowances + Architectural + Insurance		
Contingency - Construction   \$1,304,904   \$912,755	+ Pemits		
Permits + Contingencies   \$15,058,852   \$16,820,250	Contingency- Construction	\$1,304,904	\$912,755
Subtotal + Altowances + Architectural + Insurance + Permits + Contingencies + Fee \$16,167,765 \$17,286,164 Payment & Performance Bond \$105,090 \$0	+ Permits + Contingencies		
Payment & Performance Bond \$105/090 \$0			
	A Company of the Comp	,	
			\$17,286,164

## PROVIDENCE WATER SUPPLY BOARD Docket No. 4618

# Data Requests of the Bristol County Water Authority - Set 1 October 5, 2016

#### **BCWA 1-28**:

In Docket 4571, Providence Water provided a cost of \$16,272,853 for renovations to the 125 Dupont Avenue Facility, and committed to spending no more than that amount. However, in response to Commission 1-14, Snapshot Comparison of CIP Plans, Providence Water shows total Construction/Remodel costs for 125 Dupont Drive as \$27,678,714.

- a. Please provide an itemized breakdown of this new amount in the format of the "Order of Magnitude" attached to Mr. Giasson's testimony in Docket 4571. (Note: Please show two columns for each line item in the Order of Magnitude, one showing the original amount in the Order of Magnitude, and the revised amount.)
- b. Please provide an explanation for each increase from the original Order of Magnitude.
- c. Please identify the source of funding for each increase.

#### Response:

- a. See response to BCWA 1-27
- b. See response to BCWA 1-27
- c. See response to BCWA 1-27

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-29:** In response to Comm. 1-14, Providence Water identified \$11,195,228 expended in 2016 for Construction/Remodel of 125 Dupont Drive. Please provide an itemized breakdown of this total expenditure.

#### **RESPONSE:**

Please see the attached revised capital plan to reflect the corrected expenditures in FY2016 in the total of \$10,965,431.54. An itemized breakdown is as follows.

itemized	Breakdown
D - 41-12	S In

Building Purchase	10,387,154.50
Building Design	399,887.10
National Grid (Electrical Upgrade)	52,647.46
Furniture	119,400.00
Financial Expenses	6,342.48

Total \$10,965,431.54

# Providence Water 5 Year Capital Expenditure Plan Fiscal Years 2016 through 2020

		Budget 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
Beginning Balance	as of 6/30/15	8,220,349	10.939,669	3.076.490	682.710	85 839
Cash on Hand Due to / Due From Budget Carry-over	7,620,349	,				5
om Ripuc		13,135,155			14,543,560	
		1,780,833		2,127,000	2,127,000	2.127.000
Total Sources	8,220,349.00	23,136,336.50	27,610,228.40	5,203,490.04	2,809,709.96	2,212,839.33
	Total Ámount	Actual 2016	Budget 2017	Budget 2018	Budget 2019	Budget 2020
1 Renewable Energy / Feasibility Study (including credits)	1,674,323	24,323	2,000,000		(350,000)	
GIS System (Asset Management System)	1,981,644	81,644	1,000,000	900,000		
Computer / IT equipment - Virtualization	2,216,625	16,625	2,000,000	200,000		
4 UDF Program development	563,126	313,126	250,000			
Orthophosphate - Storage/Transfer/Feed System	1,000,000			150,000	850,000	
6 Water Main tie-ins	200,000		250,000	250,000		
7 Cyber Security	1,300,000		300,000	200,000	250,000	250,000
Security Improvements treatment plant	697,645	22,645	375,000	300,000		
Security equipment/CCTV/Readers	190,000		190,000			
Treatment Plant - on-site waste treatment system	121,083	121,083				
$_{ m 11}$ Transmission/Distribution system improvements - Johnston	664,624	14,624	400,000	250,000	-	
12 Installation of new fencing	320,000		245,000	25,000	25,000	25,000
13 De-Chlorination System Sludge Lagoons	125,000		125,000			
14 125 Dupont Drive - operating expenses	750,000	565,015	184,984			
15 Dupont Drive - Construction/remodel	27,678,715	10,965,432	16,713,283			
TOTAL PROJECTS	39,782,784	12,124,516	24,033,268	2,575,000	775,000	275,000
Debt Service Payments (6.415,447) (6.415,447) (1.948,871) (1.945,780) (1.948,871)	(6,415,447)	(72,151)	(500,471)	(1,945,780)	(1,948,871)	(1,948,174)
Surplus / (Deficit)		10 939 669	3.076.490	682 710	85 830	(10,335)

#### Data Requests of the Bristol County Water Authority Set 1

BCWA 1-30: Are there any costs associated with the Unidirectional Flushing Program assigned to the wholesale customers? If the answer is in the affirmative, please set forth the total amount of costs, the components of the total amount and explain how allocation was determined.

Response: Yes, a small portion of the costs associated with the Unidirectional Flushing Program (UFP) are allocated to the wholesale customers; however, determining the exact amount is very difficult because the costs associated with the UFP are reflected in cost line items that also include costs that are not associated with the UFP. Most of the UFP costs are contained within the Transmission & Distribution division cost category and approximately 2% of the Transmission & Distribution costs are allocated to the wholesale class. This allocation reflects that while the retail classes are the primary beneficiary of the costs incurred to maintain the transmission and distribution systems, the wholesale class does receive some benefit by virtue of the fact that portions of the transmission and distribution system are used to transport water to the connection points with the wholesale customers.

Prepared by:

#### Data Requests of the Bristol County Water Authority Set 1

**BCWA 1-31:** Schedule HJS-4 of the Second Corrected Rate Model allocated \$69,750 of the proposed PILOT to the Wholesale Customers. Please explain how this allocation was determined.

**Response:** The PILOT was allocated based on allocator K2 which is based on the proportional allocation of net plant investment (excluding land).