

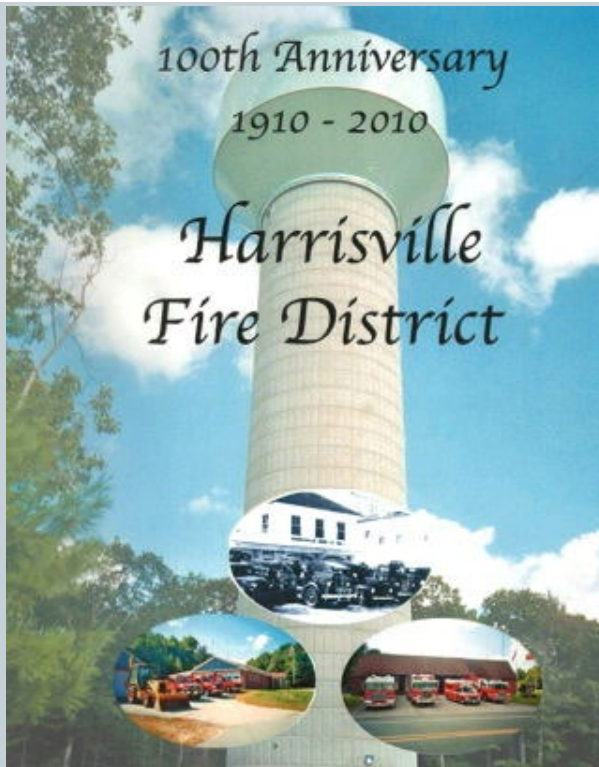


**Clear River**  
**Electric and Water District**



Proposed Merger - Pascoag Utility District & Harrisville Water Dept.  
to become:

# Clear River Electric and Water District



# History of Water departments and merger discussions



**Clear River**  
Electric and Water District

- Late 1800's: Both Harrisville and Pascoag water departments began operating as privately owned companies in late 1800's.
- 1934: The two Fire Districts purchased the water company assets to build out more substantial infrastructure. Supply was in Harrisville, storage was in Pascoag.
- 1944: The joint water departments co-existed like this for over 10 years.
- 1946: PUD installed its first well in 1946.
- 1948: The two water departments were separated by a 10" valve on Chapel Street.
- 1957: Harrisville and Pascoag electric departments merge. Levy Mills sells electric dept. to Pascoag
- 1994: The two departments considered re-combining. Report in 1994 prepared by consultant Walter Edge Jr. "...our conclusion is that the two water departments should be consolidated."
- 2001: Pascoag's well field was contaminated by Exxon-Mobil station gas leak (MTBE).
- 2002: Harrisville began supplying wholesale water to Pascoag. New 10" meter/valve pit on Chapel Street is put into service.
- 2015: Harrisville and Pascoag hire B&E Consulting to study merger/consolidation.
- 2016: The Harrisville and Pascoag boards meet in 2016 to discuss the benefits of a merger. The meeting was positive, but the town-wide Invenergy Power Plant fight put the discussions on hold.
- 2023: Harrisville and Pascoag create a merger subcommittee from members of each Board to once again consider a merger and creation of a new entity.
- 2024: The Boards are now seeking approval to merge, create a new charter, and become the Clear River Electric and Water District ("CREW"). The Rhode Island General Assembly approved the form of the new draft legislation/charter.
- 2024: If customers of both Harrisville and Pascoag approve the merger, the new company will be created by the General Assembly legislation and signed into law by the Governor.
- 2025: Clear River Electric and Water District to begin operations on January 1, 2025

# New utility district to be created



**Clear River**  
Electric and Water District



- Pascoag Utility District (Pascoag) and Harrisville Fire District Water Dept. (Harrisville) to merge their utility operations into a new, more efficient entity, called:  
**Clear River Electric and Water District (CREW)**
- Merger is subject to affirmative votes of the customers of each existing entity per its current charter and by-laws.
  - New entity would have:
    - ✦ About 4,900 electric customers
    - ✦ About 2,100 water customers

# Expanded Voting of the new utility district



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- Qualified voters shall be eligible to vote and participate in all meetings of the [Clear River Electric and Water District](#), per the new Charter.
- A “qualified voter” is (1) any person whose name appears on an active account with the **Clear River Electric and Water District** and (2) in addition, who either resides in the **CREW** service territory or owns property in the **CREW** service territory.
- No more than two qualified persons per household will be eligible to vote in any election, to avoid unfair weighting of customers.

# Staffing



**Clear River**  
Electric and Water District



- The combined entity would retain all employees of the existing water and electric divisions of both entities.
- Any future changes to staffing levels would be determined post-merger as the Board and management team gain experience.
- If any staff reductions are later deemed appropriate, they will only be done through attrition as employees retire or leave the company.

# New Board of Utility Commissioners



**Clear River**  
Electric and Water District



- The new Board would be constituted in the following manner:
  - The new entity will have a 7 member Board of Utility Commissioners.
  - Initially:
    - ✦ 3 members will be appointed from current board members from Pascoag Utility District, and
    - ✦ 3 members will be appointed from current board members from the Harrisville Fire District, and
    - ✦ 1 member will be voted on in a special election, and be elected by the majority of qualified voters of the new district.
  - The most senior member of each of the three Board members chosen from each existing entity will start with a 3-year initial term; the 2<sup>nd</sup> most senior member of each gets a 2-year term; and the remaining most senior member of each gets a 1-year term. The 7<sup>th</sup> member elected by the merged qualified voters will receive a 3-year term.
  - Thereafter, elections for the expiring terms will be determined by qualified voters of the new district as described above, with all new terms being 3-years in duration.

# Initial tasks upon merger



**Clear River**  
Electric and Water District



- Decisions on facilities, business systems, operations, etc. will be determined by the new Board and the management team as they gain experience:
  - always with an eye towards continued efficiency, and
  - always with an eye towards cost savings based on the economies of scale of the larger utility district.

# Benefits of new entity



**Clear River**  
Electric and Water District



- Stronger financials due to larger customer base
- Increased operating flexibility from larger workforce
- Diversity of assets for new entity:
  - 7 supply wells, with 2 in development (1 Pascoag, 1 Harrisville)
  - 4 water storage tanks
  - More vehicles and equipment to respond to emergencies
- Cost savings realized in year one from fewer regulatory filings, sampling and testing, reports, billing systems, audits, etc.
- A “one company” approach for the benefit of electric and water customers in our District
- Better coordination of water operations throughout the broader area
- Possible future expansion of CREW into other water distribution areas of Burrillville and Glocester (water only, not electric)

# Initial Rate Impacts of Merger



**Clear River**  
Electric and Water District



## Impact of Proposed Rates Combined HFD & PUD - Water Divisions

Usage / Year	Usage Per Month	Monthly Impact				
		Harrisville Current Impact	Harrisville stand alone Impact	Combined Impact	Pascoag Stand Alone Impact	Pascoag Current Impact
<b>Typical Monthly Bill for Ratepayers with the follow parameters</b>						
5/8 Inch Meter	14,992 gallons/yr. 1,249 gallons/mo.	\$ 11.12	\$ 16.18	\$ 15.65	\$ 20.11	\$ 23.94
5/8 Inch Meter	44,976 gallons/yr. 3,748 gallons/mo.	\$ 21.37	\$ 35.15	\$ 31.62	\$ 41.27	\$ 46.51
1 Inch Meter	299,300 gallons/yr. 24,942 gallons/mo.	\$ 136.13	\$ 235.89	\$ 232.17	\$ 299.39	\$ 300.41
4 Inch Meter	897,720 gallons/yr. 74,810 gallons/mo.	\$ 434.84	\$ 754.52	\$ 827.66	\$ 1,053.27	\$ 1,219.39
4 Inch Meter	8,977,200 gallons/yr. 748,100 gallons/mo.	\$ 4,467.85	\$ 7,756.74	\$ 8,202.30		
4 Inch Meter	14,363,520 gallons/yr. 1,196,960 gallons/mo.	\$ 7,156.52	\$ 12,418.18	\$ 13,118.73		