



PROVIDENCE WATER

Tap Water Delivers

October 4, 2023

The Hon. Brett P. Smiley
Mayor

Ricky Caruolo
General Manager

Ms. Tina Mastroianni, City Clerk
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Re: Providence Water 2022 Annual Report

BOARD OF DIRECTORS

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Member


Carissa R. Richard
Secretary

William E. O'Gara, Esq.
Legal Advisor

Dear Ms. Mastroianni:

Please forward the Providence Water 2022 annual report to the City Council for review pursuant to the requirements outlined in Section 1101(b) of the Providence City Charter. Thank you for your attention to this matter and please contact me if you have any questions.

Respectfully,
PROVIDENCE WATER SUPPLY BOARD


Carissa Richard, Board Secretary

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

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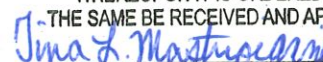
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IN CITY COUNCIL

OCT 19 2023

READ

WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED AND APPROVED

 CLERK



Tap Water Delivers

2022

ANNUAL REPORT TO THE COMMUNITY



It is the mission of Providence Water to provide reliable, high-quality, safe, clean drinking water for our customers at a reasonable cost, supported by excellent customer service, within the context of a positive, fair, efficient, effective and healthy workplace environment.



It is my pleasure to present the 2022 Providence Water Annual Report which highlights our accomplishments over the past year.

At Providence Water, we are dedicated to producing affordable, high-quality drinking water that meets or exceeds all state and federal regulations.

The drinking water that leaves the treatment plant in Scituate and is distributed through the Providence Water system has no detectable levels of lead. In the communities that we serve, some of the pipes that connect older homes to the water main in the street are made from lead. Even if you do not have a lead service line, your plumbing fixtures such as faucets and pipe solder can contain small amounts of lead. There is no safe amount of lead exposure, which is why Providence Water has been working hard for many years to address lead at the tap.

Over the last 15 years, we have spent approximately \$78 million replacing public lead service lines. We have also made changes to the water treatment process to make the water less corrosive in an effort to reduce lead levels in some homes. Providence Water developed a lead service line replacement program, created a ten-year zero-interest loan program for our customers to replace private lead service lines and has been

working to obtain grant funding for private lead service line replacement. In 2022, Providence Water replaced approximately 900 lead service lines in our system, with almost 500 private side lead service lines in economically disadvantaged areas being replaced at no cost to homeowners due to the grant funding obtained by Providence Water.

I am proud to report that we have continued to remain in compliance with the EPA's Lead and Copper Rule for the third consecutive testing period, confirming that our endorsed, multi-pronged approach to reducing lead at the tap has been working. As we look towards the future, we will continue to search for grants and other funding opportunities for private lead service line replacement, as well as continue to invest in our infrastructure and innovative technology to ensure the safety, reliability and sustainability of our water supply for many generations to come.

Ricky Caruolo
General Manager



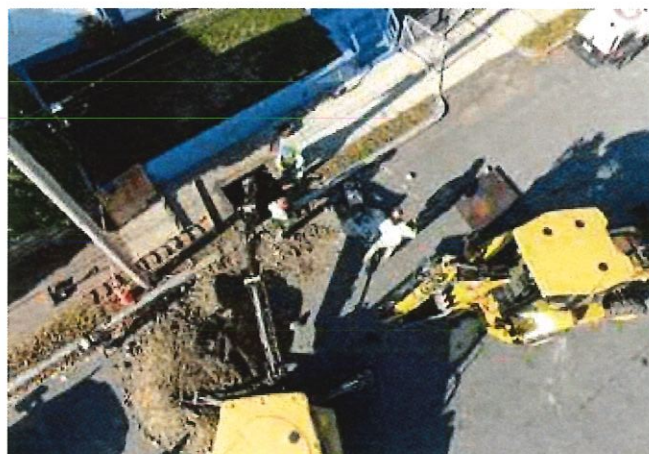
Providence Water is committed to reducing lead levels at the tap and removing lead service lines from our distribution system. Over the last 15 years, we have spent approximately \$78 million

replacing public lead service lines. Due to our proactive initiatives which include the development of a lead service line replacement program, along with the creation of a 10-year, 0% interest loan program and obtaining grant funding for private lead service line replacement, we have been recognized as an industry leader.

We have also made changes to our water treatment process to enhance our corrosion control and provide an additional layer of protection within our distribution system and customers' internal plumbing. Our multi-pronged approach to reducing lead at the customer's tap is endorsed by the Rhode Island Department of Health and a panel of nationally recognized experts consisting of industry, regulatory and academic leaders in the field of corrosion control.

- Lead Service Line Replacement
- Water Main Rehabilitation
- Corrosion Control Treatment
- Public Education and Outreach
- Unidirectional Flushing Program

In 2022, approximately 360 lead service line replacements were completed using our loan program. Our 0% interest loan program makes private side lead service line replacement more affordable. The average cost of a lead service replacement is approximately \$4,500 (\$37.50 per month) and can be repaid over a 10-year period.



Federal Funding for Private Side Lead Service Line Replacement Work

Throughout the 2022 construction season, we replaced private side lead service lines in Providence neighborhoods with funds that Providence Water obtained from \$6.8 million of Environmental Protection Agency (EPA) grants. The EPA grant funding allowed for the completion of private side lead service line replacements in the following neighborhoods:

- Charles Street Area, Providence - 156 completed.
- Washington Park Area, Providence - 215 completed (263 additional locations are scheduled for the 2023 construction season).
- Additional areas within our distribution system - 107 completed.

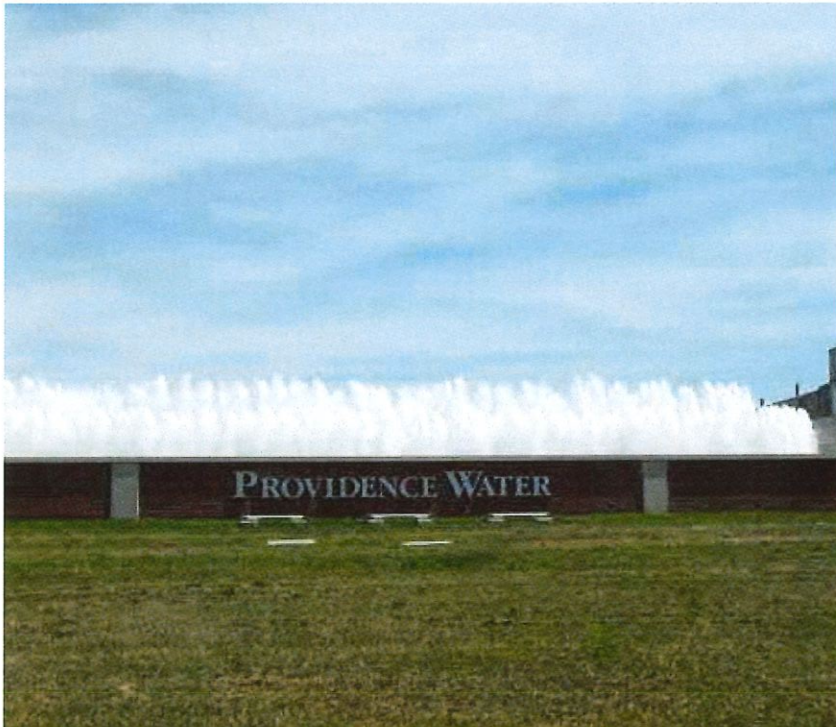
Providence Water worked with public officials and joined monthly community outreach meetings to inform homeowners of the options available for private side lead service line replacement.

In August of 2022, Providence Water executives joined U.S. Senators Jack Reed and Sheldon Whitehouse for a press conference to announce the award of an additional \$3.3 million in federal grant funding for private side lead service line replacements. The press conference was held in front of a South Providence

home where federal grant funding enabled Providence Water to replace the private side lead service line at no cost to the homeowner.

The federal grant funding will allow for further private side lead service replacements in economically disadvantaged neighborhoods within our distribution system. We anticipate that \$141 million in Bipartisan Infrastructure Law grant funding will be available over the next five years to water suppliers across Rhode Island for lead service line replacement.





Water Quality

Highlights and Accomplishments

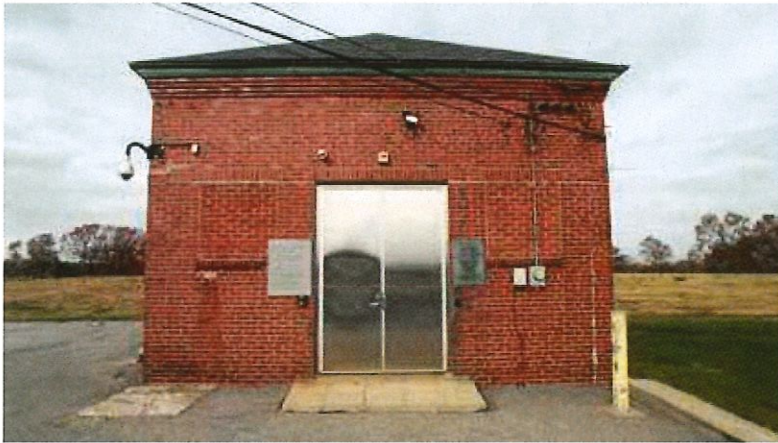
- Below the action limit for compliance testing under the EPA's Lead and Copper Rule for three consecutive testing periods, confirming that our multi-pronged approach to reducing lead is effective.
- At the request of customers, we provided 577 FREE lead testing kits within our distribution system.
- Received 153 new signed agreements for our 10-year interest free private side lead service line replacement loan program. In total, Providence Water has received 1,287 signed agreements since the inception of our interest free loan program.
- Received a Water Fluoridation Award from the Centers for Disease Control and Prevention for achieving optimal fluoride concentrations for 12 consecutive months.
- Received a Certificate of Excellence Award from Environmental Resource Associates for achieving proficiency in testing data for laboratory certification.

Investing in Our System

Highlights and Accomplishments

- In 2022, we invested approximately \$29 million in infrastructure improvements including \$20 million in our Water Main Rehabilitation Program and \$9 million for additional upgrades throughout our other facilities.
- Obtained a \$5.5 million loan from the Rhode Island Infrastructure Bank for energy efficiency improvement projects including upgrading emergency generators, HVAC units, water treatment plant dehumidification units and installing LED lighting and energy efficient equipment at various Providence Water facilities.
- To date, Providence Water has invested approximately \$506 million in our infrastructure replacement program and \$76 million in capital spending.





Infrastructure and System Improvements

Providence Water is continuing ongoing efforts to improve our operations systems and infrastructure. In 2022, we replaced/relined more than 16 miles of cast iron main and flushed 73 miles of main in our water distribution system. Since the inception of these programs, more than 148 miles of main has been rehabilitated and more than 913 miles of main has been flushed.

Highlights and Accomplishments

- Installed I-Hydrants (hydrants with remote sensors) within some areas of our distribution system to continually monitor system pressures. I-Hydrant
- technology provides instant alerts for pressure changes that fall outside of normal thresholds. These measures allow for a faster response to repairs and prevent major issues.
- Rehabilitated the Lawton Hill and Longview Storage Reservoirs.
- Completed the replacement of the Ashby Street Pump Station and upgraded the Greenville Avenue Pump Station with larger capacity pumps to support the service area.
- Installed 75 feet of distribution pipe across the width of Hartford Avenue as part of the construction of the Amazon project in the Johnston portion of our system.

Watershed Initiatives and Protection

Highlights and Accomplishments

- Providence Water, in conjunction with the Department of Environmental Management, utilized a \$3 million federal grant to begin processing the conservation of more than 700 acres of forest land on our watershed.
- Managed seven timber harvests throughout our watershed land holdings.
- Conducted 34 dam inspections.
- Inspected and painted 6,700 feet of watershed property lines.
- Collaborated with researchers on various wildlife studies, including beavers, otters, muskrats, turtles, dragon flies and bees.
- Collected and analyzed nearly 300 stream samples from 38 different watershed locations.
- Utilized our drone program to conduct security and site inspection missions around the watershed and other critical infrastructure.





Energy Efficiency Initiatives

Through our ongoing initiatives, Providence Water continues to protect the environment, reduce our carbon footprint, secure a clean, reliable, and cost-effective energy supply, and ensure the sustainability of our water supply system for future generations.

- Purchased four fully electric vehicles for our fleet and four new EV charging stations for use at our Central Operations Facility.
- Partnered with the Vermont Energy Investment Corporation and National Grid's Fleet Advisory Services to perform an electric vehicle fleet study. Upon recommendation, committed to replacing 13 gas-powered cars with electric vehicles and installing additional charging stations within the next three years. The additional electric vehicles have a projected savings of up to \$68,000 and a permanent reduction in carbon emissions.
- Continued participation in National Grid/RI Energy's demand response program which allows Providence Water to receive recurring payments for reducing electricity consumption.
- Installed solar powered security cameras around the Spillway and the Barden Dam.

Customer Service

Our customer service department continues to provide excellent service to consumers with billing, meter, or payment inquiries.

In 2022, Providence Water selected SpryPoint as our new online customer service platform. SpryPoint is a leading provider of cloud-based solutions for the utility sector and has over 10 years of experience serving utilities across North America. The new online customer service platform is projected to be implemented by the end of July 2024.

In April, Providence Water entered into a contract agreement with the Rhode Island Department of

Human Services/Low-Income Household Water Assistance Program (LIWHAP). LIWHAP is designed to help eligible families with payments toward their water (or wastewater) account. Eligible Providence Water customers received approximately \$99,907 in LIWHAP funds. The agreement runs through September 2023.

Customers have the option to go paperless and pay online, using our auto pay and/or our electronic (e-billing) service. In 2022, an additional 10,244 customers signed on for our e-billing option and 3,947 more customers utilized our auto pay service. In total, Providence Water has 22,397 e-billing customers and 14,107 auto pay customers.



Community Outreach

Since 2010, we have supported local and national charities through our "Dress-Down Friday" program and have collected \$67,716. Charities that received donations in 2022 included the Providence Animal Rescue League, Big Brothers w Sisters of Rhode Island, Rhode Island Habitat for Humanity, Clothes to Kids Rhode Island, Wildlife Clinic of Rhode Island, American Heart Association, Esperanza Hope-Adopt A Family for Christmas Program, and the Gloria Gemma Breast Cancer Resource Foundation.

- Providence Water proudly participated in the Southern New England Heart Walk, held at Bryant University on June 11, 2022. The Heart Walk is about coming together, honoring survivors of heart disease and helping to raise lifesaving funds.
- Providence Water has been participating in the Esperanza Hope-Adopt A Family for Christmas Program for the past six years. This is a charity which provides families in the community with grocery store gift cards, school supplies, winter clothing and holiday gifts for children.
- Providence Water collaborated with the Tour of Rhody Charity Bike Ride, a Brown University fundraiser for cancer research that raised approximately \$120,000.





Leadership



Mayor Jorge O. Elorza



Ateesh S. Chanda
Chairperson



Joseph D. Cataldi
Vice Chairperson



Michael J. Correia
City Councilperson



Jo-Ann Ryan
City Councilperson



Cristen L. Raucci
Member



Dr. Alma M. Guerrero Bready
Member



Sara Silveria
Ex-Officio



William E. O'Gara, Esq.
Legal Advisor

Providence Water Management



Ricky Caruolo
General Manager



Gregg Giasson
Executive Engineer



David Tikoian
Deputy General Manager



Antonio M. Araujo, III
Sr Director,
Administration



Katherine Mello
Chief of Technical
Services



Paul Pion
Chief Information
Security Officer



Lynn Roberts
Director of Personnel



Joseph P. DiPina
Senior Director
of Finance



Mark Ceseretti
Sr Manager,
Customer Service



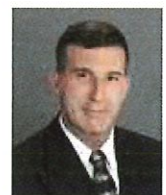
Richard Pimental
Director of Information
Security



Carissa Richard
Director of
Governmental Relations



Peter LePage
Director of Engineering



Stephen Colman
Director of IT

Financials

Providence Water Supply Board Balance Sheet
Summary for the Years Ending June 30, 2019,
2020, 2021, and 2022

	Audited	Audited	Audited	Audited
	2019	2020	2021	2022
Total Current Assets	52,637,422	43,603,728	82,082,639	85,422,219
Net Property, Plant and Equipment	440,179,409	451,775,332	478,079,672	498,580,888
Total Assets	\$ 492,816,831	\$ 495,379,060	\$ 560,162,311	\$ 584,003,107
Deferred Outflow (Inflows) of Resources	3,562,081	11,457,933	11,780,093	9,830,455
Total Current Liabilities	14,062,833	18,482,218	19,879,299	23,916,391
Total Long-Term Liabilities	189,514,439	190,423,825	222,141,102	213,289,804
Total Liabilities	203,577,272	208,906,043	242,020,401	237,206,195
Deferred Outflow (Inflows) of Resources	3,562,081	5,776,081	5,399,793	5,581,574
Net Position:				
Net Investment in Capital Assets	319,818,541	336,524,362	329,505,821	357,814,656
Restricted Fund	33,525,802	28,893,135	40,019,359	50,278,871
Unrestricted Fund	-67,666,865	-73,262,628	-45,002,970	-57,047,734
Total Net Position	\$ 285,677,478	\$ 292,154,869	\$ 324,522,210	\$ 351,045,793

Financials

Providence Water Supply Board Statement of Revenues and Expenses and Changes in Net Position for the Years Ending June 30, 2019, 2020, 2021, and 2022

	Audited	Audited	Audited	Audited
	2019	2020	2021	2022
TOTAL OPERATING REVENUE	72,330,415	69,757,831	81,349,230	88,824,578
TOTAL OPERATING EXPENSES	59,428,296	63,062,777	57,124,927	61,897,325
OPERATING INCOME	12,902,119	6,695,054	24,224,303	26,927,253
NET NON-OPERATING REVENUE (EXPENSES)	(3,655,366)	(1,441,472)	(2,866,652)	(1,192,718)
CAPITAL GRANTS AND CONTRIBUTIONS	915,968	522,801	11,009,690	789,048
NET INCOME	10,162,721	5,776,383	32,367,341	26,523,583
NET PENSION LIABILITY (GASB #68, #75 IMPLEMENTATION)	- 0	- 0	- 0	- 0
PRIOR PERIOD ADJUSTMENT	- 0	- 0	- 0	- 0
INCREASE (DECREASE) IN NET POSITION	10,162,721	5,776,383	32,367,341	26,523,583
NET POSITION ACQUIRED VIA MERGER (ESWD)	- 0	- 0	- 0	
NET POSITION- BEGINNING OF YEAR	275,514,757	286,378,486	292,154,869	324,522,210
NET POSITION- END OF YEAR	\$ 285,677,478	292,154,869	324,522,210	351,045,793

Upcoming Initiatives

In the upcoming year, Providence Water will continue to search for additional grants and other funding opportunities for initiatives such as private lead service line replacement, cybersecurity measures, infrastructure rehabilitation, energy efficiency upgrades and watershed protection measures.

Other goals include continuing to reduce our carbon footprint by purchasing additional electric vehicles and charging stations, as well as continuing to periodically upgrade our equipment at various Providence Water facilities to maximize efficiency and sustainability.







(401) 521-6300

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Providence, RI 02907
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