

Special Meeting – July 22, 2019

**Request for Qualified Voter authorization to proceed with
Cleaning/Lining Phase 3**



**Installation of Tri-Valve at corner of
North Main & Pascoag Main in 2016**



Before



After

**Request for Qualified Voter
authorization to proceed with
Cleaning/Lining Phase 3**



**Section of water main after cleaning
and lining, before reconnection**

Exceptional Federal Grant Opportunity for Phase 3



- **USDA Rural Development financing opportunity**
 - We were notified in May that substantial grant money is available in Rhode Island
 - PUD had already secured state DOH grant funding for engineering design and had its engineer working at a moderate pace on a possible Phase 3 cleaning/lining
 - Based on notification from USDA regarding grant money, we expedited the application process
 - Completed and submitted the USDA application in June
 - Financing is subject to Board resolution and then customer (qualified voter) resolution
 - ✦ Board approved resolution in June, and also approved calling a special meeting for Customer resolution
- **Funding potential is exceptional**
 - Total Phase 3 project cost, approximately \$2.1 million
 - ✦ **Grant portion is \$900,073, 43% of total!**
 - ✦ Remainder to be financed for 40 year term at approximately 2.5%
- **Impact on customer rates for loan portion: \$0.0006 per gallon**
 - Example: 4,000 gallons per month would be an increase on customer bill of \$2.40
 - Example: 6,000 gallons per month would be an increase on customer bill of \$3.60
- **Please vote yes!**
 - This level of grant opportunity of 43% of total project is exceptional and rare.

Benefits of Phase 3 water main cleaning/lining



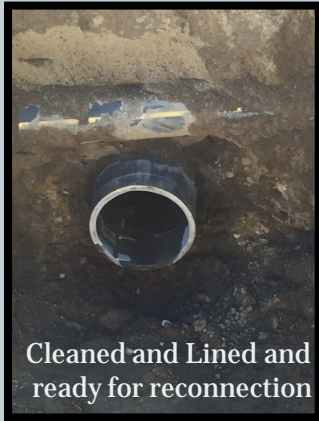
- **This Phase 3 project will mean almost 50% of our water main system will be in excellent shape**
 - The bulk of our main distribution system will be cleaned and lined, with new valves and hydrants in the following areas (including Phase 1 and 2 areas):
 - From the Harrisville Interconnect to High Street
 - Through the central part of our system (Pascoag Main, North Main, Grove, Laurel Hill, Church Street, Sayles, Irving, Pine)
 - Phase 3 will now include South Main Street all the way from High Street to Davis Drive (industrial park)
 - And will include the tie-ins to our two water storage tanks on Rock Avenue and South Main Street
 - Result: The bulk water distribution system will be in great shape for next 100 years

Water Main Cleaning/Lining Project – Why is it important?



- **Many of the water mains in are our system exceed 100 years of age**
 - Most of our water mains are cast iron, subject to internal rust due to contact with water
 - Cleaning brings internal diameter back to bare cast-iron
 - Cement lining is a coating process that will keep the internal cast iron from re-rusting
- **All valves and hydrants replaced when cleaning water mains.**
 - Essentially makes for a new distribution system in those areas cleaned/lined
 - New valves allows for much better operation when working on the system – can isolate small areas when there is a leak or other maintenance needed
 - The flow of water through the mains and into and out of the storage tanks will be clean and free from debris and rust
 - Lessens the chance of bacteria growing in water mains

Phases 1 and 2



Cleaned and Lined and ready for reconnection



Tri-valve on Main/North Main intersection



Old valve removed from High Street



Phase 3 Areas to be Cleaned/lined



Per CNBC report on July 10



- **These 5 crumbling states have the worst infrastructure in America**

- **5. Alaska** (20-year water-system needs: \$986.5 million)
- **4. Maine** (20-year water-system needs: \$1.35 billion)
- **3. Massachusetts** (20-year water-system needs: \$12.24 billion)
- **2. Hawaii** (20-year water-system needs: \$1.15 billion)
- **1. Rhode Island** (20-year water-system needs: \$833 million)

Let's take control of our small part of Rhode Island, and get our infrastructure right!

Your vote counts!



Please vote “Yes”!

It will allow us to improve our water quality for generations to come.