



PROVIDENCE WATER

Tap Water Delivers

February 5, 2020

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

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

RE: Dk 4994; Public Utilities Commission; Set 1

BOARD OF DIRECTORS

Xaykham Khamsyvoravong
Chairperson

Joseph D. Cataldi
Vice Chairperson

Michael J. Correia
Council President Pro Tempore

Jo-Ann Ryan
Councilperson

Sara Silveria
Ex-Officio

Cristen L. Raucci, Esq.
Member

Carissa R. Richard
Secretary

William E. O'Gara, Esq.
Legal Advisor

Dear Mrs. Massaro:

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

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

Sincerely,

Mary L. Deignan-White
Division Manager-Finance

cc: service list(via email)

MEMBER


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

An EPA WaterSense Partner

(401) 521-6300

125 Dupont Drive
Providence, RI 02907

www.provwater.com

 Follow us @provwater

 Like us at:
facebook.com/Providencewater

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

- COMM 1-1.** Referring to the Central Operating Facility:
- a. What is the total square footage of the property?
 - b. What is the square footage of the building area, broken down by:
 - i. Office
 - ii. Garage
 - iii. Shop
 - iv. Storage
 - v. Other (please identify if significant)
 - c. What is the total square footage of the exterior portions of the property broken down by:
 - i. Customer parking
 - ii. Employee parking
 - iii. Material storage
 - iv. Equipment storage
 - v. Other (please identify if significant)
 - d. What portion of the above areas are currently being utilized by Providence Water?
 - e. Does the property on Dupont Drive currently have any tenants other than Providence Water?
 - f. Is Providence water seeking additional tenants to occupy portions of Dupont Drive now or in the future?

RESPONSE:

- a. The total square footage of the COF property is approximately 719,933 square feet or 16.53 acres.
- b. Square footage of building area broken down by:
 - i. Office 68,249 SF
 - ii. Garage 43,924 SF
 - iii. Shop 9,987 SF
 - iv. Storage 10,085 SF
 - v. Other
 - Cafeteria 4,575 SF
 - Museum 1,632 SF
 - Archive Record Room 5,731 SF
 - Common Space
(Corridors, stairs, restrooms,
utility rooms etc.) 20,901 SF

Providence Water Docket 4994

Public Utilities Commission

Data Request – Set 1

January 15, 2020

- c. Exterior property square footage is broken down by the following:
- | | |
|---|------------|
| i. Customer parking | 11,000 SF |
| ii. Employee parking | 105,000 SF |
| iii. Material storage | 15,000 SF |
| iv. Equipment storage | 5,000 SF |
| v. Other (please identify if significant) | |
| PW Vehicle outside parking | 6,000 SF |
| Visitor Parking | 10,000 SF |
| Trash/ Recycling | 1,300 SF |
| Paved Common Areas | |
| (Driveways, access roads, ramps) | 196,000SF |
| Lanscaping, wetland buffer, | |
| Easements | 174,000 SF |
- d. Currently 99% of the building square footage is being utilized and 93% of the property square footage is being utilized.
- e. No, the Dupont Drive Facility does not have any tenants.
- f. Providence Water is not seeking any tenants for the Dupont Drive Facility nor will it seek any tenants in the future.

Providence Water Docket 4994

Public Utilities Commission

Data Request – Set 1

January 15, 2020

- Comm 1-2. Referring to the Academy Avenue property:
- a. What years did Providence Water occupy the property?
 - b. Did Providence Water ever pay lease or rent to the City for use of the property?
 - c. Is the property currently being utilized for any purpose? If so, by whom?
 - d. If the property is disposed of at a financial gain, will Providence Water share in any portion of the gain?

- Response:** Referring to the Academy Avenue property
- a. Providence Water occupied Academy Avenue from approximately July 1954 to December 2017.
 - b. Providence Water never paid rent or a lease fee to the City of Providence for the use of the building.
 - c. In December 2017, Providence Water turned over the Academy Ave building to the City of Providence and we understand that it is being utilized by the City of Providence.
 - d. No. See the attached Providence Water data response to KCWA 1-4 from Dk 4618.

**Data Requests of the
Kent County Water Authority
Set 1**

KCWA 1-4 : Has Providence Water (or the City of Providence) initiated the sale of the Academy Avenue facility? In light of the testimony in Docket No. 4571 what is Providence Water's current position on the proceeds of the sale of the Academy Avenue property? Have any valuations on that property been prepared?

RESPONSE :

No, neither Providence Water nor the City of Providence have initiated the sale of the Academy Avenue facility.

✧ Providence Water does not own the Academy Avenue facility, therefore we are not entitled to any proceeds from the sale. It is my understanding that if the facility was to be sold the proceeds would go to the City of Providence. ✧

To the best of my knowledge, no, there have not been any valuations of the property prepared.

**Data Requests of the
Kent County Water Authority
Set 1**

KCWA 1-4 : Has Providence Water (or the City of Providence) initiated the sale of the Academy Avenue facility? In light of the testimony in Docket No. 4571 what is Providence Water's current position on the proceeds of the sale of the Academy Avenue property? Have any valuations on that property been prepared?

RESPONSE :

No, neither Providence Water nor the City of Providence have initiated the sale of the Academy Avenue facility.

✧ Providence Water does not own the Academy Avenue facility, therefore we are not entitled to any proceeds from the sale. It is my understanding that if the facility was to be sold the proceeds would go to the City of Providence. ✧

To the best of my knowledge, no, there have not been any valuations of the property prepared.

Providence Water Docket 4994

Public Utilities Commission

Data Request – Set 1

January 15, 2020

COMM 1-3. Referring to FTEs:

- a. How many FTEs did the revenue requirement in Docket 4618 support?
- b. How many FTEs would the requested revenue requirement support?
- c. If a & b are different, please identify the additional employees by job title and cost.

RESPONSE:

- a. The revenue requirement in Docket 4618 supported 261 FTEs.
- b. The requested revenue requirement in Docket 4994 supports 255 FTEs.
- c. The number of FTEs supported by the revenue requirement in Docket 4994 is lower than that supported in Docket 4618.

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 February 4, 2020

PUC 1-4:

Please provide a percentage estimate of the Mayor's time that is spent on Providence Water matters? Please provide the basis for the estimate used.

RESPONSE:

The Mayor's Office, both directly and through his executive team, provides regular interaction and structured check-ins to discuss the various matters pertaining to Providence Water Supply. These discussions are primarily led by Ms. Sabrina Solares-Hand, in her capacity as Chief Operating Officer.

Ms. Hand spends several hours per week on matters related to Providence Water, including, but not limited to being briefed on and following-up on legislative action, operational matters, infrastructure investments, and project planning. Additionally, several other staff members – both members of Ms. Hand's direct team as well as other Mayor's office staff, assist with matters as necessary.

It is fair to say that, modestly, this represents on FTE equivalent basis, a minimum of 100 hours per year by Ms. Hand and her staff that are engaged in Water Supply board matters and on a standard business work-year of 1,820 hours (35 hours weekly), this would provide for a 5.5 percent of salary and fringe benefit allocation of Ms. Hand and her staff on a total budget of those salaries and fringe benefits of \$308,815.65, would yield a cost allocation factor of \$ 16,967.90

In addition to Ms. Hand and her team, which total 3 positions, there are 12 other executive team members, including the Mayor and his Chief of Staff, who provide regular representation and review of Water Supply Board matters. These additional executive office positions, which include policy, communications and intergovernmental positions represents on a FTE equivalent basis a minimum of 50 hours per year that are engaged in Water Supply board matters and on a standard business work-year of 1,820 hours (35 hours weekly), this would provide for a 2.74 percent of salary and fringe benefit allocation on a total budget of those salaries and fringe benefits of \$1,533,606.23, would yield a cost allocation factor of \$42,132.04.

The combined total of these allocations of Mayor's office salary and fringe benefits is \$59,099.93

Providence Water Docket 4994

Public Utilities Commission
Data Request – Set 1
February 4, 2020

1820	6.20%	1.45%	29.05%
------	-------	-------	--------

Comm 1-4

[illegible]

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 February 4, 2020

COMM 1-5:

Harold Smith states on page 34 of his direct that there were 2,563 items addressed by the City Council in FY 2019, of which 170 Providence Water related. Please identify how many of the 2,563 and 170 were consent agenda items and how many were full agenda items.

RESPONSE:

The City of Providence City Council does not dedicate a portion of each agenda to “consent” items (i.e., items approved as a group without individual discussion). Most items are referred to committees where additional discussion and debate occurs. In other words, rarely are items added to an agenda and voted on at the same meeting. Of the 2,563 items addressed by City Council, 185 items were “consent” in the sense that they were included in the agenda and voted on in the same meeting. None of the 185 items were related to PWSB.

That said, the question of whether an item is consent or not relates more to the time spent by the City Council in the legislative process, than it does to the work performed by the City Clerk’s Office preparing and tracking the agenda items.

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 February 4, 2020

COMM 1-6:

Identify each City department that employs a Senior Manager of Information Technology dedicated to that department.

RESPONSE:

The following City Departments have a Senior Manager of Information Technology (or equivalent) position:

- PWSB – Stephen Colman
- Providence Public Schools – Peter Santos
- City Administration – Jim Silveria
- Public Safety – Greg Haroian

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

- Comm. 1-7 Referring to Providence Water's IT department:
- a. How many employees are in the Providence Water IT department?
 - b. Please provide the job title for each employee identified in (a). (If this information is being provided in response to a Division request, a reference to the Division response is an acceptable response.)

Response: Referring to Providence Water's IT department.

- a. There are seven (7) employees working in the Providence Water IT department.
- b. The job titles are as follows:
 - 1). Senior Manager
 - 2). Database Administrator
 - 3). Network Administrator
 - 4). Application Operations Specialist
 - 5). Junior Systems Administrator
 - 6). Network Operations Analyst
 - 7). Technical Writer

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

COMM 1-8 Of the 28,000 properties that have private side lead services:

- a. How many are estimated to have indoor plumbing or fixtures that contain lead?
- b. How many are estimated to have lead paint in the property?

Response:

- a. Providence Water does not collect information on indoor plumbing or fixtures. Given the large variability of plumbing within customer's homes, it would be difficult to estimate the number of homes with plumbing or fixtures containing lead. Providence Water reached out to the Rhode Island Department of Health (RIDOH) and they indicated that they do not have any information on private home's plumbing and fixtures.
- b. Providence Water reached out to the Rhode Island Department of Health (RIDOH) and they indicated that they do not have any information on private homes lead paint. As such, it would be difficult for Providence Water to estimate the number of homes that have lead paint.

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

COMM 1-9 On page 10 of his direct Mr. Giasson states that Providence Water has sent mailings to 40,000 customers that were suspected of having private side lead services. On page 8 he states there are 28,000 remaining private lead services. Have 12,000 private lead services been replaced to date? If not, please reconcile the 40,000 and 28,000 figures

Response:

Of the estimated 28,000 properties with private side lead services, there are many properties that are multi-family and non-owner occupied (billing address is different from the mailing address). When mailings were sent to the 28,000 properties who were suspected to have a private side lead service, mailings were sent to both the property address and the billing address. These additional mailings (multiple tenants and non-owner occupied) accounted for the 12,000 additional mailings.

Providence Water Docket 4994

Public Utilities Commission

Data Request – Set 1

January 15, 2020

COMM 1-10 Please break down the estimated remaining private side lead services by city/town.

Response:

When Providence Water sent out the direct mailings to our customers, the breakdown of estimated remaining private side lead services by city/town was as follows.

Providence – 19,500

Cranston – 6,600

North Providence – 1,150

Johnston – 750

Providence Water Docket 4994

Public Utilities Commission

Data Request – Set 1

January 15, 2020

COMM 1-11 If a no cost private side lead service replacement program is approved and funded, will those customers who paid for replacement of private side lead service “out of their own pocket” have any recourse to seek reimbursement?

Response: No. At this time, if Providence Water is approved for a no-cost private side lead service replacement program, it is our intent to utilize these funds for private side services that are lead when the program is approved.

Providence Water Docket 4994

Data Requests of the Public Utilities Commission Set 1 January 15, 2020

COMM 1-12 Ordering paragraph 12, Order 23666, Docket 4618, ordered Providence Water to cease using “Due to / Due from” in its restricted reporting. As recently as the November 5, 2019 Restricted Fund Reconciliation the “Due to / Due From” conventions are still evident. Please explain.

.

RESPONSE :

At the conclusion of Docket 4618, there was a meeting between representatives from the PUC and Providence Water. At that meeting in March of 2017 it was agreed that the “due to/due from” conventions would not be included on the new reporting requirement for the restricted funds. After filing the requisite report in July for the last quarter of FY2017, I received an email from Sharon Colby Camara with questions. After an exchange of emails, MS. Camara, in her email on July 27, 2017, instructed me to add the line back onto the report. See PUC 1-12A.

The “Due to / Due From” conventions will be removed on the next quarterly report as Providence Water has since received the final Report and Order for Docket 4618.

PUC 1-12A**Nancy Parrillo - RE: [EXTERNAL] : Cash reporting by fund**

From: "ColbyCamara, Sharon (PUC)" <Sharon.ColbyCamara@puc.ri.gov>
To: Nancy Parrillo <NancyP@provwater.com>, "Bell, John (DPUC)" <John.Bell@dp...
Date: 7/27/2017 2:56 PM
Subject: RE: [EXTERNAL] : Cash reporting by fund
Cc: Alicia Mignanelli <ALICIAM@provwater.com>, Mary Deignan-White <MARYDW@pr...>

Based on the transcript from your last rate case, you testified that the restricted funds were funded on a monthly basis.

I think if you include a line in the draft report that indicates the funding due to the account per month, it will suffice.

Sharon Colby Camara
Chief Financial Analyst

From: Nancy Parrillo [NancyP@provwater.com]
Sent: Thursday, July 27, 2017 2:50 PM
To: Bell, John (DPUC) <John.Bell@dpuc.ri.gov>; WilsonFrias, Cynthia (PUC) <Cynthia.WilsonFrias@puc.ri.gov>; ColbyCamara, Sharon (PUC) <Sharon.ColbyCamara@puc.ri.gov>
Cc: Alicia Mignanelli <ALICIAM@provwater.com>; Mary Deignan-White <MARYDW@provwater.com>
Subject: RE: [EXTERNAL] : Cash reporting by fund

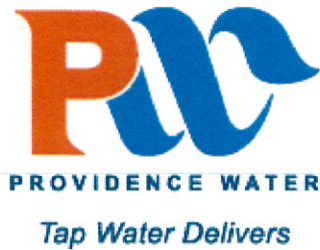
Sharon -

Based on our notes from the meeting that we had in March, the report that you were looking for was cash transactions only so that you could reconcile them to the bank statements, Reporting the due to's and due from's, was already taking place on the reports that we were filing every 4 months. It was agreed that we would file the restricted fund reconciliation every quarter and that it was to be based on cash transactions not accrual accounting. If you are looking for the fund balances on an accrual basis then we will continue to send what we were sending you before only we'll send it quarterly instead of once every 4 months.

Just let me know what you want us to do.

Nancy

Nancy E. Parrillo
Senior Manager
 [\(401\) 521-6300 Ext. 7238](tel:(401)521-6300)
 [\(401\) 632-4732 \[Fax\]](tel:(401)632-4732)
nancyp@provwater.com



Providence Water
552 Academy Avenue
Providence, RI 02908



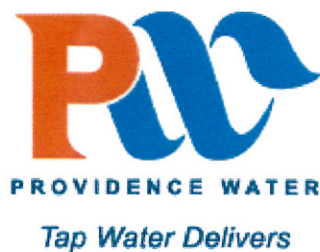
>>> "ColbyCamara, Sharon (PUC)" <Sharon.ColbyCamara@puc.ri.gov> 7/27/2017 2:39 PM >>>
Where on the report is the funding that is due to/from the account?

Sharon Colby Camara
Chief Financial Analyst

From: Nancy Parrillo [<mailto:NancyP@provwater.com>]
Sent: Thursday, July 27, 2017 1:10 PM
To: Bell, John (DPUC) <John.Bell@dpuc.ri.gov>; WilsonFrias, Cynthia (PUC) <Cynthia.WilsonFrias@puc.ri.gov>; ColbyCamara, Sharon (PUC) <Sharon.ColbyCamara@puc.ri.gov>
Cc: Alicia Mignanelli <ALICIAM@provwater.com>; Mary Deignan-White <MARYDW@provwater.com>
Subject: RE: [EXTERNAL] : Cash reporting by fund

Sharon -
Please see the responses below . If you have any questions, please call me.

Nancy



Nancy E. Parrillo
Senior Manager
(401) 521-6300 Ext. 7238
(401) 632-4732 [Fax]
nancyp@provwater.com
Providence Water
552 Academy Avenue
Providence, RI 02908



>>> "ColbyCamara, Sharon (PUC)" <Sharon.ColbyCamara@puc.ri.gov> 7/26/2017 3:59 PM >>>

Hi Nancy,

I have a few questions on the attached report.

1. With regard to funding, are these accounts funded on a whole dollar amount, monthly? I realize this is a 3-month snapshot but funding seems inconsistent. **No, not necessarily. The amount of monthly funding is the amount allowed by the PUC divided by 12. The funding appears inconsistent because we do not necessarily transfer cash from operations in to the restricted funds every month. Actual cash transfers are made based on need and availability. Please note that required/approved funding is accounted for as due to's/ due from's on a monthly basis when cash is not transferred.**
2. Will you be including the Lead Education fund to this list and be reporting on it? **Yes.**
3. Shouldn't the Water Quality Protection fund be included in reporting? **We have never reported on it as it is the state mandated fund and it is not regulated and we have never included it in any reporting prior to now.**
4. In March, you list Debt Service. I believe there is debt service included in the WQP fund also, correct? Is this a twice per year payment? (March & September) **That is correct and that debt service is paid out of the state surcharge and not out of rates.**

Thanks.
Sharon

Sharon Colby Camara
Chief Financial Analyst

From: Nancy Parrillo [<mailto:NancyP@provwater.com>]
Sent: Monday, July 03, 2017 10:29 AM
To: WilsonFrias, Cynthia (PUC) <Cynthia.WilsonFrias@puc.ri.gov>; ColbyCamara, Sharon (PUC) <Sharon.ColbyCamara@puc.ri.gov>; Bell, John (DPUC) <John.Bell@dpuc.ri.gov>
Cc: Mary Deignan-White <MARYDW@provwater.com>; Alicia Mignanelli <ALICIAM@provwater.com>
Subject: [EXTERNAL] : Cash reporting by fund

Cynthia, Sharon, and John -

When we met a couple of months ago to follow up on the new reporting requirements, one of the items you asked to see quarterly was cash fund balance. Based on our conversations, I put this report together for you to review. I think this tells you what you're looking for.

Please let me know what you think and if you have any questions, please let me know.

Thanks -
Nancy

Nancy E. Parrillo
Senior Manager

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

COMM 1-13. Harold Smith included in the rate year that is FY2023 an anticipated increase of 2.5% for salaries. Is this amount both known and measurable?

RESPONSE: The current Union Contract runs through Fiscal Year 2022; therefore, the anticipated wage increase of 2.5% for Fiscal year 2023 is not known and measurable at this time. An average of the contracted wage increases for Fiscal Year 2021 (2%), and Fiscal Year 2022 (3%) was taken to establish a suitable estimation of what the wage increase for Fiscal Year 2023 will be. We will adjust our 2.5% estimate to actual, if needed, when we make our compliance filing for Fiscal Year 2023 rates.

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

- Comm 1-14. Mr. Colman explained that Providence Water invests in the following:
- Firewalls with a useful life of 5 years (Prov Water keeps for 8 years)
 - Servers, network switches with a useful life of 3-5 years (Prov Water keeps for 8 years)
 - Storage with useful life of 3-5 years (Prov Water keeps for 7 years)

Mr. Colman also explains that Providence Water keeps the above items longer than their useful lives to mitigate cost impacts to ratepayers. While it is a worthy endeavor to control costs, please explain why it is prudent to keep these items/devices past their useful lives.

Response: The safest decision Providence Water can make when it comes to replacing aging computer equipment is to purchase new when the original manufacturers warranty expires. But, due to budgetary constraints, that is neither a reality nor is it fiscally responsible. Instead, Providence Water understands the possible repercussions of this decision and takes into account several factors when deciding to prolong the useful life expectancy of its firewalls, servers, network switches and storage by a factor of years.

First, it considers the obvious financial questions. What is the purchase price of the equipment? What will it cost to replace? What will it cost to extend the original manufacturers warranty versus to buy new?

Next, it considers impact. Extending the original manufacturers warranty is significantly less expensive than purchasing new. If hardware fails while on an extended warranty, it is replaced within an agreed-upon amount of time and at no additional cost. And because most, if not all, of Providence Water's computer equipment is redundant, there's little chance of hardware failure significantly affecting the internal user community or the external ratepayer.

Finally, it considers several environmental factors that, under the best of circumstances, can extend the life of any hardware. Consistent, uninterrupted power and cooling contribute to a longer life expectancy. Regular firmware upgrades and patch management also contribute to a longer life expectancy by reducing stress on the hardware and, subsequently, increasing uptime.

Hopefully, this illustrates the balance struck between purchase price, extended warranty, redundant hardware, and the consideration given to the ratepayer and why Providence Water believes that it is fiscally responsible to maintain computer equipment for a reasonable amount of time beyond its average life expectancy.

Providence Water Docket 4994

Public Utilities Commission Data Request – Set 1 January 15, 2020

COMM 1-15 Referring to the picture below which depicts the northerly side of the street in the general vicinity of 144 Garden Hills Drive, Cranston, please explain why there are 2 fire hydrants that are spaced roughly 12 to 18 feet apart. Does Providence Water charge the City of Cranston for both these hydrants?

Response:

The two hydrants at this location are fed by two separate pressure zones. One hydrant is fed from our low pressure service area while the other is fed from our Dean Estates Pumping Station service area. The two pressure zones are isolated with a check valve installed within the piping system located between the two hydrants, creating a dead-end on each side of the check valve. The original (low service) hydrant was installed in 1958 for fire protection as well as for assisting in flushing the main when work is performed on the pipeline or to address water quality issues that can arise within this dead end section of main. In 2008 an additional (high service) hydrant, on the right hand side of the image, was installed on the high service main section for same flushing purposes previously described. Either hydrant can be used for firefighting purposes. However, only one hydrant at this location is being charged to the City of Cranston. The other is flagged as a water quality hydrant and is not charged to the City of Cranston.

In addition, this dual hydrant configuration provides us an emergency interconnection at this location. In the event that we lose long term pumping capabilities at the current Dean Estates Pumping Station facility, we could mobilize a portable pumping station to this dual hydrant location and provide emergency service to the high pressure zone while repair work is being performed on the existing Dean Estates Pumping Station.