

RESOLUTION OF THE CITY COUNCIL

No. 2

Approved January 10, 2020

RESOLVED, That the Members of the Providence City Council
hereby Authorize Approval of the sale of the real property currently held by the
Providence Water Supply Board, located at 307 Waterman Avenue, Smithfield,
Rhode Island.

IN CITY COUNCIL

JAN 02 2020

READ AND PASSED

Sabina Mato
PRES.

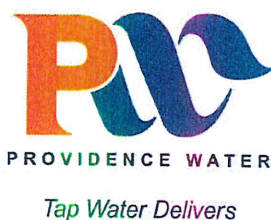
Shamellea
CLERK

I HEREBY APPROVE.

[Signature]
Mayor

Date:

1/10/20



November 1, 2019

Council President Sabina Matos
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Re: Sale of 307 Waterman Avenue, Smithfield

The Hon. Jorge O. Elorza
Mayor

Ricky Caruolo
General Manager

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Dear President Matos:

In 2015, the East Smithfield Water District (District), a wholesale customer of the Providence Water Supply Board (PWSB), approached PWSB to discuss the possibility of PWSB acquiring East Smithfield Water District customers on a retail basis. Subsequent negotiations between the District and the PWSB resulted in the District merging into the PWSB, effective January 13, 2017, pursuant to Chapter 46-30 of the Rhode Island General Laws.

- Ownership of the District was transferred to the PWSB and the District, as an entity, no longer exists. PWSB has assumed responsibility for the operations and maintenance of the District system which was comprised of approximately 2,400 customers.
- All of the assets and liabilities of the District were transferred to the PWSB including 307 Waterman Avenue, a 3500 square foot commercial office and garage that served as the administrative/operations facility of the District.
- Given that PWSB has no practical use for the facility and wishes to avoid needless maintenance costs and upkeep, 307 Waterman Avenue was listed for sale by PWSB.
- PWSB has received an offer to purchase the facility for \$253,000 which is within 10% of the appraised value of the property.
- Related purchase and sales agreement stipulations include a closing on or before February 28, 2020 subject to City of Providence approvals. No real estate commission fees will be paid by PWSB.
- Currently, the approximately 2,400 District customers are directly charged PWSB retail water rates. In addition, District customers are charged a monthly assessment/annexation fee not to exceed \$0.36 per HCF to cover any unforeseen system capital improvements and payment of outstanding District debt including Clean Water Finance Agency loans related to previous District capital improvement projects. All proceeds from the sale of 307 Waterman Avenue will be transferred into a restricted fund allocated for the prepayment of District debt/Clean Water Finance Agency loans.

We are requesting that this matter be placed on the November 21, 2019 City Council meeting docket for approval.

Respectfully,
PROVIDENCE WATER SUPPLY BOARD


Ricky Caruolo
General Manager