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August 27, 2019

Via Electronic Mail and First Class Mail

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

Re: Docket 4933 – City of Newport Water Division – Multi-year Rate Filing (2019)

Dear Ms. Massaro:

On behalf of Portsmouth Water and Fire District, enclosed for filing in the above-referenced matter are an original and nine copies of Portsmouth Water and Fire District's Responses to City of Newport, Utilities Department, Water Division's Data Requests (Set 3), issued on August 6, 2019.

Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Adam M. Ramos', written over a light blue horizontal line.

Adam M. Ramos

AMR:cw
Enclosures

cc: Docket No. 4933 Service List (electronically only)

59029322

**Docket No. 4933 - City of Newport Water Division – Multi-year Rate Filing
Service List updated 6/17/2019**

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File an original and nine (9) copies w/: Luly E. Massaro, Commission Clerk John Harrington, Commission Counsel Public Utilities Commission 89 Jefferson Blvd. Warwick, RI 02888	Luly.massaro@puc.ri.gov ; John.harrington@puc.ri.gov ; Margaret.hogan@puc.ri.gov ; Cynthia.WilsonFrias@puc.ri.gov ; Alan.nault@puc.ri.gov ; Sharon.ColbyCamara@puc.ri.gov ;	401-780-2107

In re: City of Newport, Utilities Department, Water Division
Portsmouth Water and Fire District's
Responses to City of Newport, Utilities Department, Water Division's Data Requests (Set 3)
Issued on August 6, 2019

NWD 3-1

Request:

On August 1, 2019, the Rhode Island Infrastructure Bank (RIIB) announced financing through the Drinking Water State Revolving Fund for the Portsmouth Water and Fire District (PWFD) to replace the Union Street Pumping Station and demolish the current, 50-year old station. RIIB's announcement indicated that "the new plant will increase the water system's peak demand capacity, providing significant improvement to operations and flexibility of the town."

- a. Please describe PWFD's existing storage facilities including the number of storage tanks and the volume that each tank holds.
- b. Please explain why PWFD's existing storage is not sufficient to meet peak demand and why PWFD needs the new pumping station for peak demand capacity.
- c. Please state the date that the new pump station is expected to be operational.
- d. Please explain how this new pump station and the increased peak demand capacity will impact the manner in which PWFD demands water from Newport.

Response:

Portsmouth Water and Fire District (PWFD) had no role in drafting or reviewing the statement released by the Rhode Island Infrastructure Bank (RIIB) on August 1, 2019. RIIB's statement does not accurately reflect the Certificate of Approval issued by the Rhode Island Department of Health, Center for Drinking Water Quality, with respect to PWFD's Union Street Pump Station Replacement project. Please see Attachment PWFD 3-1 for a copy of the Department of Health's February 18, 2019 letter, Certificate of Approval, and Finding of no Significant Impact.

- a. The water supply PWFD obtains from the City of Newport, Department of Utilities, Water Division (NWD) is pumped to the high-service area of PWFD's distribution system and the Quaker Hill storage tanks via the Union Street pump station. Operation of the Union Street pump station is controlled by the water elevation in the Quaker Hill storage tanks. The Quaker Hill storage tanks have an overflow elevation equal to 360 feet above Mean Sea Level (MSL), which also establishes the pressure gradient of the high-service area.

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The high-service area supplies the low-service area of PWFD's distribution system and the Butts Hill storage tanks through the Quaker Hill flow control station. The Butts Hill storage tanks have an overflow elevation equal to 236 feet above MSL that establishes the pressure gradient of the low-service area. PWFD can transfer water as needed from the low-service area to the high-service area through the Turkey Hill booster pump station.

Please see Attachment PWFD 3-1(a) for a breakdown of the volume and usable volume of each storage tank.

- b. PWFD's existing storage is sufficient to meet peak demand. PWFD is not building the new pump station to address peak demand capacity.
- c. PWFD expects the new pump station to be operational in the spring of 2020, but PWFD has not received the final construction schedule.
- d. The new pump station will operate similarly to the existing pump station and will have no impact on peak demand capacity. PWFD expects that the new pump station will have little to no impact on the manner in which PWFD requests or purchases water from NWD.



February 18, 2019

Jessica Lynch, PE, Executive Director and Chief Engineer
Portsmouth Water & Fire District
1944 East Main Road
Portsmouth, RI 02871

Re: DWSRF for Portsmouth Water & Fire District (PWSID RI1592022)
Union Street PS Replacement
APPROVALS: Engineering, Certificate of Approval, and FONSI

Dear Ms. Lynch:

The Rhode Island Department of Health, Center for Drinking Water Quality (DWQ) has received and reviewed your 8/16/18 application, with plans, specifications, and calculations as certified by Tighe & Bond, Inc. for the proposed replacement of the Union Street Pump Station. As located at 863 Union Street in Portsmouth, RI, the improvements will include construction of a new pump station and permanently mounted emergency generator; removal of the existing pump station; and reuse of the existing lot for utility storage. DWQ's review was done to ensure consistency with the RI Rules and Regulations Pertaining to Public Drinking Water (216-RICR-50-05-1), amended November 2018. DWQ hereby issues preliminary engineering approval with the following conditions:

1. As included in Spec 2501, all work shall be accomplished in a manner to minimize bacterial contamination. Upon completion of the installation, appropriate chlorination shall be undertaken to ensure no bacterial contamination, as well as water quality reporting. The required water quality sampling results shall be marked as "Special Samples" and submitted to DWQ on the RIDOH standard reporting forms to the attention of the undersigned at DWQ. The two samples to analyze and confirm the absence of total coliform must be taken 24 hours apart. Heterotrophic plate count (HPC) analysis must be performed with the coliform sampling. One sample collected with the initial coliform sample must be analyzed to confirm the absence of the volatile organic compounds (VOCs) in the water. If these samples show the presence of coliform bacteria, HPC greater than 500/mL, or VOCs, the new system must be emptied and disinfected, resampled and retested in order to achieve the above results prior to placing the new system into service.
2. RIDOH understands that PWFD will be utilizing a DWSRF loan to pay for this project. Please find the Certificate of Approval and Finding of No Significant Impact (FONSI) attached for your records.
3. The DWSRF Standard Contractor Package needs to be updated, and therefore replaced in the proposed specification. The Package was emailed to you on 2/15/19, or can be accessed at

the RIDOH website:

<http://www.health.ri.gov/publications/specifications/DrinkingWaterStateRevolvingLoanFundContractors.pdf>

4. As was emailed to you on 2/15/19, certain DWSRF requirements must be updated or added to the specifications, regarding the Project Sign; Debarment and Suspension; and American Iron and Steel requirements.
5. While construction bids are being solicited, please keep the undersigned informed of any contract addenda, and as to scheduling of the pre-construction meeting, which RIDOH will plan to attend.
6. RIDOH will conduct a mandatory conformance inspection before the new pump station can be placed into service. The final construction inspection under the SRF program will serve as the conformance inspection, following which, RIDOH will issue the final approval.

Once the above-noted revisions are incorporated into the specifications, and as requested by email on 2/15/19, please submit four (4) hard copies of the plans and specifications to the undersigned for approval stamping.

If you have any questions, please contact me at 401-222-7776 or anthony.sylvia@health.ri.gov.

Sincerely,



Anthony M. Sylvia, PE
Senior Sanitary Engineer

cc: Benjamin Levesque, PE, Tighe & Bond
Carlene Newman, RIDOH-DWQ
Anna Coehlo, RI Infrastructure Bank



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Health
Center for Drinking Water Quality

DRINKING WATER STATE REVOLVING FUND

CERTIFICATE OF APPROVAL

The Portsmouth Water and Fire District (PWFD) has met the program requirements of the Drinking Water State Revolving Fund (DWSRF) for the Union Street Pump Station Replacement project (Project), as proposed, and is eligible to apply for a DWSRF loan from the Rhode Island Infrastructure Bank. Specifically, the PWFD is applying for funding not to exceed three million five hundred thousand dollars (\$3,500,000.00) for this Project. The Project consists of the design and construction of a new pump station; demolition of the existing pump station; and purchase of the land where the new pump station shall be located. In its application package, the PWFD has certified that it will comply with all the requirements of applicable state and federal laws. The following conditions apply to this Certificate of Approval (CA):

1. The PWFD is responsible for obtaining any other necessary permits or approval from any Federal or State agency with authority over the project area.
2. All engineering and/or construction costs incurred prior to January 1, 2013 are ineligible for DWSRF program participation.
3. An approved Disadvantaged Business Enterprise (DBE) utilization plan shall be obtained from the State of Rhode Island prior to issuing the Notice to Proceed. A copy of the approved plan shall be sent to the Department of Health for the project file.
4. PWFD must install the Drinking Water State Revolving Fund sign in the vicinity of the project as required by the DWSRF program.
5. All requests for payment for work must be accompanied by the appropriate documentation to demonstrate compliance with all requirements associated with SRF funding.
6. All applicable architectural/engineering, QA/QC, sampling and testing reports shall be submitted to the RIDOH promptly upon their availability.
7. Short-term excavation related impacts shall be mitigated by utilizing standard sedimentation and erosion control methods. Fugitive dust related impacts shall be mitigated by using standard dust control methods. Any water used for cleaning and disinfection must be discharged in accordance with American Water Works Association and Rhode Island Department of Environmental Management standards.



June A. Swallow, PE, Chief
Center for Drinking Water Quality



Date

Project Name: Union Street Pump Station Replacement
Project Number: DWSRF-19-01
Associated PPL: 2013-2018

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Department of Health
Center for Drinking Water Quality
Drinking Water State Revolving Fund Program

Finding of No Significant Impact

The Center for Drinking Water Quality has reviewed the environmental assessment for the proposed new drinking water pump station ("Union Street Pump Station") submitted by the Portsmouth Water & Fire District. Based on the information provided it has been determined that the proposed project is not expected to impact the environment either by itself or in combination with other projects, and the information provided meets the statutory intent of the Federal Clean Water Act environmental review requirements. Thus, in accordance with the requirements of RIGL 46-12.8 and the Rules and Regulations Pertaining to the Drinking Water State Revolving Fund (216-RICR-50-05-6), updated April 2018, the Center for Drinking Water Quality issues a FINDING OF NO SIGNIFICANT IMPACT for the project.

Project Name: Union Street Pump Station Replacement

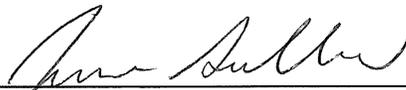
DWSRF Program Number: 19-01

Project Location: 863 Union Street, Portsmouth, RI

Project Description: The project consists of constructing a new, upgraded drinking water pump station, removal of the existing pump station, and repurposing the existing site for a utility storage facility.

Anticipated Environmental Impacts: Impacts will be minimal and temporary as related to the construction activity (i.e. erosion, dust, noise, air quality, and traffic). Soil erosion and sedimentation controls will be required, and all related AWWA and RIDEM standards will be adhered to.

Specific Requirements: Short-term excavation impacts shall be mitigated by utilizing standard sedimentation and erosion control methods. Fugitive dust impacts shall be mitigated by using standard dust control methods. Any water used for cleaning and disinfection must be discharged in accordance with AWWA and RIDEM standards.



June A. Swallow, PE, Chief
Center for Drinking Water Quality

2/19/19

DATE

In re: City of Newport, Utilities Department, Water Division
Portsmouth Water and Fire District's
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NWD 3-2

Request:

At the July 18, 2019 Public Hearing in this Docket, the PWFD's Clerk submitted public comments that included the following: "We at Portsmouth have had tremendous rate increases in the wholesale cost of water. We have, according to my records and my experience, had about ten rate filings. The cost of these rate filings is very, very expensive to us and everybody else. That means that it is expensive to our ratepayers. I would urge the PUC and the Division to look at the costs of these rate filings, how much had been requested or what has been requested and what has been granted."

- a. Please state the amount spent by PWFD on legal fees for Docket 4595.
- b. Please state any other amounts spent by PWFD for Docket 4595, including, but not limited to, fees for its testifying witnesses and/or consultants.
- c. Please state the total amount spent by PWFD on legal fees for any and all Supreme Court appeals related to Docket 4025.
- d. Please state any other amounts spent by PWFD related to any and all Supreme Court appeals related to Docket 4025, including, but not limited to, fees for any consultants.

Response:

- a. PWFD spent \$82,001.83 in legal fees for Docket No. 4595.
- b. PWFD spent an additional \$74,422.50 related to Docket No. 4595, including but not limited to fees for its testifying witnesses and/or consultants.
- c. PWFD spent \$84,072.29 in legal fees for any and all appeals to the Rhode Island Supreme Court related to Docket No. 4025.
- d. PWFD spent an additional \$3,600 for any and all appeals to the Rhode Island Supreme Court related to Docket No. 4025, including but not limited to fees for any consultants.

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NWD 3-3

Request:

In Mr. Bebyn's response to NWD 1-3 a., he stated that he "intends to compare the amount of general overhead-related expenses, such as audit and city council expenses, to the total Newport Water budget. As proposed by Newport, these overhead items comprise 25 to 50 percent of the total budget."

- a. Please list each and every general overhead-related expense referenced and the amount of each general overhead-related expense.
- b. Please provide a worksheet showing how you calculated that "these overhead items comprise 25 to 50 percent of the total budget."

Response:

First, in his response, Mr. Bebyn's references to the "total Newport Water budget" and to the "total budget" were to the budget allocations.

- a. Mr. Bebyn reviewed the individual general overhead-related expenses as listed on HJS Schedule A1-A, specifically: Audit Fees, OPEB Contribution, City Council, City Clerk, Human Resources, Purchasing, Collections, Accounting – Wires, and Accounting. Mr. Bebyn reviewed these overhead expenses to perform a reasonableness test of those allocations as compared to the other general overhead-related expenses such as City Manager, City Solicitor, Finance Admin and MIS. Mr. Bebyn used the allocations from the total city budget set forth on HJS Schedule D-17 as the basis for this reasonableness comparison.
- b. According to HJS Schedule D-17, the City of Newport, Department of Utilities, Water Division ("NWD") used a modified allocator for City Manager, City Solicitor, Finance Admin and MIS expense based on the comparison of the NWD budget to the total city budget. Mr. Bebyn compared this "budget" allocator, which was set at 11.47%, against the actual percentages for the other general overhead-related expenses. When performing this comparison, Mr. Bebyn noted that the actual allocations for these other overhead-related expenses were approximately 25% to 50% of the

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overall budget allocator of 11.47%. For example, the allocation for Audit Fees on HJS Schedule d-17 is 6.18%, which is slightly more than 50% of this modified budget allocator. Additionally, the allocation for City Council on HJS Schedule D-17 is 3.42%, which is slightly more than 25% of the modified budget allocator.

This review prompted Mr. Bebyn to evaluate the reasonableness of the 11.47% budget allocator. To perform that reasonableness review, Mr. Bebyn closely examined the overall detailed budgets and noticed that depreciation was being included for the water fund, but the city fund had no corresponding depreciation expense. Based on that finding, Mr. Bebyn concluded that an adjustment to this modified budget allocator was necessary to account for depreciation.