City of Newport, Department of Utilities
Water Division
Water Pollution Control Division
2025 Proposed Budgets

Presented By: Robert Schultz

Getting the Lead Out Together

The CITY OF NEWPORT
Rhode Island

WATER SERVICE LINE MATERIAL IDENTIFICATION

At the City of Newport, providing safe and reliable drinking water is our top priority. The water delivered to your home meets or exceeds state and federal water quality standards and we have always been in compliance with the US EPA's Lead & Copper Rule.

For more information about your water quality, how we treat your water, and how we monitor it for lead, please visit cityofnewport.com/lead. For our latest Water Consumer Confidence Report, visit our website and search "confidence".

FIND & IDENTIFY YOUR WATER SERVICE LINE MATERIAL HERE!

Please help the City of Newport identify lead water service lines by scanning the QR code and completing our online survey. You can also visit our webpage at cityofnewport.com/lead.

If you have questions or concerns about completing the survey, please call (401) 845-5600 or email leadinfo@cityofnewport.com. We'll be happy to assist you with the survey so we can get out the lead together.

For nearly 150 years, Newport has consistently met state and federal drinking water standards, including regulations on lead in drinking water. It is important to note that our drinking water is tested for lead when it leaves our treatment plant and is free of lead when it enters our water system. While our treatment process protects your water to the tap, exposure can still occur from water service lines and private plumbing made of lead.

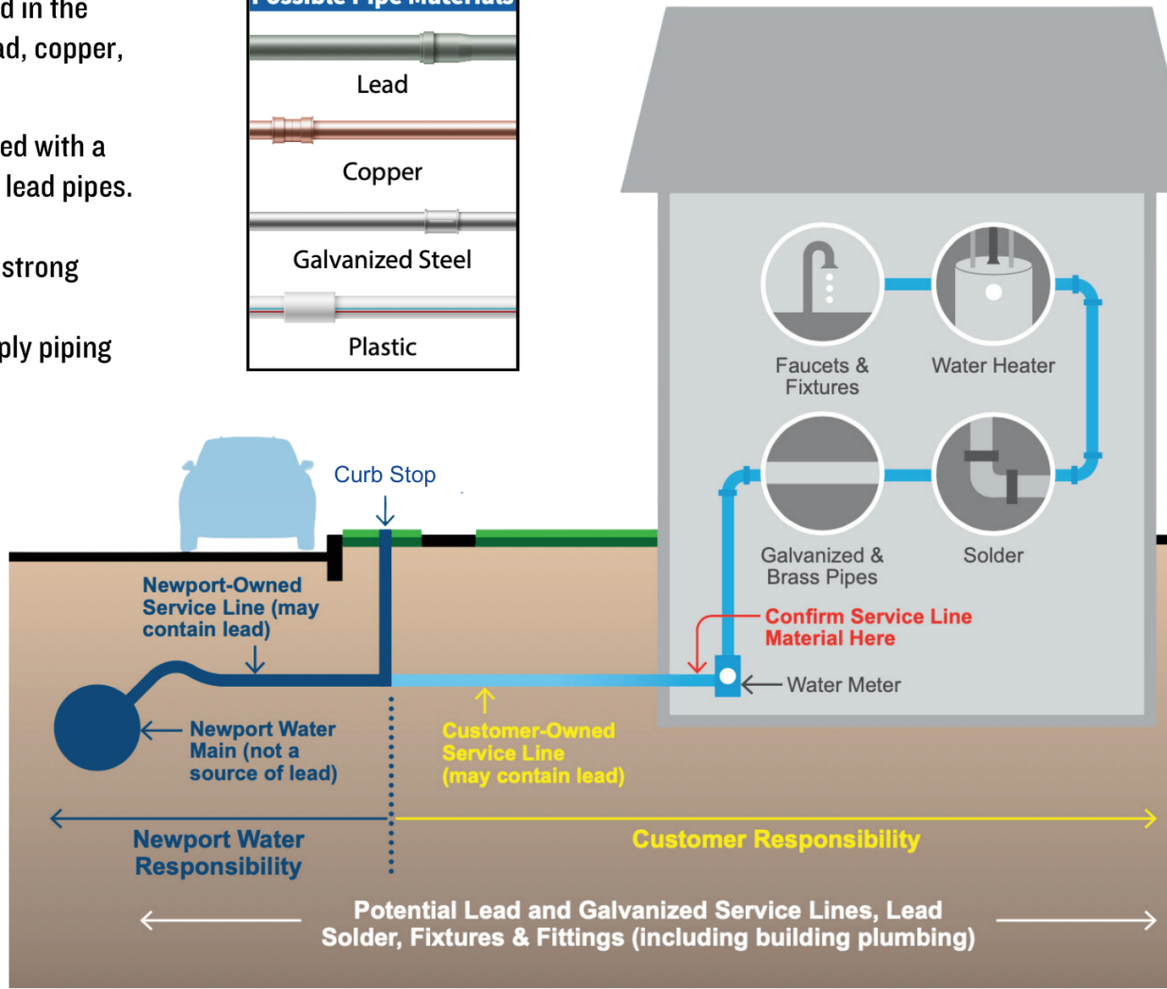
A water service line connects our water main to a home or business. You can identify the service line material by checking your water service connection inside your home, usually located in the basement. Typical service pipe materials include lead, copper, galvanized steel, and plastic as shown to the right.

Lead: A dull, silver-gray color that is easily scratched with a coin. Use a magnet; strong magnets will not cling to lead pipes.
Copper: The color of a copper penny.
Galvanized: A dull, silver-gray color. Use a magnet; strong magnets will typically cling to galvanized pipe.
Plastic: White, rigid pipe that is joined to water supply piping with a clamp.

Newport needs your help to look for lead on your property or in your home. We've designed a simple survey to help you find and identify your service line, and send us your results for future actions.

If you have questions or concerns about completing the survey, call (401) 845-5600 or email leadinfo@cityofnewport.com. Our staff will assist you with the survey.

Using your phone's camera, scan the QR code to look for lead within your home or on your property.



Introduction

City of Newport, Department of Utilities

BLUF (bottom line up front) Communication

Rates Increases Required

- WPC
  - No Increase Sewer Use Charge, Remains $19.80 per 1000 gallons
  - New Minimum Charge Equal to Efficient Water Customer 45 GPD - $97.18

- WATER PROPOSED RATES FY 2025 – TRUE COST OF SERVICE RATES
  - Residential Rate: $13.47 Per 1,000 gallons
  - Non- Residential Rate: $13.696 Per 1,000 gallons
  - Portsmouth Water & Fire District Rate: $9.1346 Per 1,000 gallons
  - Naval Station Newport Rate: $8.0035 Per 1,000 gallons

- Funds Key Priorities of the Department
- Minimizes Deferral of Capital Projects
- Intended as a Transition Step to One Water Strategy

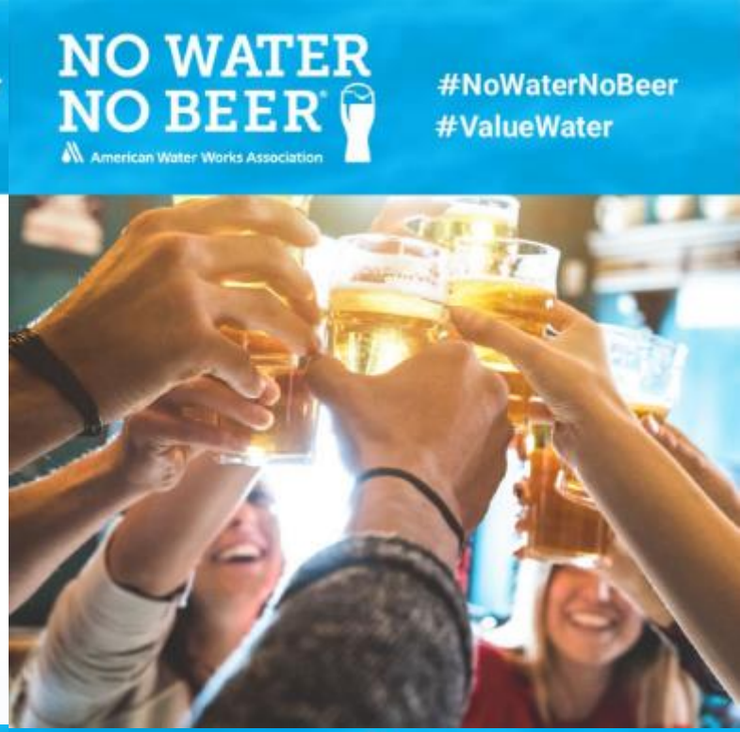
- **Budget Does Not Address the Infrastructure Gap**

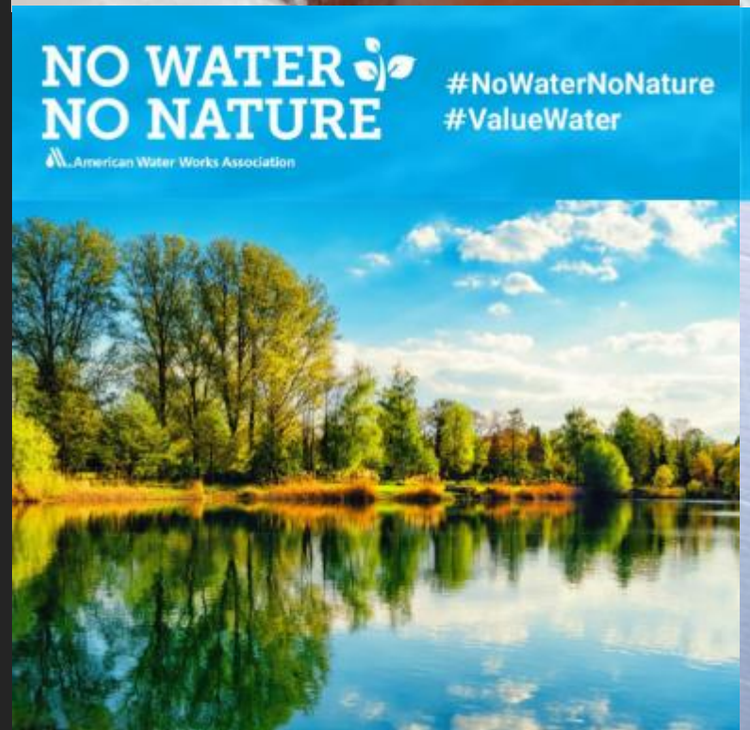
Introduction

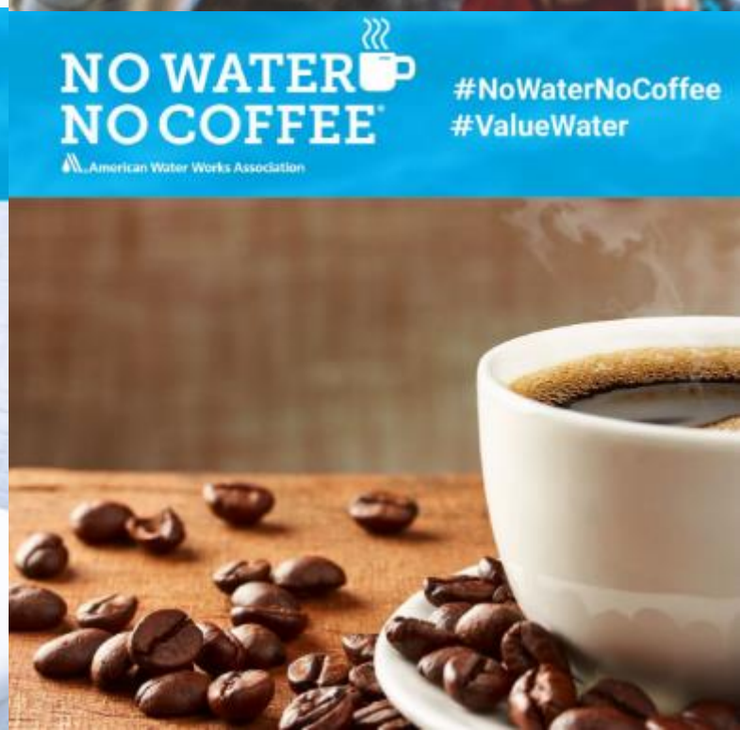
City of Newport, Department of Utilities Key Priorities

- Service Delivery
- Building a Strong Workforce
- Modernize the Department
- Operational Reliability and Resilience
  - Newport Has An Infrastructure Gap
- Regulatory Challenges - Be Prepared
  - Per- and Polyfluoroalkyl substances
  - RI Lead Poisoning Prevention Act
  - Emerging Contaminants
- Financial Stewardship
  - Cost-of-service Study
  - Optimal Rate Structure

Key Priorities







City of Newport, Department of Utilities

Building a Strong Workforce

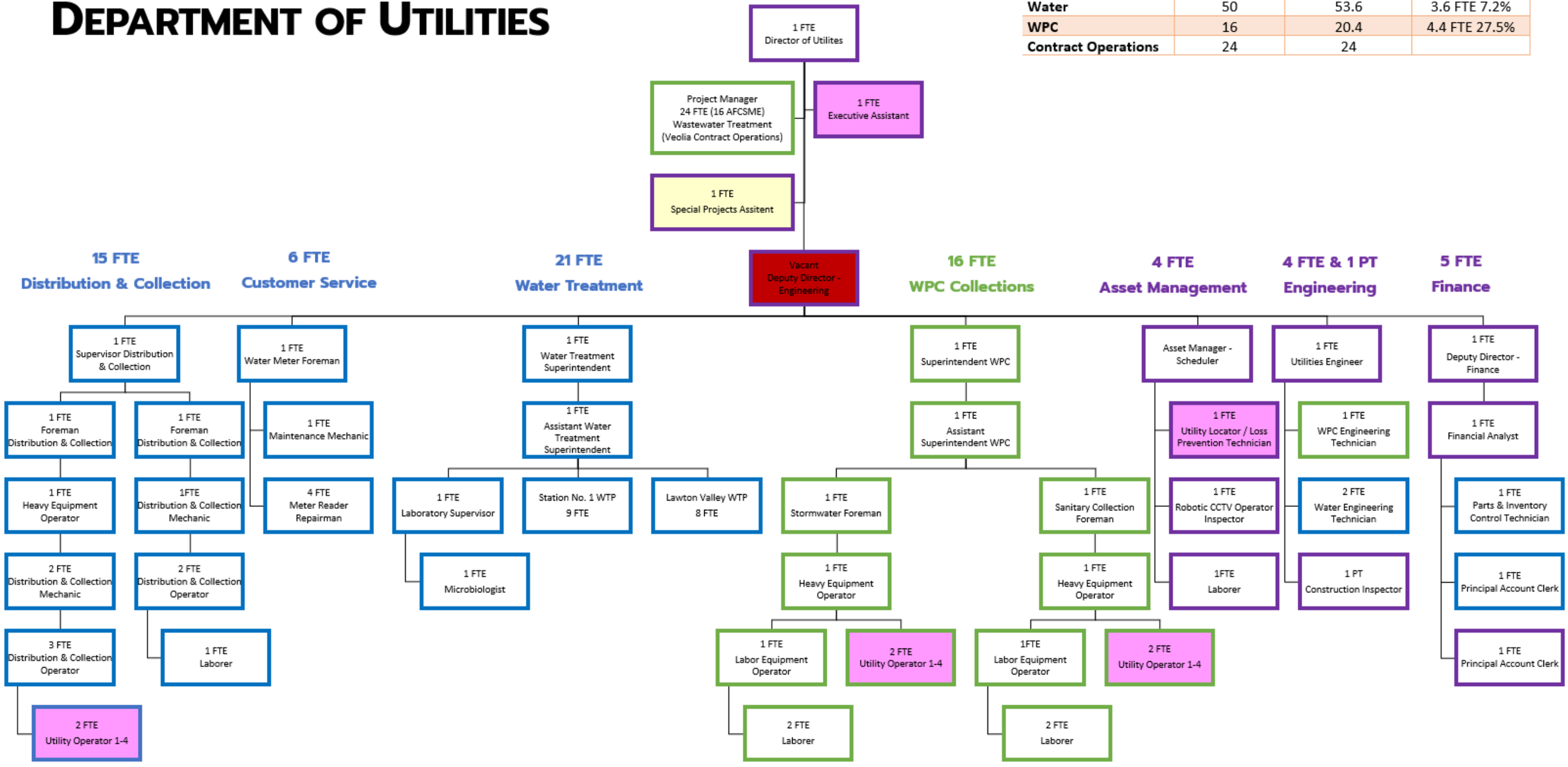
In the water sector, it's essential to recognize that the most valuable resource isn't found underground or in treatment facilities—it's the dedicated individuals who work tirelessly to ensure clean, safe water reaches our communities. By recognizing and investing in our people, we can continue to deliver exceptional water services and create a sustainable future for generations to come.

- Cultivate Emerging Talent
- Create Career Ladders
- Culture of Continuous Learning
- Robust Succession Planning
- Operator Certification

City of Newport

Department of Utilities

	2024	Proposed 2025	
Department	66	74	8 FTE 12.1%
Water	50	53.6	3.6 FTE 7.2%
WPC	16	20.4	4.4 FTE 27.5%
Contract Operations	24	24	



City of Newport, Department of Utilities

Modernize the Department

- ADS Environmental
  - Real Time Level Monitoring
  - Rain Gages
  - ADS Triton
    - Depth - non-contact ultrasonic depth
    - Depth - surcharge pressure depth
    - Velocity - non-contact surface velocity
    - Velocity - surcharge Doppler velocity
    - Air temperature (compensation)

- BEACON Smart Water Software
    - EyeOnWater – Customer Web Portal
    - Pressure Monitoring
    - Temperature Monitoring

- Cityworks
  - Call center
  - Service requests
  - Work orders
  - Inspections, tests, and condition assessments
  - Resources, storerooms, projects, and contracts
  - Reports and dashboards
  - Mobile Workforce
  - Interfacing to other systems (accounting, billing, etc.)

NewportRain

Monitor Series	Assigned Rain Gauge	Date Range	Entities
RAINALERT III		04/23/2023 12:00 AM - 04/23/2024 11:59 PM	RAIN

Entity: 1 selected
RAIN

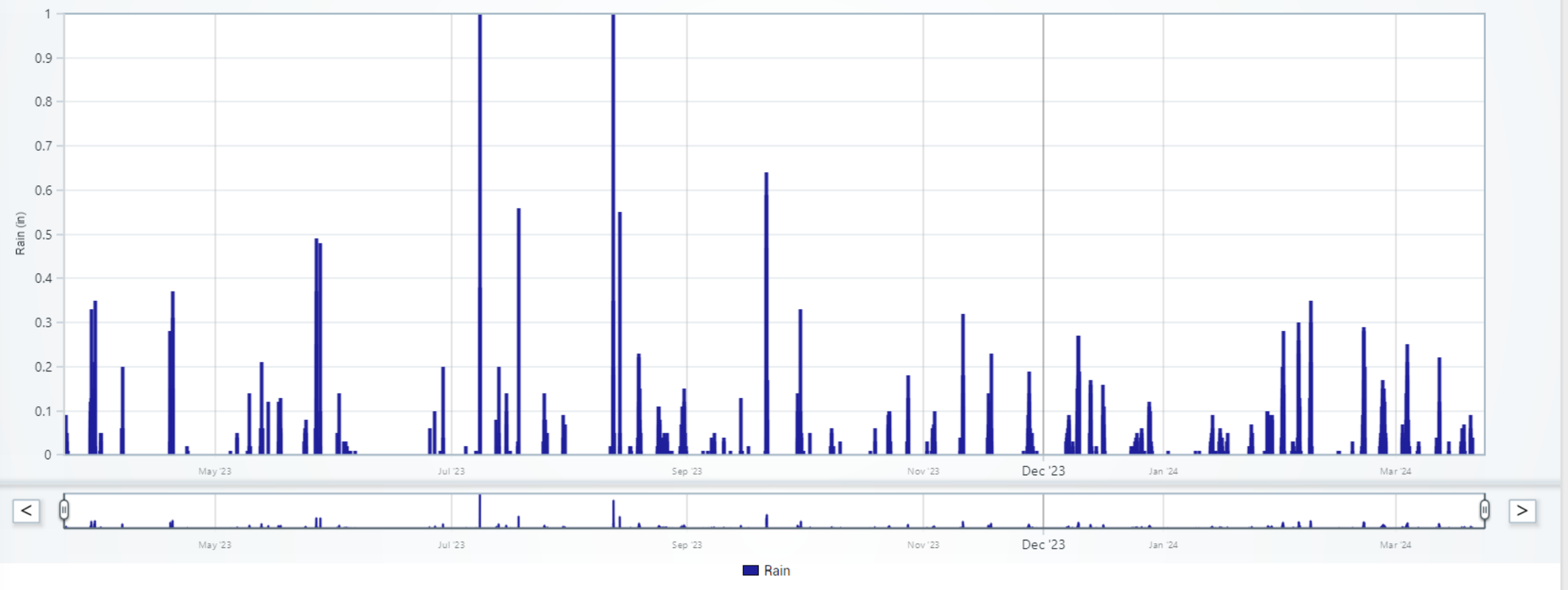
Scattergraph Entities

Date Range:
04/23/2023 12:00 AM - 04/23/2024 11:59 PM

Data Averaging
1 Hour

HYDROGRAPH

Zoom: 1d 1w 1m Off Tracer: Static



ButlerSt

Monitor Series	Assigned Rain Gauge	Date Range	Entities
ECHO	NewportRain	04/18/2023 12:00 AM - 04/18/2024 11:59 PM	DEPTH, QUANTITY, RAIN

Entity: 3 selected: DEPTH, QUANTITY, RAIN

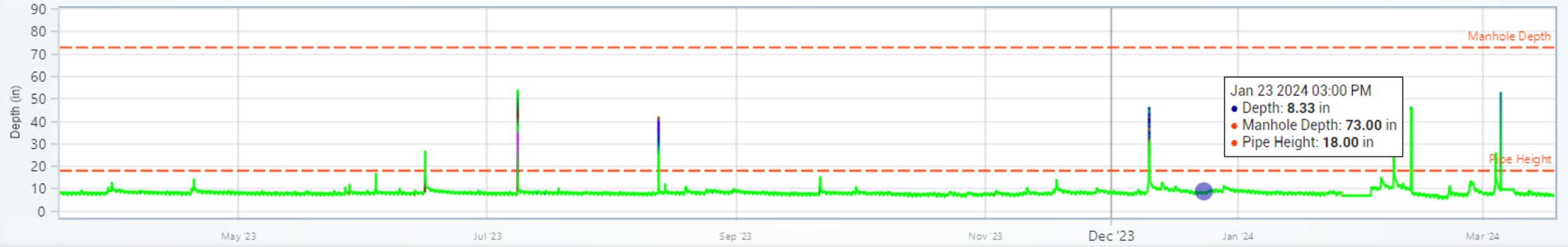
Scattergraph Entities: DEPTH

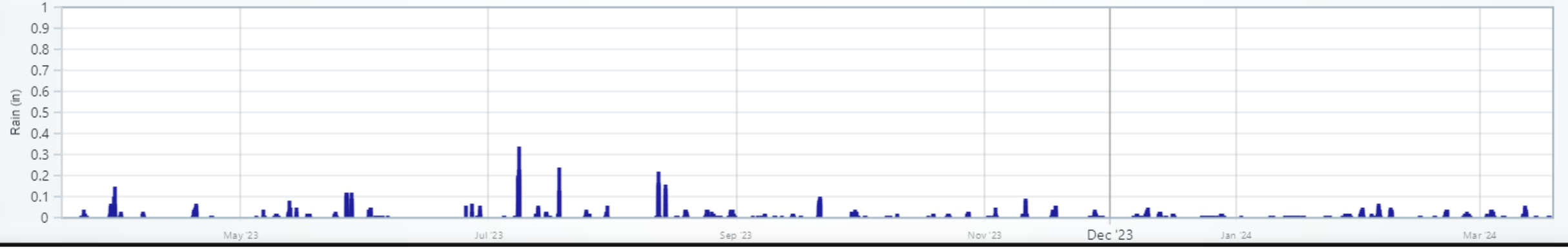
Date Range: 04/18/2023 12:00 AM - 04/18/2024 11:59 PM

Data Averaging: None

HYDROGRAPH

Zoom: 1d 1w 1m Off Tracer: Static





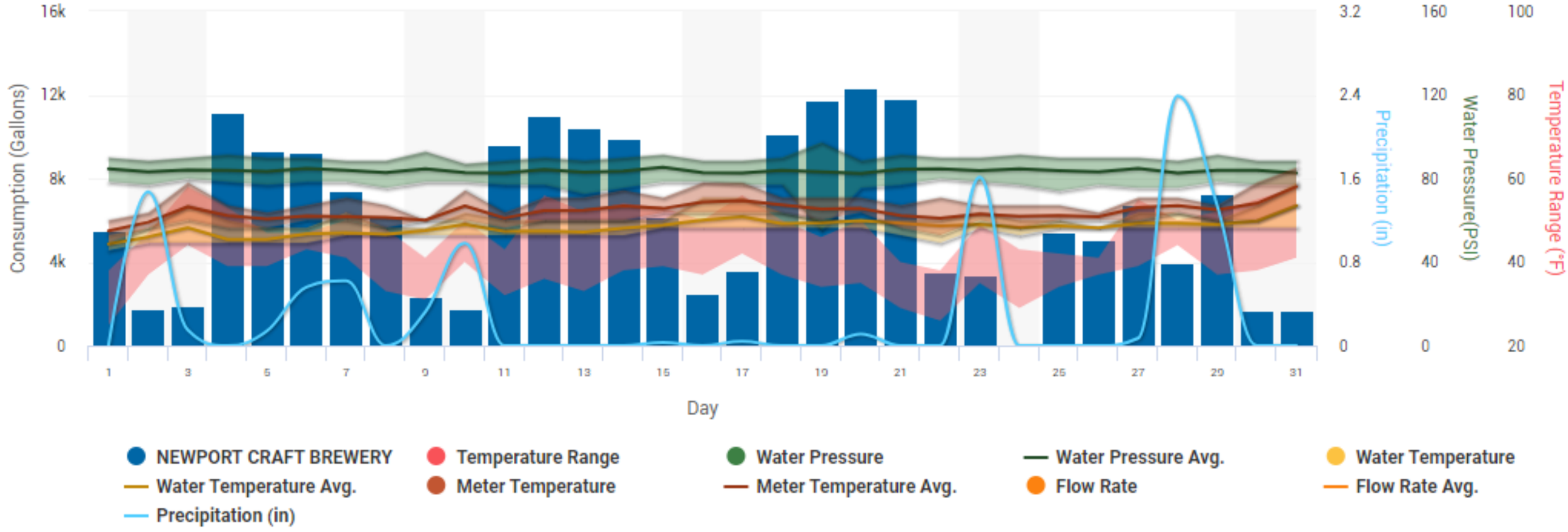
Total 194,536 Gallons

Minute | Hour | Day | Week | Month | Year

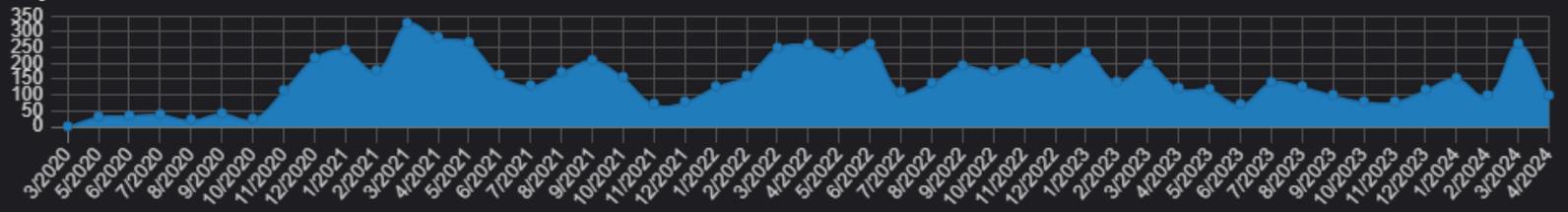
Today

Gallons | Overlays

Print/Download



Sanitary - Work Orders Created Per Month

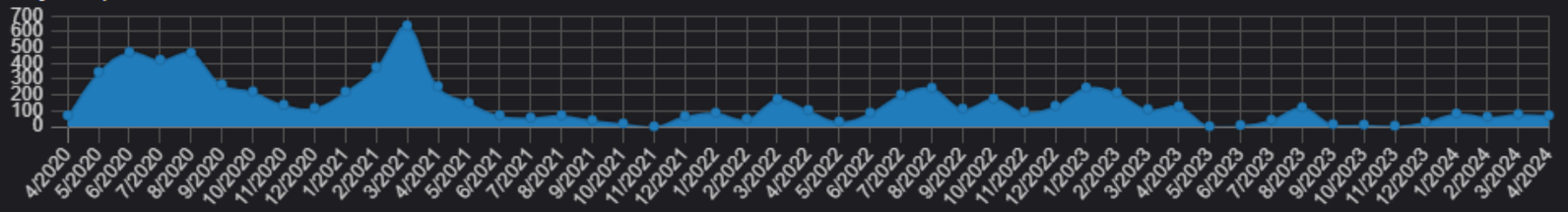


Sanitary - Work Order Status

Sanitary - Work Order Type

Sanitary - Work Order - Completed By

Sanitary - Inspections Created Per Month



Sanitary - Inspection Status

Sanitary - Inspection Type

Sanitary - Inspection - Inspected By

WPC - Total WO Cost

$335,706.51

USD

WPC - Total WOs with Cost

308

WOs

WPC - Total Equipment Cost

$125,272.17

USD

WPC - Total Labor Cost

$110,776.06

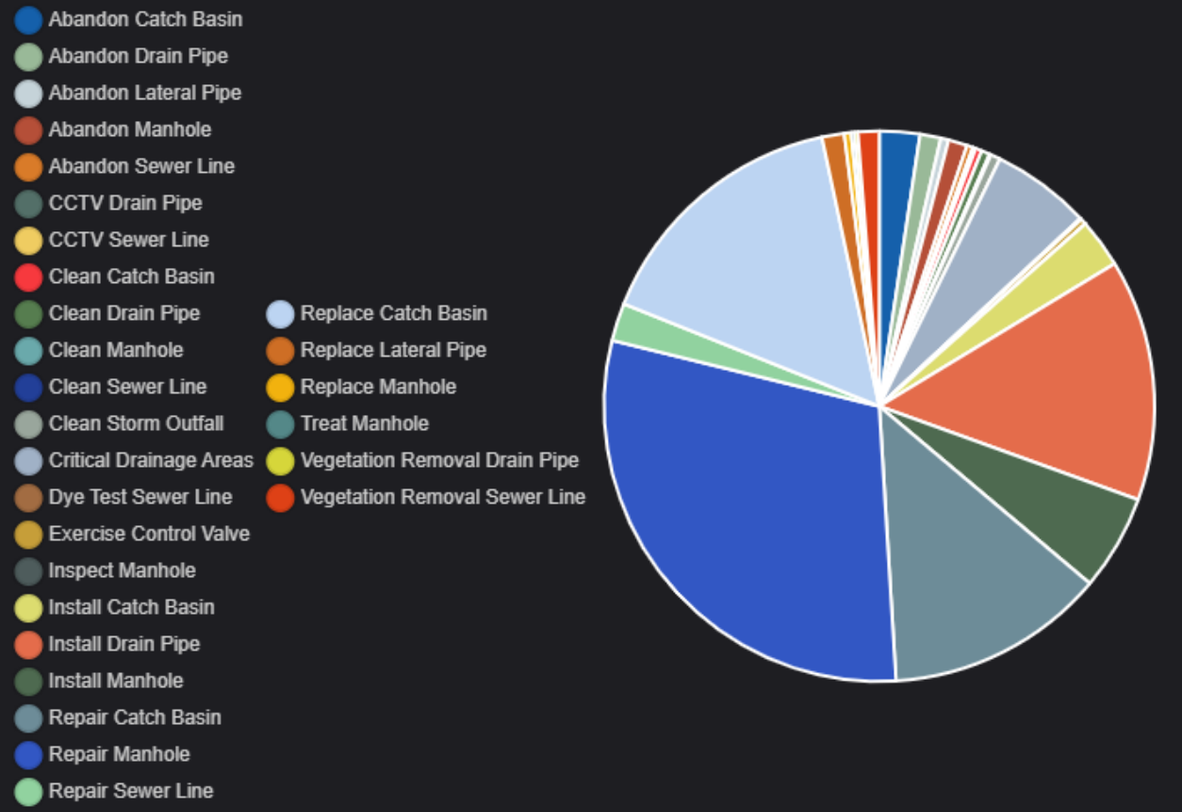
USD

WPC - Total Material Cost

$99,658.27

USD

WPC - Total WO Cost by Work Type



NWD - Total WO Cost

$314,312.53

USD

NWD - Total WO's With Cost

151

WO's

NWD - Total Equipment Cost

$182,530.40

USD

NWD - Total Labor Cost

$121,625.35

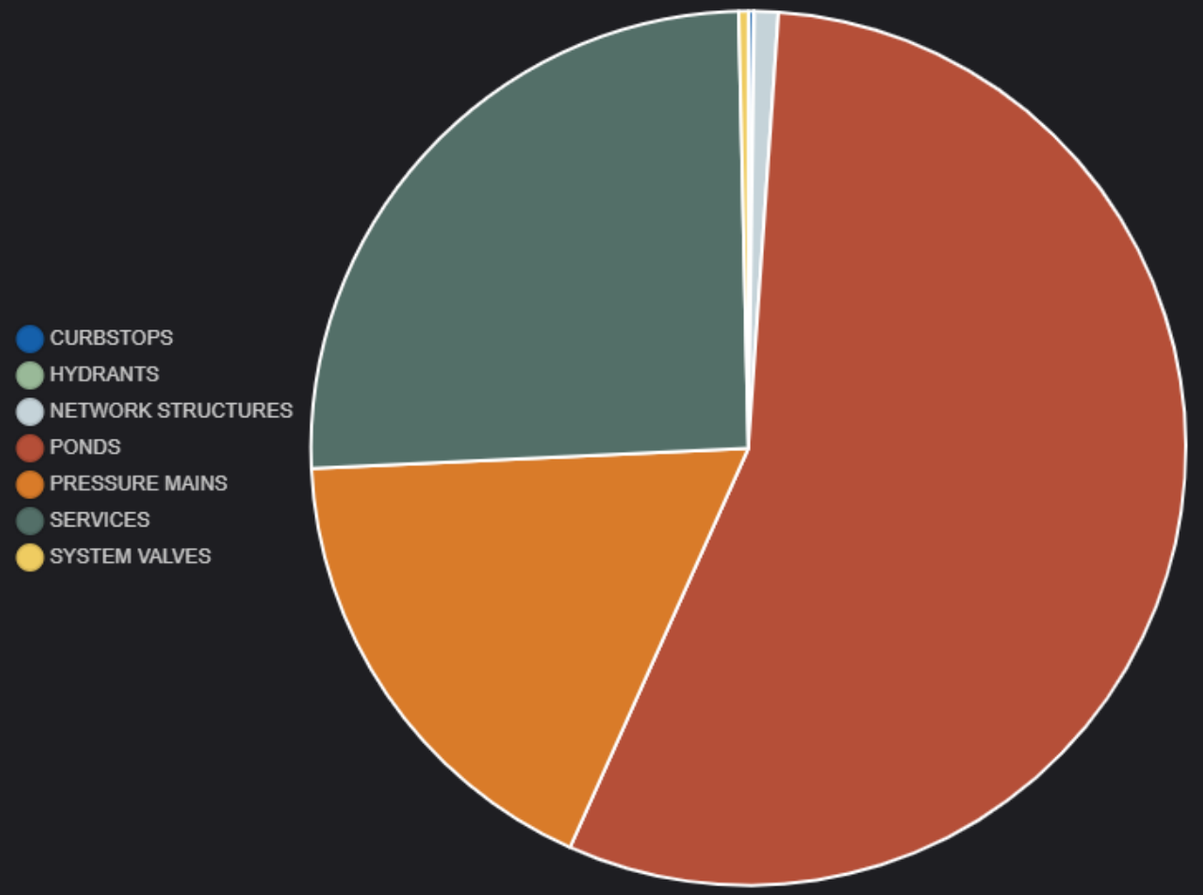
USD

NWD - Total Material Cost

$10,156.78

USD

NWD - Total WO Cost by Work Type



City of Newport, Department of Utilities

Operational Reliability and Resilience

Ensuring safe and healthy drinking water may be as simple as turning on the tap from our EPA-regulated public water system

Reliability: Ability to consistently provide the expected service

- infrastructure maintenance
- regular inspections
- adherence to quality standards
- advanced monitoring and control systems to detect and address issues proactively

Resilience: Ability of water systems to withstand and quickly recover from disruptive events

- Incorporation of redundancy in critical infrastructure
- Emergency Response Plans
- Harden Infrastructure

Key Factors

- Regular maintenance
- investment in infrastructure upgrades
- Implementation of advanced technology
- Training and capacity building

Challenges

- Aging infrastructure
- Climate change
- Integration of smart technologies
- Consistent and Continued Investment

City of Newport, Department of Utilities

Operational Reliability and Resilience

Newport Has an Infrastructure Gap

ASCE - Rhode Island Infrastructure Grades

Drinking Water C+, $833 million drinking water investment gap

Wastewater C, EPA estimated $1.8 billion in funding will be required

City of Newport - Underfunded or not Currently Funded (Today's Dollars)

Drinking Water Underground Infrastructure (Pipes): $375,000,000 ($12.5 million/Year 30 Years)

WPC Underground Infrastructure (Pipes): $360,000,000 ($12 million/Year 30 Years)

- Wastewater Underground Infrastructure (Pipes): $252,000,000 ($8.4 million/Year 30 Years)
- Stormwater Underground Infrastructure (Pipes): $108,000,000 ($3.6 million/Year 30 Years)

North and South Easton Pond Dam $20,000,000 to $40,000,000

Drinking Water Resiliency and Redundancy $12,500,000

North End Stormwater, Flood Mitigation, and Resiliency: $50,000,000

Lead and Copper Rule: $30,000,000 - $40,000,000

- Proposed Lead Poisoning Prevention Act, Adds Private Service Replacement to Water Utility $45,000,000 to $65,000,000

Almy Pond Restoration $30,000,000

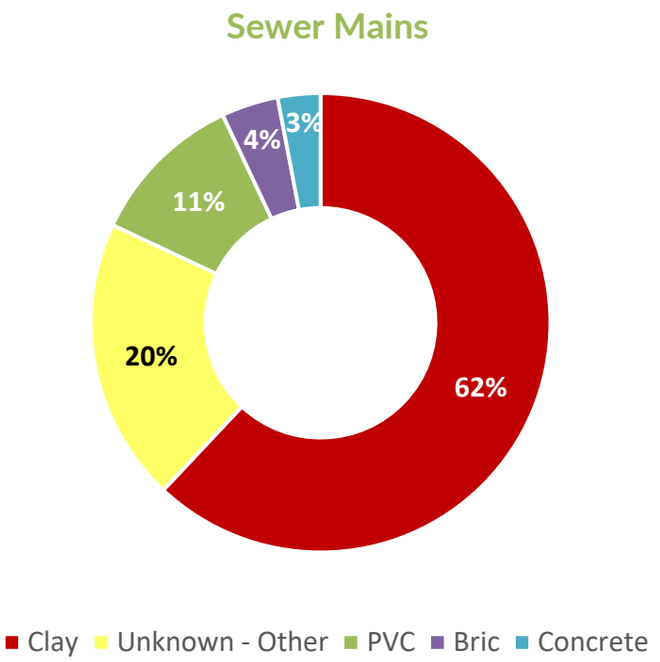
Emerging Contaminants and Unknown Regulatory Standards

Per- and Polyfluoroalkyl substances – known as PFAS: **UNKNOWN FISCAL IMPACT**

97 Miles Sewer Mains

50 Miles Storm Mains

200 Miles Water Mains



1,800 + Sewer Manholes

1,200 + Storm Drain Manholes

2,500 + Catch Basins

1,053 Public Fire Hydrants

3,200 Water Valves

City of Newport, Department of Utilities

Financial Viability

In addition to spending customers' dollars wisely, we must focus on the financial strategy to invest in our employees and infrastructure today, tomorrow, and beyond.

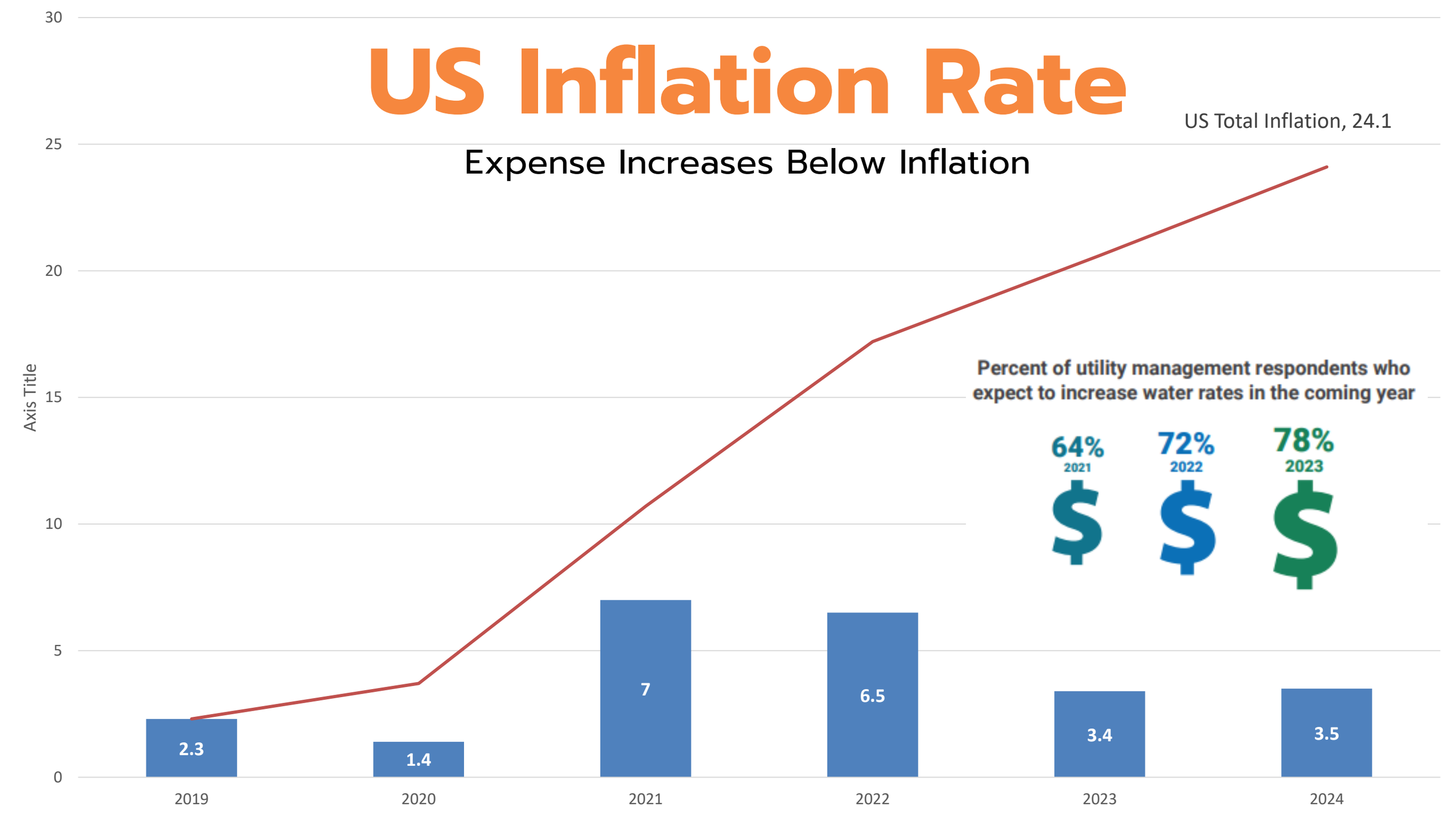
The foundation of utility rate design is to formulate and apply rational and consistent principles for allocating utility costs to develop a basis for fair wastewater service rates.

1951 committee representing many diverse disciplines, including engineering, law, accounting, and finance stated *"The needed total annual revenue requirements of … works shall be contributed by users and nonusers (or by users and properties) for whose use, need and benefit the facilities of the works are provided, approximately in proportion to the cost of providing the use and the benefits of the works[emphasis added]".* (Ohio State Law Journal, 1951)

US Inflation Rate

US Total Inflation, 24.1

Expense Increases Below Inflation



Residential Customer: Efficient Water Customer 45 GPD

4,100 Gallons Per Month

Existing Utilities Bill

Customer Base Charge		= $6.00
Water Charges	4,100 x $10.91/1,000 G	= $44.73
WQP Charge	4,100 x $.0292/100 G	= $1.20
Monthly Water Bill		**= $51.93**
Sewer Charge	4,100 x $19.80/1,000 G	= $81.18
CSO Fixed Fee Charge		= $16.00
Monthly Sewer Bill		**= $97.18**
Monthly Bill Total		**= $149.11**

Yearly Water Bill = $623.16
Yearly Sewer Bill = $1,166.16
Yearly Total = $1,789.32

Proposed Utilities Bill

Customer Base Charge		= $6.77
Water Charges	4,100 x $13.47/1,000 G	= $55.23
WQP Charge	4,100 x $.0292/100 G	= $1.20
Monthly Water Bill		**= $63.20**
Sewer Charge	4,100 x $19.80/1,000 G	= $81.18
CSO Fixed Fee Charge		= $16.00
Monthly Sewer Bill		**= $97.18**
Monthly Bill Total		**= $160.38**

Yearly Water Bill = $758.40
Yearly Sewer Bill = $1,166.16
Yearly Total = $1,924.56

There is NO Increase for WPC

Residential Customer: Impact +7.58%

Monthly: + $11.27

Yearly: +$135.54

Residential Customer: Average Water Customer 85 GPD

7,700 Gallons Per Month

Existing Utilities Bill

Customer Base Charge		= $6.00
Water Charges	7,700 x $10.91/1,000 G	= $84.00
WQP Charge	7,700 x $.0292/100 G	= $2.25
Monthly Water Bill		**= $92.25**
Sewer Charge	7,700 x $19.80/1,000 G	= $152.46
CSO Fixed Fee Charge		= $16.00
Monthly Sewer Bill		**= $168.46**
Monthly Bill Total		= $260.71

Yearly Water Bill = $1,107.00
Yearly Sewer Bill = $2,021.52
Yearly Total = $3,128.52

Proposed Utilities Bill

Customer Base Charge		= $6.77
Water Charges	7,700 x $13.47/1,000 G	= $103.72
WQP Charge	7,700 x $.0292/100 G	= $2.25
Monthly Water Bill		**= $112.74**
Sewer Charge	7,700 x $19.80/1,000 G	= $152.46
CSO Fixed Fee Charge		= $16.00
Monthly Sewer Bill		**= $168.46**
Monthly Bill Total		= $281.20

Yearly Water Bill = $1,352.88
Yearly Sewer Bill = $2,021.52
Yearly Total = $3,374.40

There is NO Increase for WPC

Residential Customer: Impact +7.85%

Monthly: + $20.49

Yearly: +$245.88

Water Rate Setting Process

The law requires that the rates of regulated utility companies be reasonable; that the service they provide be safe and adequate; and that those utilities be allowed the opportunity to generate revenues which will keep them in good financial health. These agencies must then decide whether or not a rate change request from a regulated utility is just and reasonable.

What Happens When A Utility Needs Rate Changes?

Application

Submit Written Application (Filing)

Investigation

Thoroughly and carefully investigated by Division and Interveners

Rate Hearing

Commission acts as judge and evidence and testimony are presented by the Utility, the Division and Intervenors

Decision

“Report and Order" which is binding on all parties or Settlement Agreement

Water Rates:

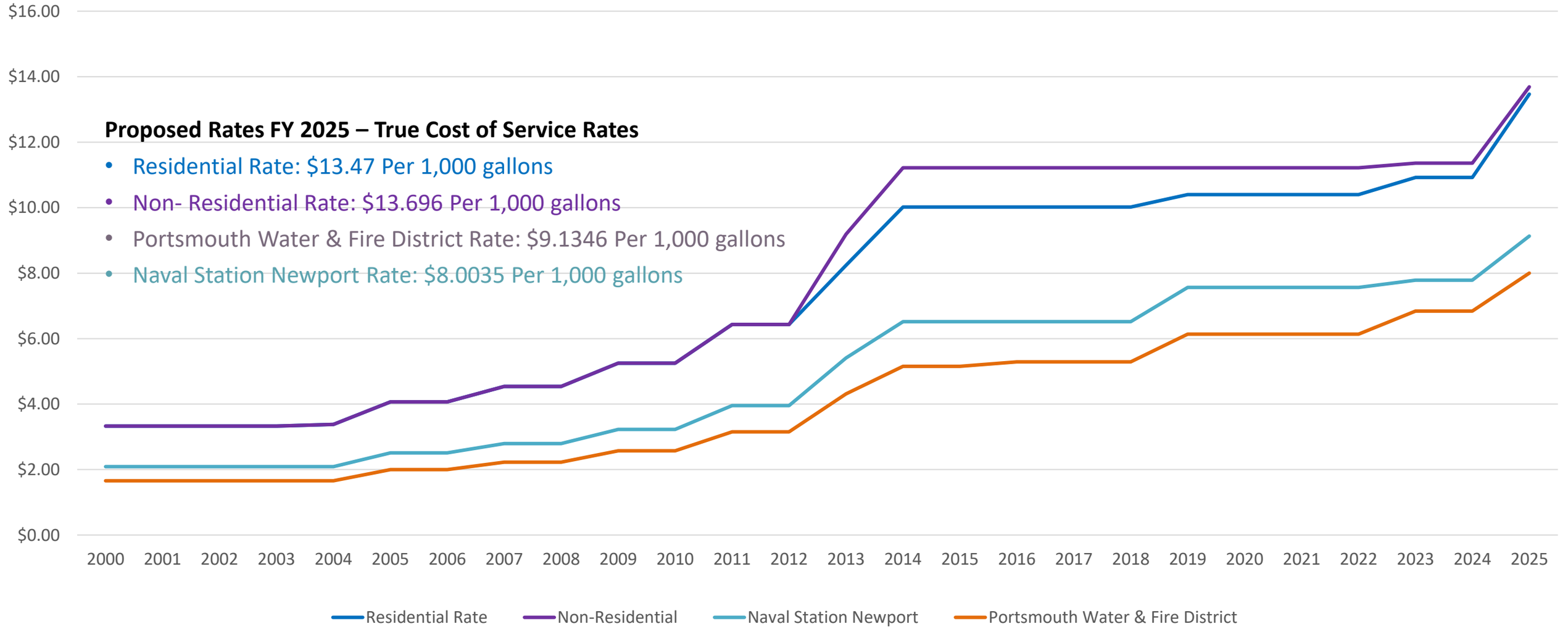
Regulated By the Public Utilities Commission "Commission"& Division of Public Utilities and Carriers "Division

- Long History of Rate Filings - Relevant History goes back to 1990
- https://ripuc.ri.gov/events-and-actions/commission-docket
- Docket No. 1978
- Docket No. 2029
- Docket No. 2985
- Docket No. 3578
- Docket No. 3675
- Docket No. 3818
- Docket No. 4025
- Docket No. 4128
- Docket No. 4243
- Docket No. 4355
- Docket No. 4533
- Docket No. 4595
- Docket No. 4933 - True Cost of Services Rates
- Docket No. 5254

Water Rates: True Cost of Service

Cost of Service Rates Development Process

Cost Identification Cost Allocation Revenue Requirements Update Rate Model Regulatory Approval

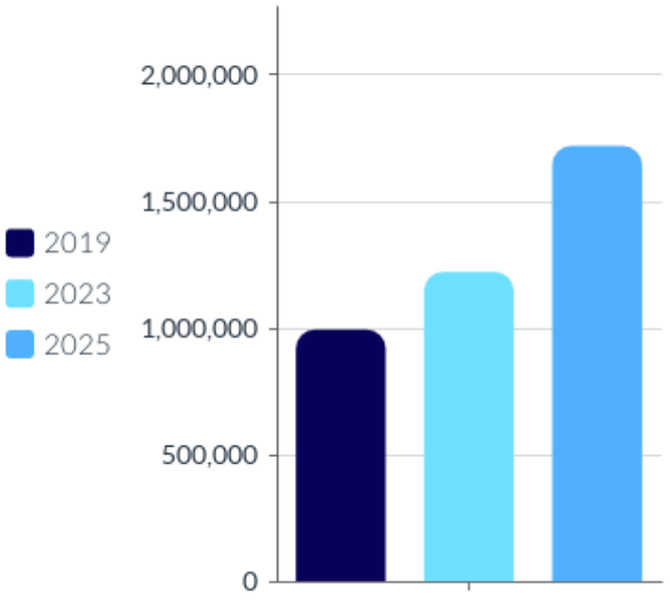


Proposed Rates FY 2025 – True Cost of Service Rates

- Residential Rate: $13.47 Per 1,000 gallons
- Non- Residential Rate: $13.696 Per 1,000 gallons
- Portsmouth Water & Fire District Rate: $9.1346 Per 1,000 gallons
- Naval Station Newport Rate: $8.0035 Per 1,000 gallons

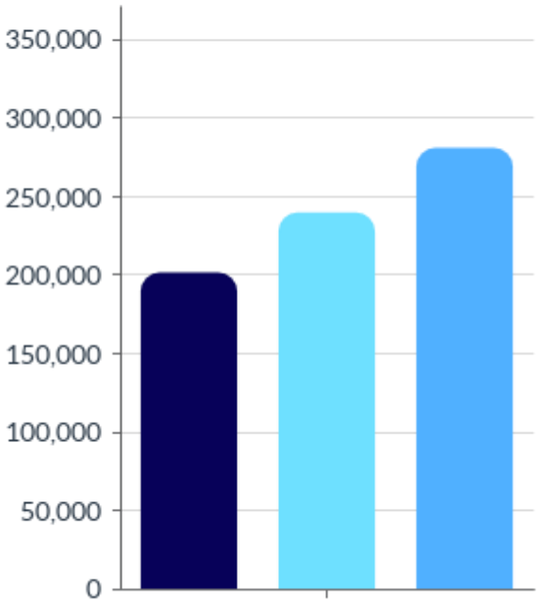
Chemicals

72.84%



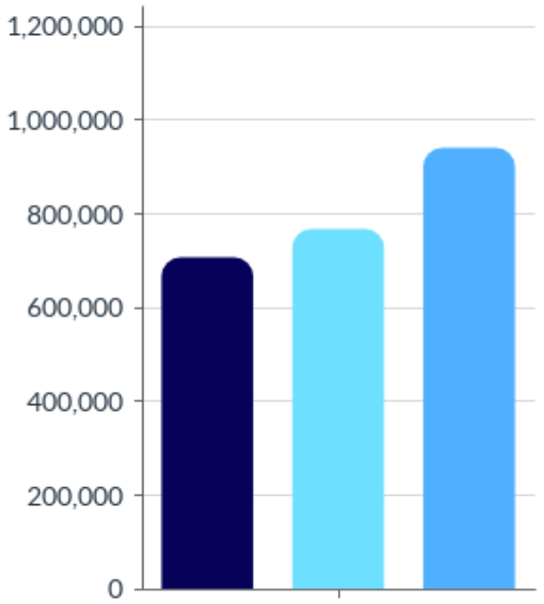
Fuel & Vehicles

39.32%



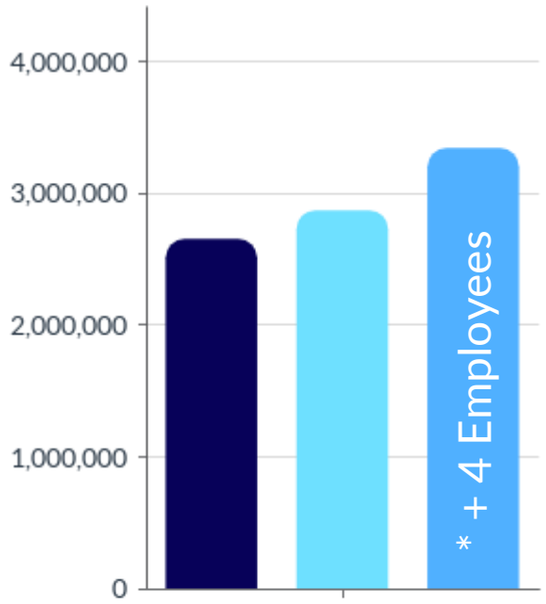
Electricity

33.04%



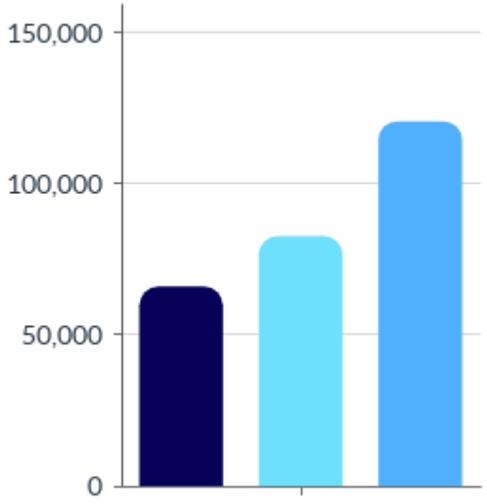
Salaries*

25.92%



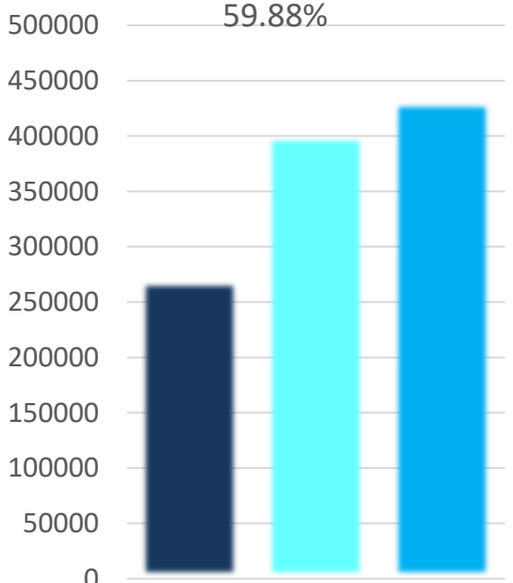
Water Main Maintenance

39.32%



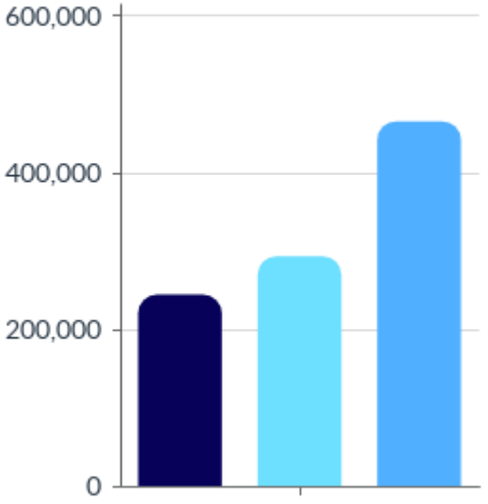
Overtime

59.88%



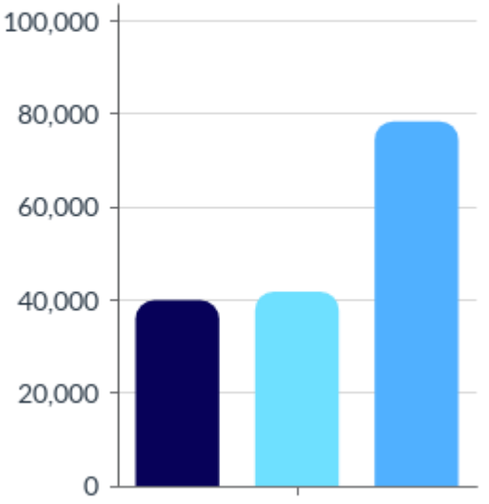
Repairs & Maintenance

90.44%



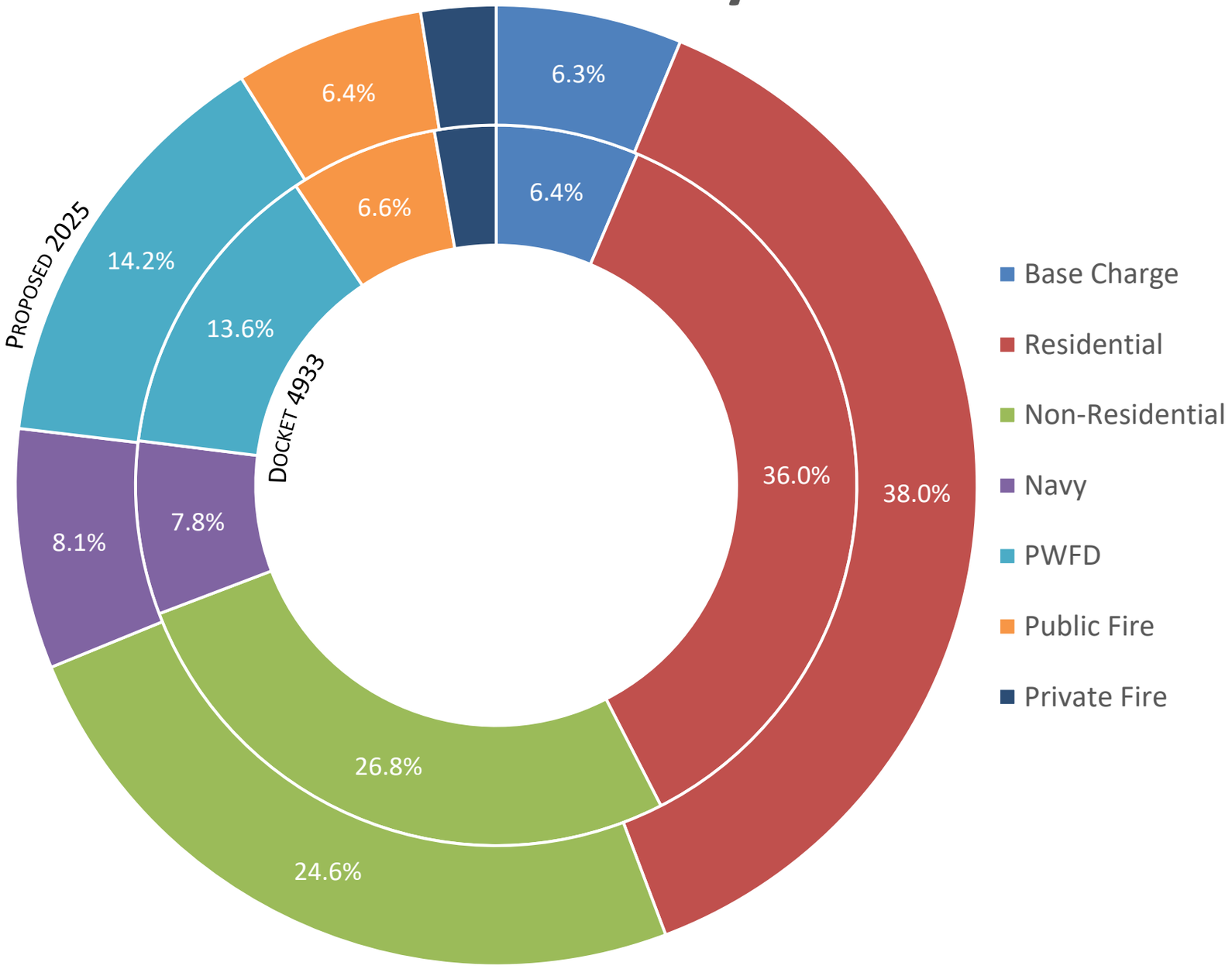
Laboratory Supplies

96.17%



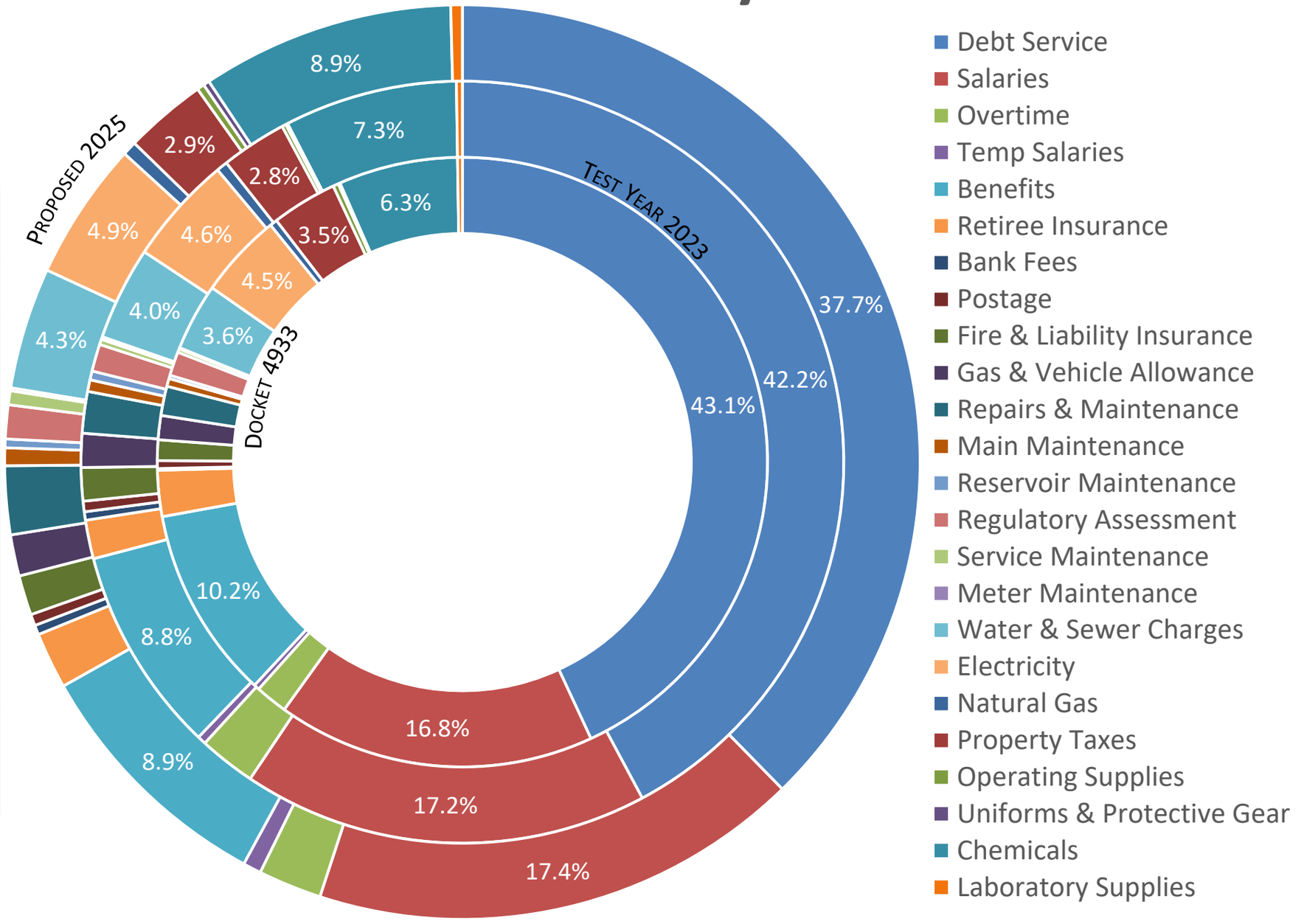
Drinking Water Fund - Where The Money Comes From

Revenues	Actual 2023	Proposed 2025
Grant Revenue	$860,990	
Rental of Property	$55,035	$65,000
Investment Income	$410,446	
WPC Reimbursement	$336,641	$351,482
Middletown Reimbursement	$180,315	$178,782
Sundry Billing	$312,085	$133,000
Public Fire Protection	$2,050,827	$1,494,145
Private Fire Protection	$581,803	$592,739
Metered Water Charges	$11,138,060	$13,558,326
Bulk Water Charges	$4,404,623	$5,048,963
Billing Charges	$1,185,420	$1,383,806
Miscellaneous	$2,256	
Water Penalty	$33,320	$50,000
Water Quality Protection Fee	$21,223	$21,000
Total	$21,573,044	$24,074,243



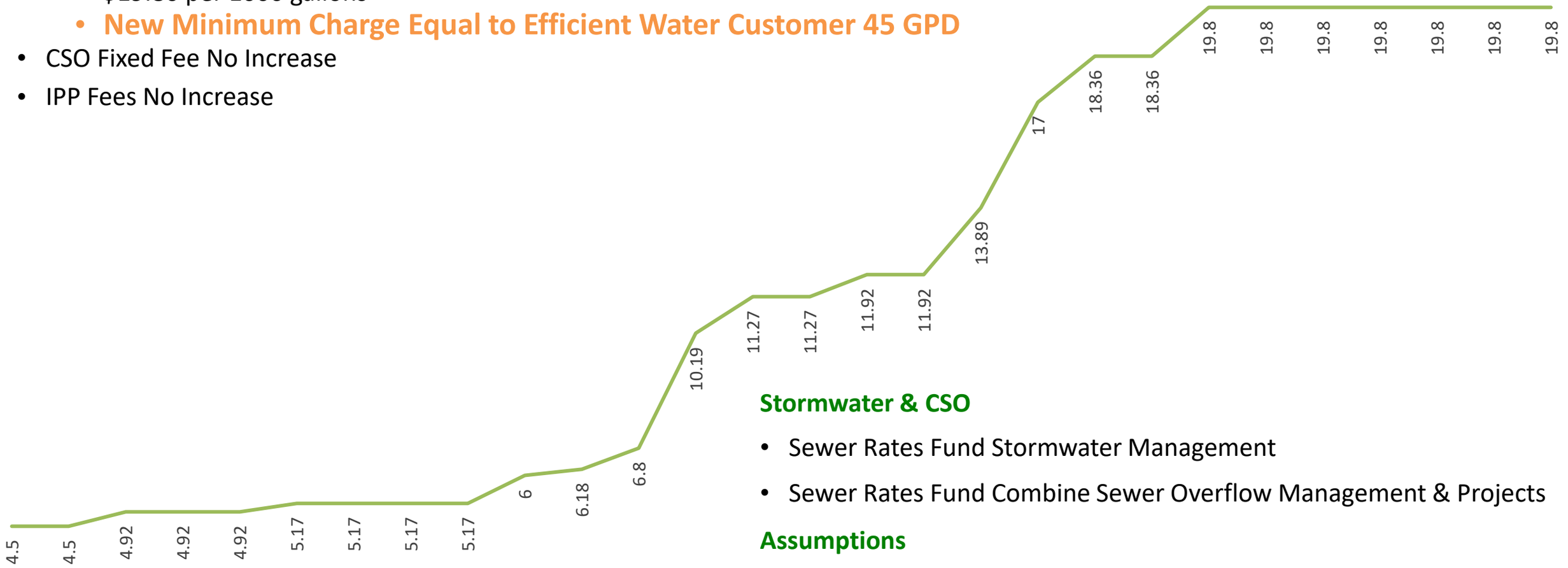
Drinking Water Fund - Where The Money Goes

Expenditures	Actual 2023	Proposed 2025
Operating	$13,688,329	$16,678,041
Interest	$2,126,519	$1,960,117
Operating Total	$15,814,848	$18,638,158
Other Cash Outlays		
Capital	$130,831	$1,876,500
Principal Debt.		$5,304,257
Total Other	$130,831	$7,180,757
Total	$15,945,679	$25,818,915



Sewer Rate

- No Increase Sewer Use Charge
  - $19.80 per 1000 gallons
  - **New Minimum Charge Equal to Efficient Water Customer 45 GPD**
- CSO Fixed Fee No Increase
- IPP Fees No Increase



Stormwater & CSO

- Sewer Rates Fund Stormwater Management
- Sewer Rates Fund Combine Sewer Overflow Management & Projects

Assumptions

- Projected Sewer Use of 600,000,000 gallons
- Middletown: New Flow Proportional Contract

WPC Rates: Wastewater & Storm Water

Combined Sewer System: convey both sanitary wastewater and stormwater

WPC Rates: Uniform Volumetric Based on Customer's Water Consumption

The basic Charge is nineteen dollars and eighty cents ($19.80) per one thousand (1,000) gallons of metered water consumption as a sewage charge.

- Administrative simplicity and ease of customer understanding
- Readily Available Data
- The underlying assumption is that metered water is the primary source of wastewater

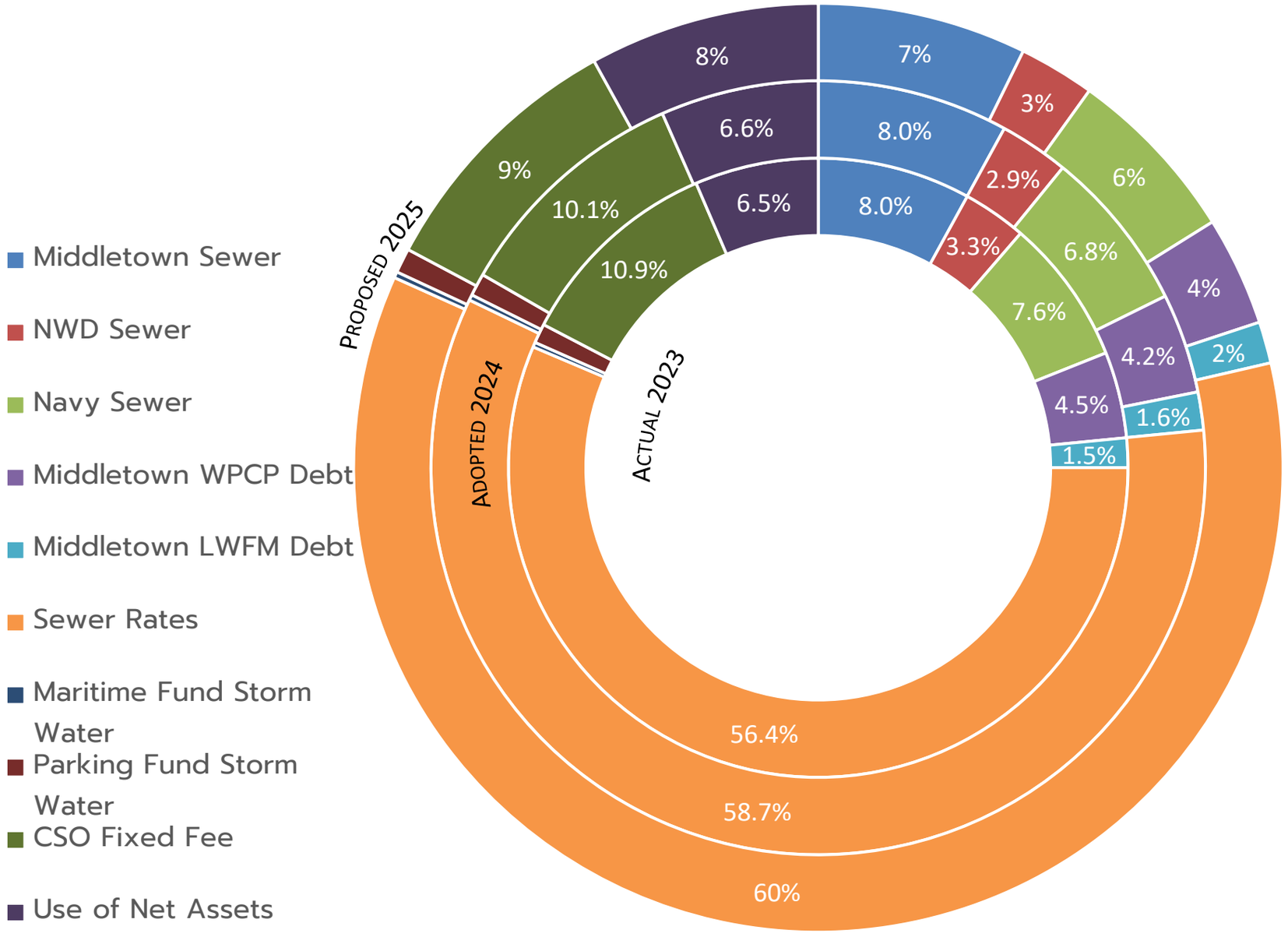
Equity of Cost Recovery

- Water Consumption is limitedly correlated to the magnitude of a property's wet weather contribution

CSO Fixed Fee

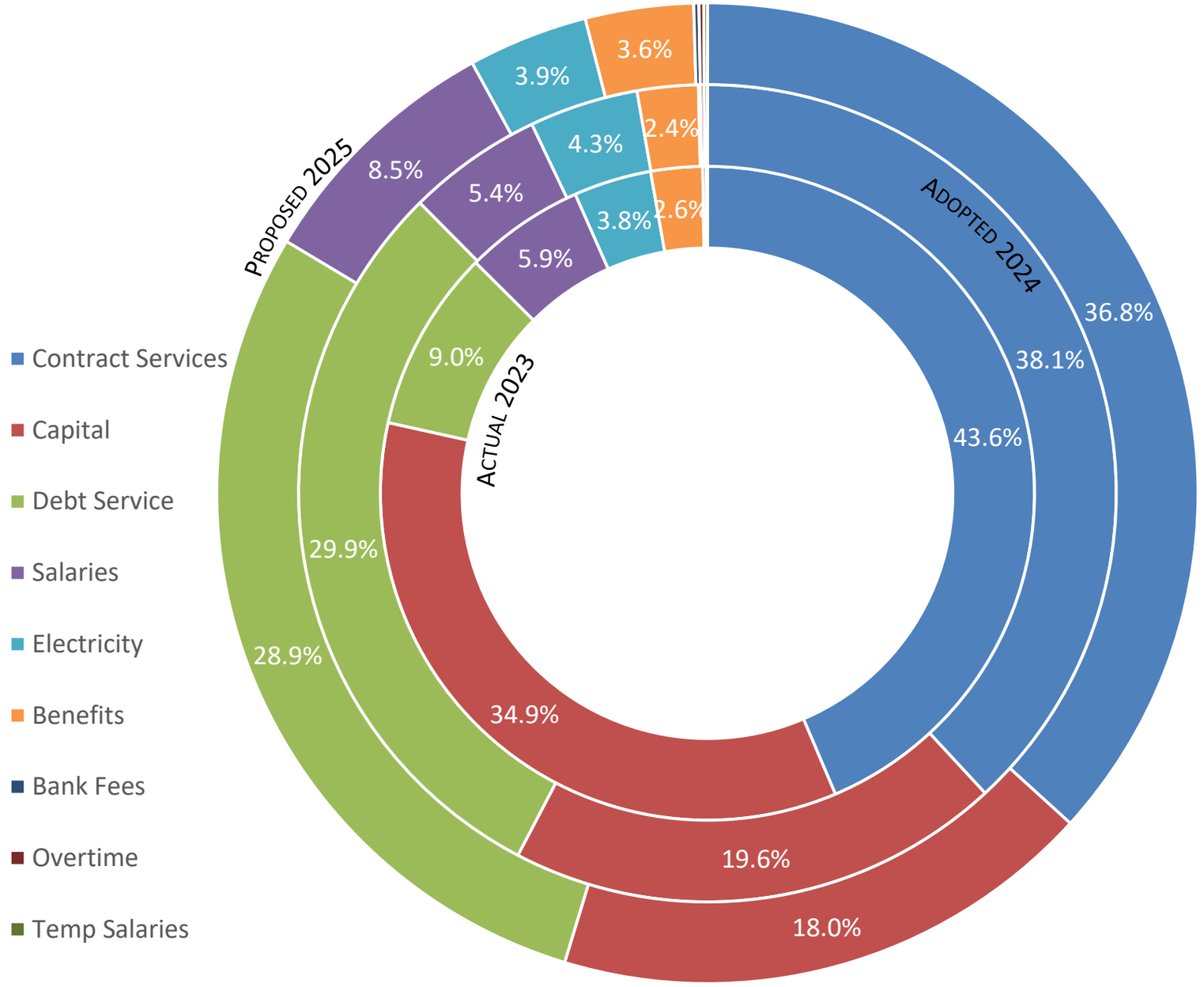
- Annual flat fee, only for costs associated with the long-term CSO Control based on meter size

Water Pollution Control Fund - Where The Money Comes From



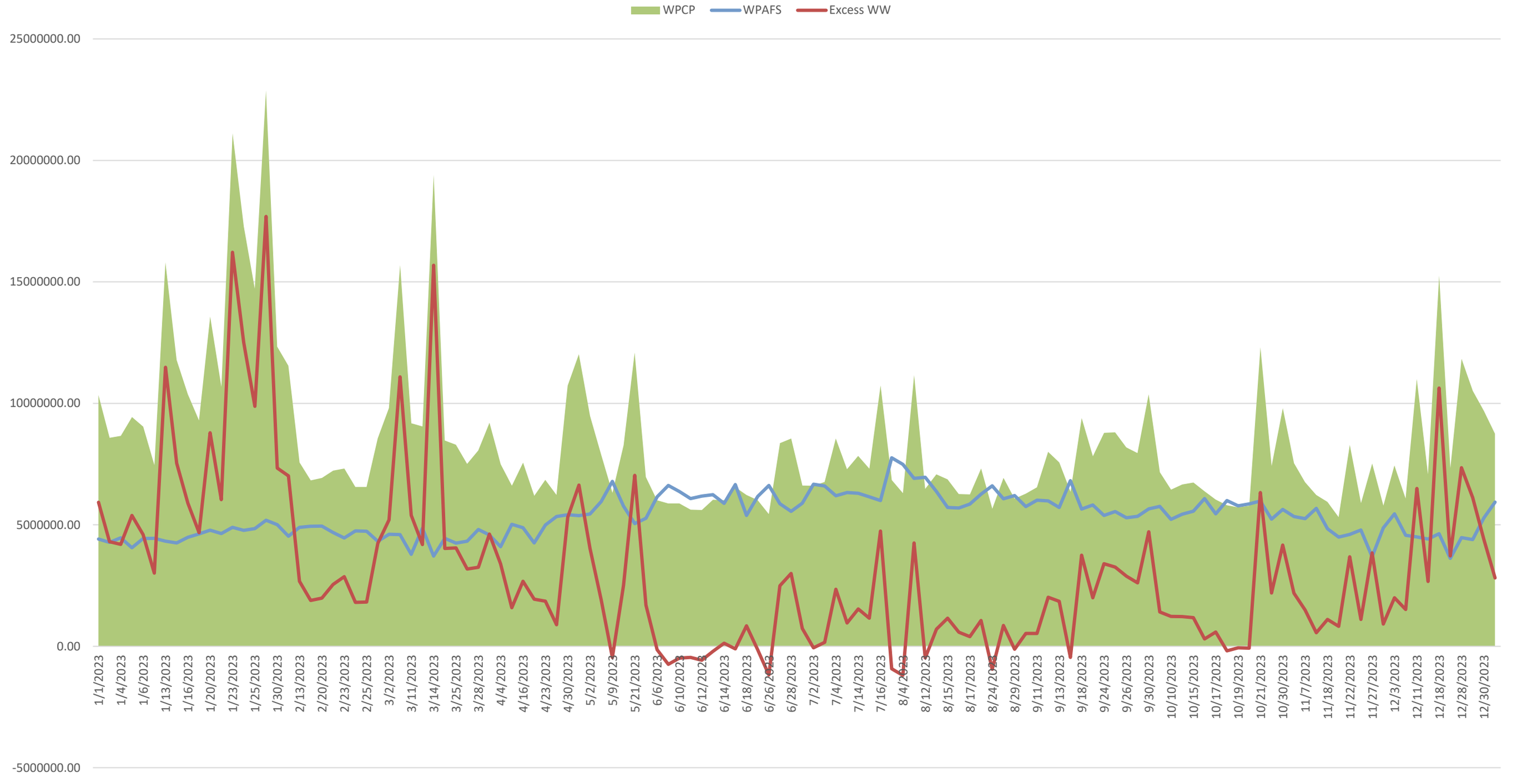
Revenues	Actual 2023	Proposed 2025
Investment Interest Income	$183,256	$8,500
State and Federal Aid	$136,441	
Sewage Treat. Middletown	$1,577,755	$1,700,000
Sewer Assessment Fee	$31,923	$8,000
Sewer Treat., Water Utility	$659,338	$617,000
Sewer Treatment U.S.N.	$1,505,002	1,450,000
Middletown Share of WPCP	$888,907	$888,910
Middletown Share of LWFM Debt	$304,932	$337,987
Pretreatment Fees	$112,003	$120,000
ICI Reimbursements	$120,011	
Miscellaneous	$1,479	
Disposal Permits	$137,250	$178,000
Sewer Use Charge	$11,133,130	$14,100,000
Maritime Fund Stormwater Charge	$50,000	$50,000
Parking Fund Stormwater Charge	$200,000	$200,000
Sewer - Penalty	$28,056	$20,000
Revenue Operations	$17,069,513	$19,678,397
CSO Fixed Fee	$2,109,237	$2,150,000
Use Net Assets	**$1,273,900**	**$1,872,669**
Total	**$20,452,650**	**$23,701,066**

Water Pollution Control Fund - Where The Money Goes

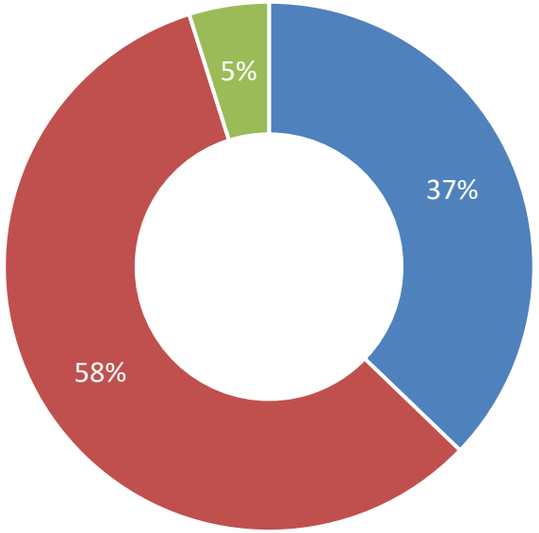


Expenditures	Actual 2023	Proposed 2025
Salaries	$973,136	$1,825,247
Fringe Benefits	$513,875	$923,288
Purchased Services	$7,505,366	$8,440,368
Utilities	$612,626	$840,000
Internal Services	$827,508	$980,485
Supplies & Materials	$156,171	$284,273
Repair & Maintenance	$275,972	$350,000
Interest Expense	$1,435,987	$1,562,060
Other		
Total Operating	$12,300,641	$15,205,721
OTHER CASH		
Capital Outlay From Unrestricted Revenues		$1,800,000
Capital Outlay From CSO Fixed Fees	($55,649)	$1,969,275
Capital Outlay From Revenue Bonds		
Principal Debt Repayment		$4,726,071
Total Other Cash	$12,244,992	$23,701,067

Water Pollution Control Plant Flow Versus Water Plant Production



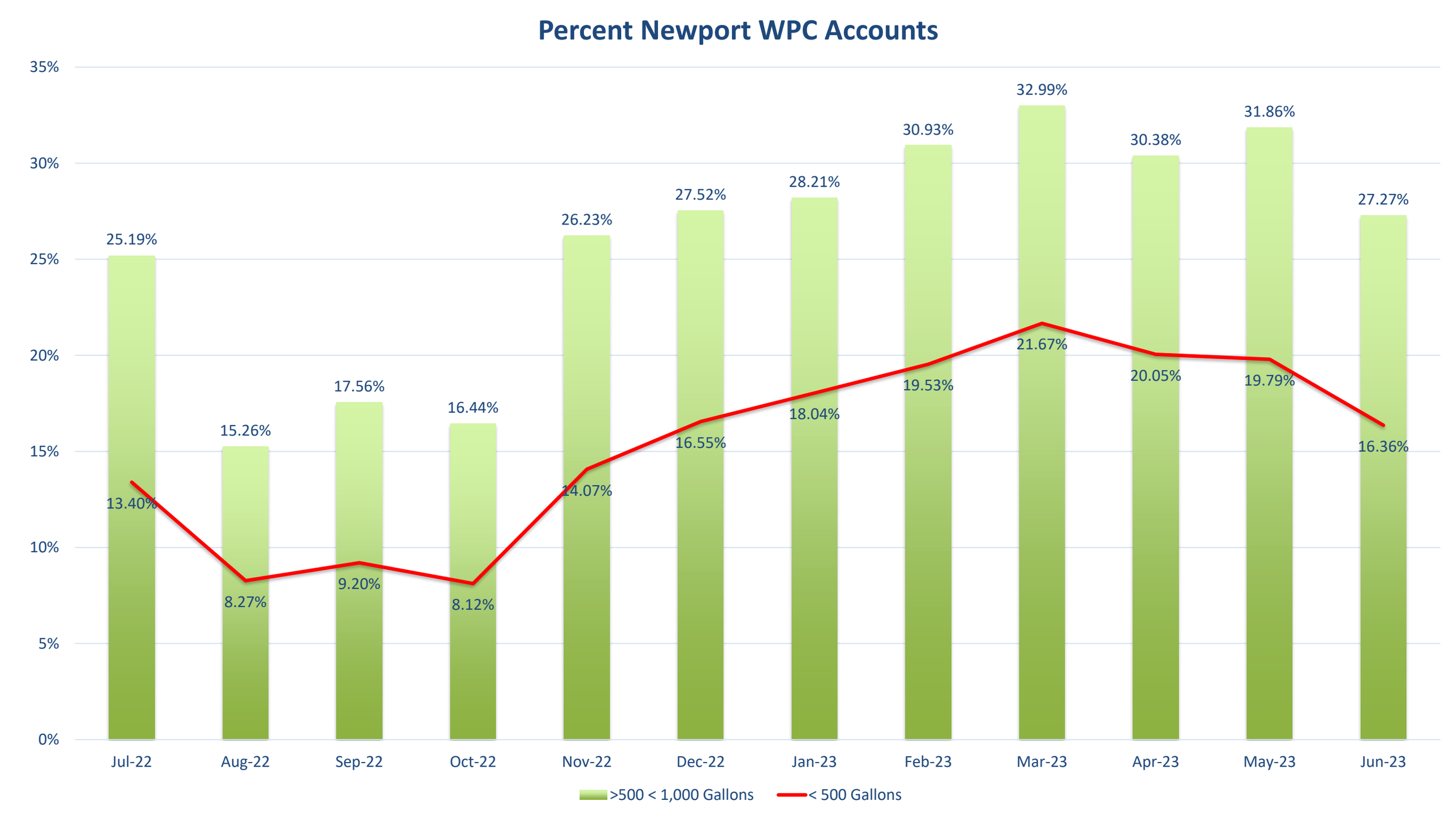
Sewage Use Charge Annual Distribution



14.00%
12.00%
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%

July August September October November December January February March April May June

Non-Residential Residential NWD Sludge


Percent Newport WPC Accounts
35%
30%
25%
20%
15%
10%
5%
0%
25.19%
15.26%
17.56%
16.44%
26.23%
27.52%
28.21%
30.93%
32.99%
30.38%
31.86%
27.27%
13.40%
8.27%
9.20%
8.12%
14.07%
16.55%
18.04%
19.53%
21.67%
20.05%
19.79%
16.36%
Jul-22
Aug-22
Sep-22
Oct-22
Nov-22
Dec-22
Jan-23
Feb-23
Mar-23
Apr-23
May-23
Jun-23
>500 < 1,000 Gallons
< 500 Gallons

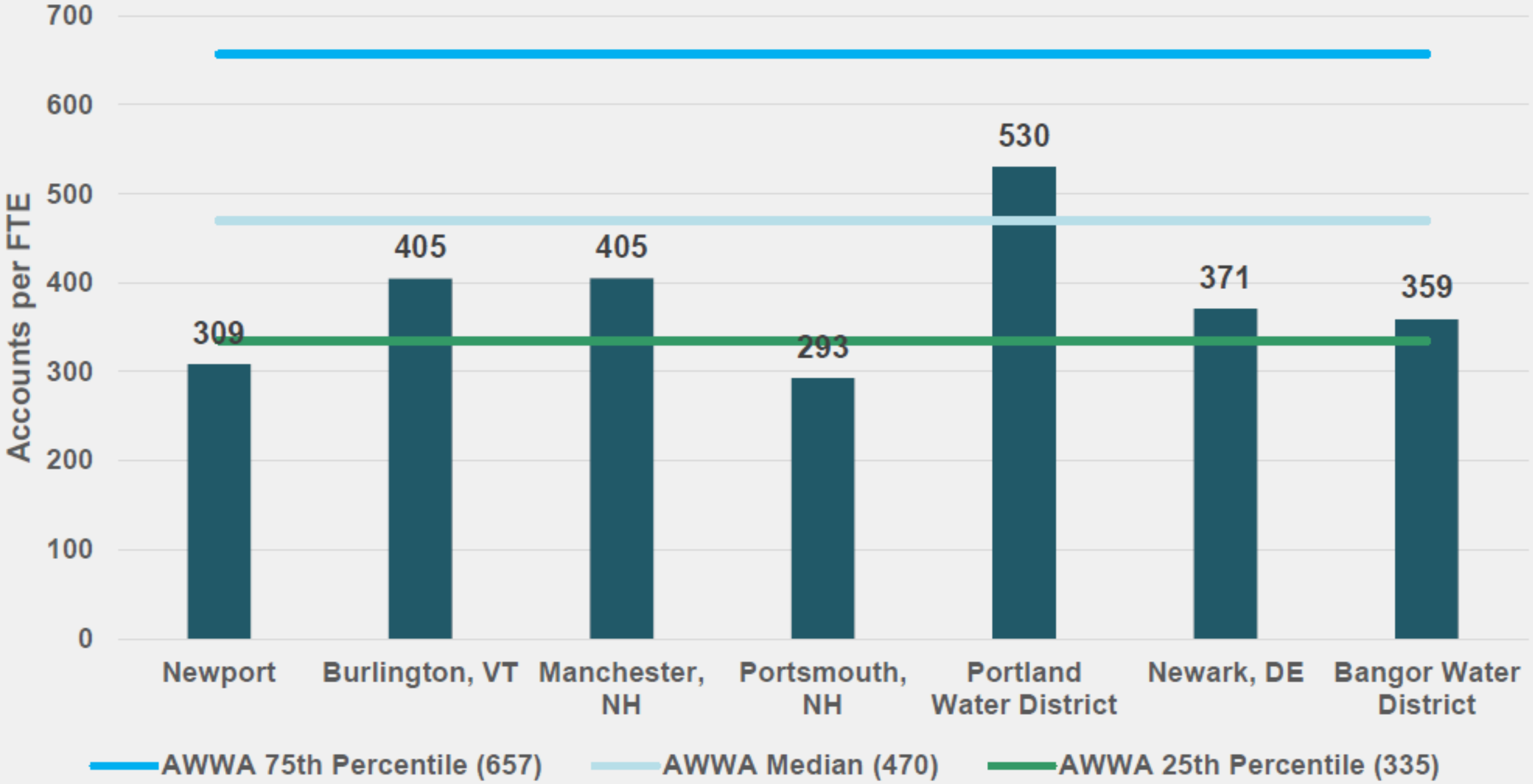
Benchmarking

- Seven peer organizations from across New England and the American Water Works Association's (AWWA)
- Newport is unique!

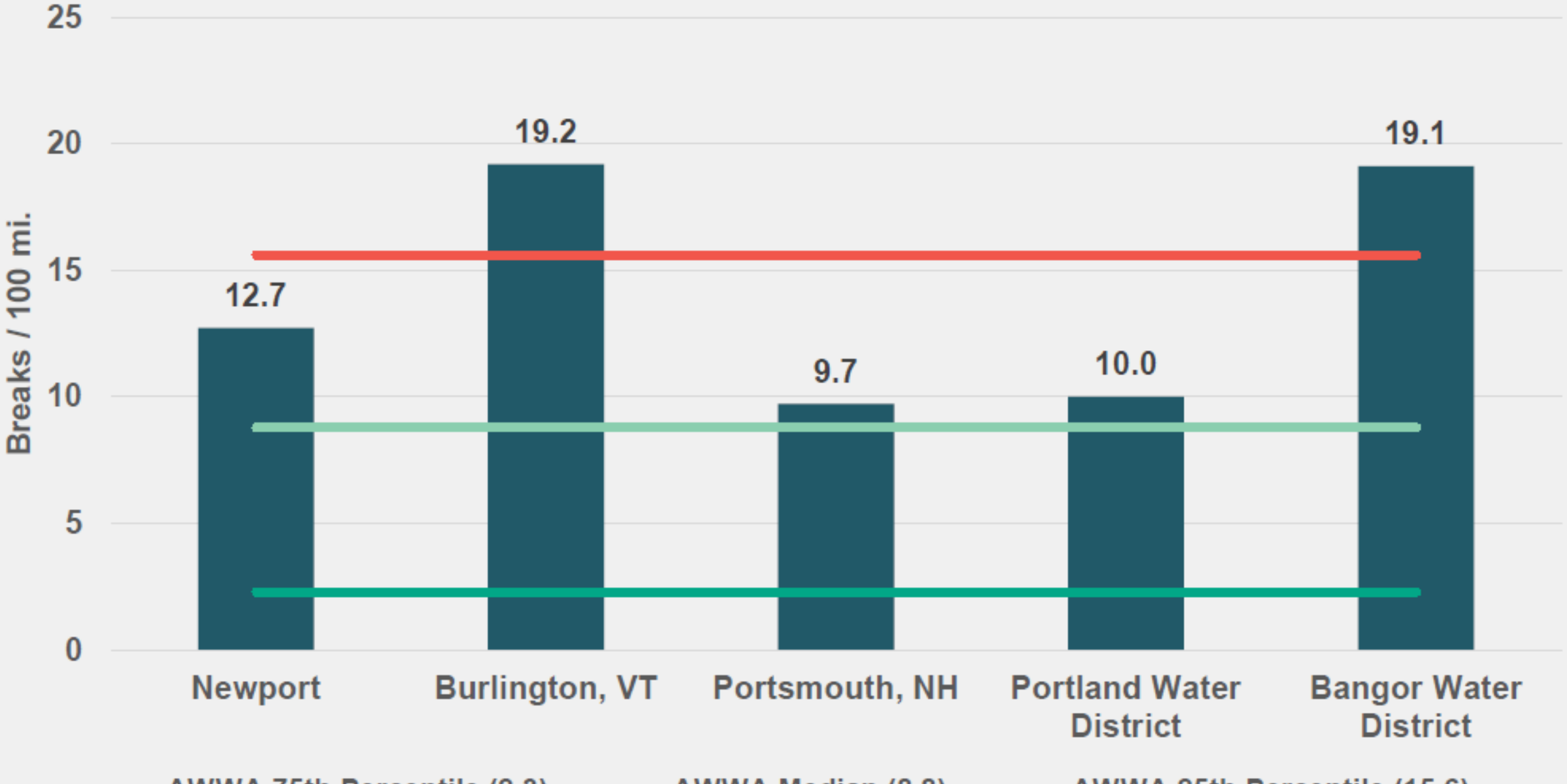
Utility	Services	Water Accounts	Water Production (MGD)
Newport, RI	Water, Wastewater, Storm	14,474	5.74
Burlington, VT	Water, Wastewater, Storm	10,120	3.15
Haverhill, MA	Water, Wastewater	17,500	5.75
Manchester, NH	Water, Wastewater, Storm	32,000	17.36
Portsmouth, NH	Water, Wastewater	8,626	3.80
Portland Water District (ME)	Water, Wastewater	54,064	21.59
Newark, DE	Water, Wastewater Conveyance	10,489	2.64
Bangor Water District (ME)	Water	11,484	4.33

Utility	Cost of Living Index[5]
Newport, RI	141.7
Burlington, VT	112.3
Haverhill, MA	116.9
Portsmouth, NH	127.8
Manchester, NH	105.3
Portland WD (ME)	111.9

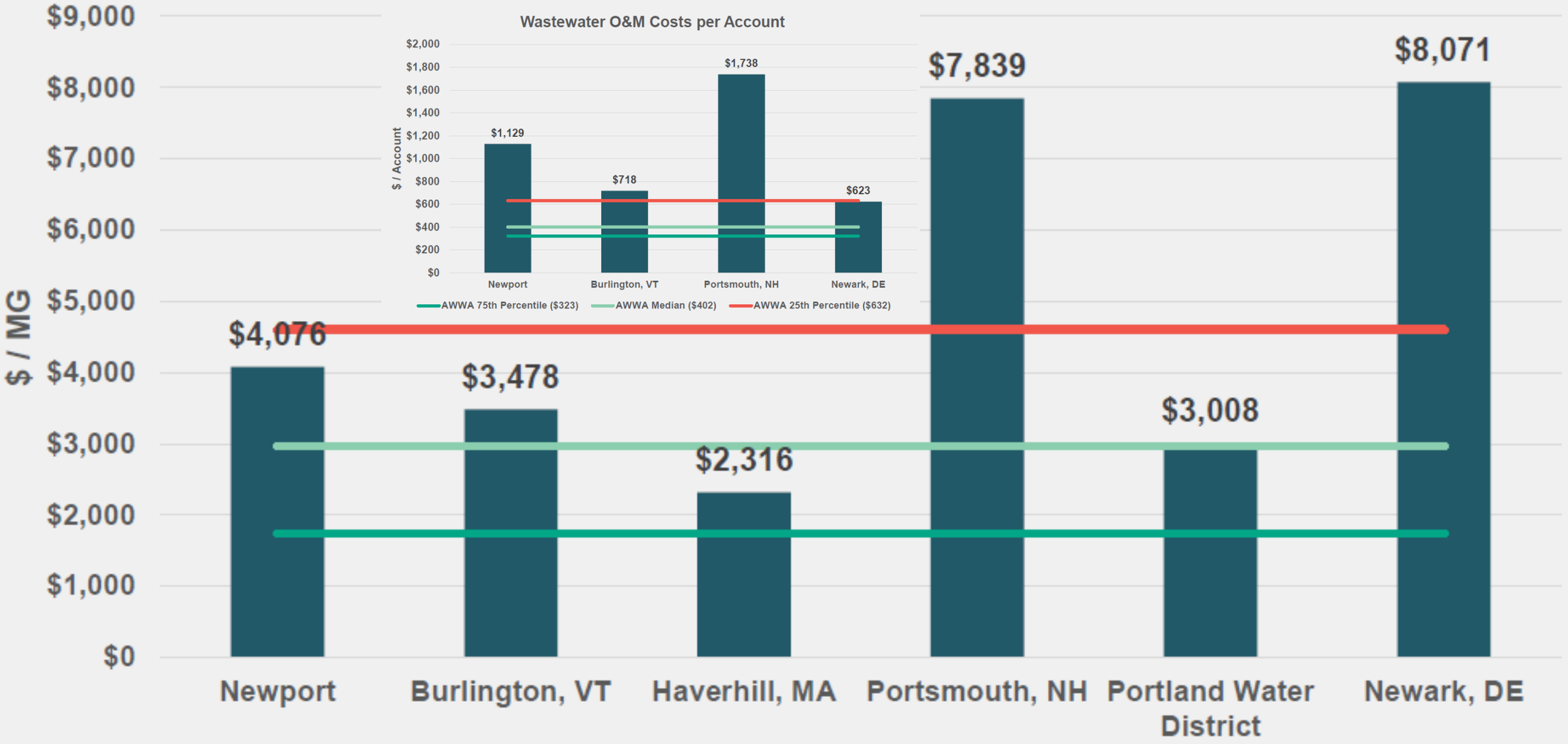
Water Accounts per FTE



Breaks per 100 mi. of Pipe



Wastewater O&M Costs per MG



Looking Ahead:

One Water Management Approach is a comprehensive method that views all water (drinking water, stormwater, wastewater, etc.) as part of a single, integrated system. This approach aims to manage water resources sustainably and holistically, considering environmental, economic, and social considerations.

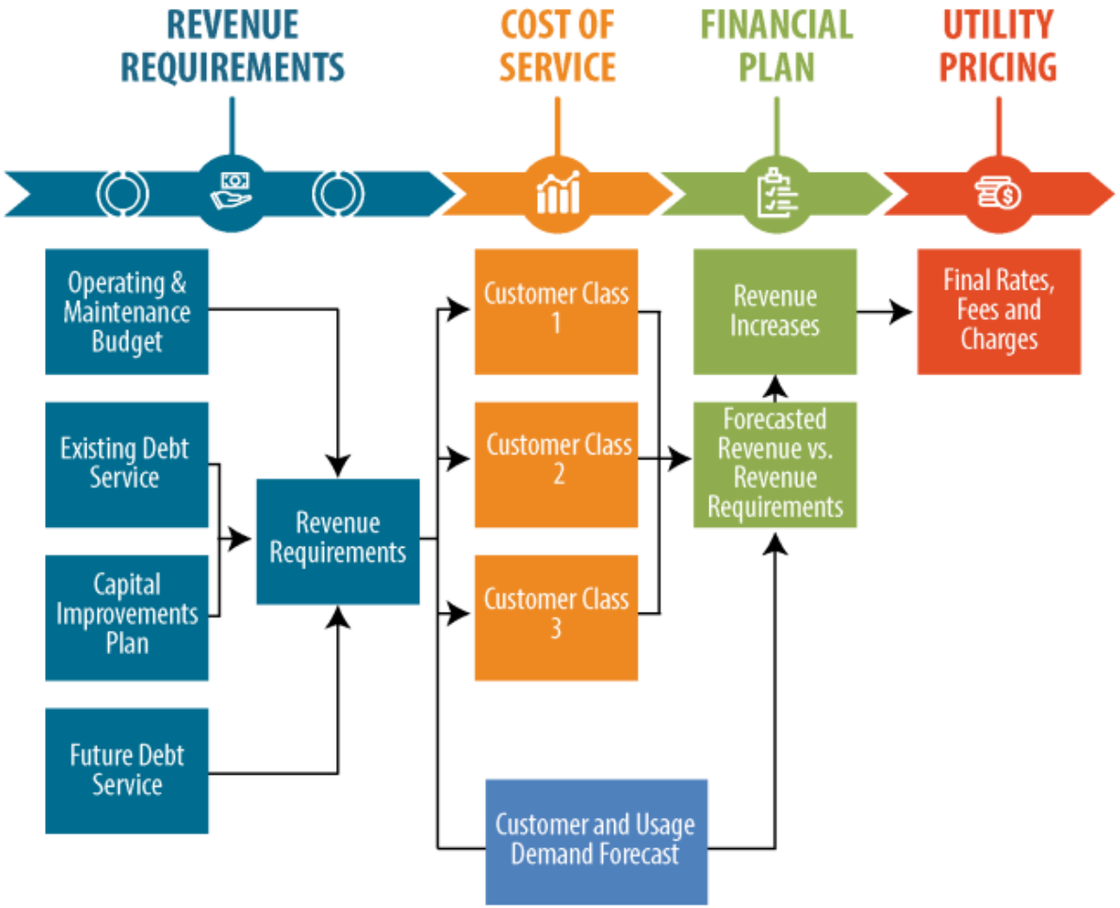
- Approach Emphasizes Maximizing Efficiency
- Minimize Negative Environmental Effects and Preserve or Enhance Ecosystems
- Engaging and Educating Communities
- Requires Supportive Policies and Governance Structures
    - State and Local

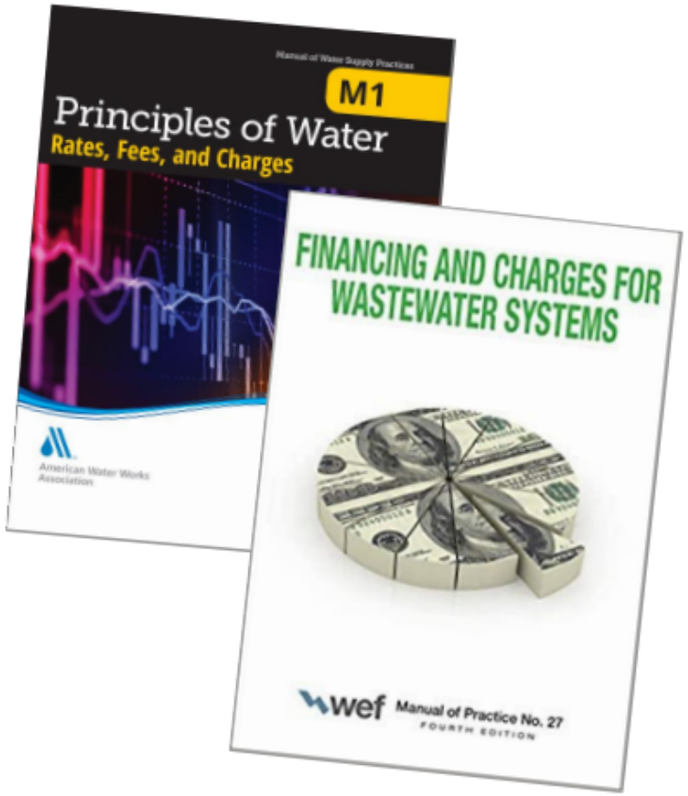
How Do We Get There?

- Paragraph 67 of the Modified Consent Decree (CD) states that the City must fully implement the System Master Plan by June 30, 2033
    - The CSO Program is a 20-year timeline divided into four phases, with three periodic program reassessments
    - We are Prioritizing and maximizing work before the upcoming Second CSO program reassessment
- **Expedite closure of the CD and transition from the CSO Program to the One Water management approach**
    - Newport operates CSO Treatment facilities to ensure that raw sewage is never discharged
    - Since 2008, Newport has had a robust Harbor Water Quality Monitoring program,
    - Sampling documents to ensure that CSOs are not impacting water quality but that stormwater is

Looking Ahead:

COST OF SERVICE / RATE STUDY PROCESS





Questions

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